

**BY-LAWS OF GROSSE POINTE SHORES IMPROVEMENT
FOUNDATION**

ARTICLE I

Name, Seal and Offices

1. **Name.** The name of this corporation is Grosse Pointe Shores Improvement Foundation.
2. **Seal.** The seal of the corporation shall be circular in form and shall bear on the outer edge the words “Grosse Pointe Shores Improvement Foundation” and in the center, the words “Corporate Seal”. The board of trustees may change the form of the seal or the inscription thereon at their pleasure.
3. **Offices.** The office of the corporation shall be in the County of Wayne, Village of Grosse Pointe Shores, a Michigan City.

ARTICLE II

Members and Meetings of Members

1. **Membership.** Any adult resident of the Village of Grosse Pointe Shores who shall pay an unrestricted fee, to be established by the board of trustees, to the corporation shall have his/her household designated as a member of the corporation in accordance with the Membership Guidelines.
2. **Rights of members.** The right of a member to vote and all his right, title and interest in or to the corporation shall cease on the termination of his membership. No member shall be entitled to share in the distribution of the corporation assets upon the dissolution of the corporation.
3. **Resignation of members.** Any member may resign from the corporation by delivering *or emailing* a written resignation to the president or secretary of the corporation.
4. **Annual Meetings.** The Annual Meeting of the members of the corporation shall be held at the offices of the Village of Grosse Pointe Shores, 795 Lake Shore Road, on the third Monday in March of each year, or at such other place or time as the Board of Trustees shall from time to time determine.

5. **Special meetings.** Special meetings of the members, other than those regulated by statute, may be called at any time by the president or vice-president or by two trustees and must be called by the president or secretary on receipt of the written request of at least fifteen members of the corporation.
6. **Notice of meetings.** Notice of the time, place and purpose or purposes of each annual meeting and the special meeting shall be served, either personally or by mail, not less than ten days before an annual meeting and not less than five days before a special meeting, nor more than forty days before the meeting upon each person who appears upon the books of the corporation as a member and, if mailed, such notice shall be directed to the member at his address as it appears on the residence mailing list of the city.
7. **Quorum.** At any meeting of members of the corporation the presence of eleven of the members shall be necessary to constitute a quorum for all purposes except as otherwise provided by law, and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of the full membership except as may be otherwise specifically provided by statute or by these by-laws. In the absence of a quorum, or when a quorum is present, a meeting may be adjourned from time to time by vote of a majority of the members present, without notice other than by announcement at the meeting and without further notice to any absent member. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.
8. **Voting.** At every meeting of members each member *household* shall be entitled to one vote. All elections shall be determined and all questions decided by a majority vote of the members present and voting.
9. **Waiver of notice.** Whenever under the provisions of any law or under the provisions of the certificate of incorporation or by-laws of this corporation, the corporation or the board of trustees or any committee thereof is authorized to take any action after notice to the members of the corporation or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of any period of time, if at any time before or after such action be completed, such requirements be waived in writing by the majority of persons entitled to such notice or entitled to participate in the action to be taken or by their attorneys thereunder authorized.

10. **Inspectors of election.** The members may at each annual meeting elect or appoint two persons, who need not be members, to serve until and including the next annual meeting as inspectors of election, and if any inspector shall refuse to serve or shall not be present, the members present may appoint an inspector in his place.
11. **Removal of members, trustees, or officers.** Any member, trustee, or officer may be removed from membership or from office by the affirmative vote of two-thirds of the members present at any regular or special meeting called for the purpose, for conduct detrimental to the interests of the corporation, or for the refusal to render reasonable assistance in carrying out its purposes. Any such member, officer, or trustee proposed to be removed shall be entitled to at least five days notice in writing by mail *or email* of the meeting at which such removal is to be voted upon and shall be entitled to appear before and be heard at such meeting.

ARTICLE III

Trustees

1. **Election.** The business and property of the corporation shall be managed and controlled by a board of trustees, approximately one-third of whom shall be elected annually by the members to hold office for a term of one to three years or until the election and qualification of their respective successors, except as hereinafter otherwise provided for filling vacancies. The trustees shall be members, or life members, of the corporation and shall be chosen by ballot at such meeting by a majority of the votes cast by members present. The trustees shall, provide that the terms of office shall be staggered so that approximately one-third of the trustees shall be elected each year.
2. **Number.** The number of trustees of the corporation shall be no less than four, nor more than 42, as fixed by the certificate of incorporation of the corporation, but may be increased by amendment to these by-laws in the manner provided in Article XI, *Amendments*, hereinafter set forth.
3. **Resignation.** Any trustee may resign at any time by giving written or emailed notice of such resignation to the secretary, president or nominating committee member of the board of trustees.

4. **Vacancies.** Any vacancy in the board of trustees occurring during the year may be filled by the trustees then serving. Any trustee so elected by the board of trustees must be a member of the corporation and shall hold office until the next succeeding annual meeting of the members of the corporation or until the election and qualification of his successor.
5. **Nominations.** At any meeting of the trustees of the corporation, the trustees may elect a nominating committee to consist of such trustees as determined advisable, to consider and make nominations of persons to be elected by the members to fill vacancies among the trustees created by expiration of term or by change in the number of trustees.
6. **Annual meeting.** Immediately after each annual election the trustees *shall* meet forthwith at the principal office of the corporation, or at the place of the annual meeting, for the purpose of organization, the election of officers and the transaction of other business. If a quorum of the trustees is not then present, or if a quorum so votes, no prior notice of such meeting shall be required to be given and the meeting may be adjourned and scheduled for a different place and time.
7. **Special meetings.** Special meetings of the board of trustees may be called by the president or vice-president and must be called by either of them on the written or email request of any three trustees.
8. **Notice of meetings.** Notice of all trustees' meetings, except as herein otherwise provided, shall be given by mail or email or delivery at least three days before the meeting to the residence address of the trustee. Regular meetings of the board of trustees may be held without notice at such time and place as shall be determined by the board. Any business may be transacted at any trustees' regular meeting. At any meeting at which every trustee shall be present, even though without any notice or waiver thereof, any business may be transacted.
9. **Chairman.** At all meetings of the board of trustees the president or vice-president, or in their absence a chairman chosen by the trustees present, shall preside.
10. **Quorum.** At all meetings of the board of trustees, nine (9) *trustees* shall be necessary and sufficient to constitute a quorum for the transaction of business, except for the purpose of approval of expenditures of more than \$10,000.00. For expenditures exceeding \$10,000.00 the vote of a majority of trustees in attendance, with no less than

10 trustees voting in favor, shall be required. The action of the majority of the trustees present at any meeting at which there is a quorum shall be the act of the board of trustees, except as may be otherwise specifically provided by statute or by these by-laws. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time-to-time without further notice to any absent trustee.

11. **Contracts and services.** The trustees and officers of the corporation may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the corporation, and may freely make contracts, enter transactions, or otherwise act for and on behalf of the corporation, notwithstanding that they may also be acting as individuals, or as trustees of trust, or as agents for other persons or corporations, or may be interested in the same matters as stockholders, directors or otherwise: provided, however, that any contract, transaction, or act on behalf of the corporation in a matter in which the trustees or officers are personally interested as stockholders, directors, or otherwise shall be at arm's length and not contrary to of the proscriptions in the articles of incorporation against the corporation's use or application of its funds for private benefit. In no event, however, shall any person or other entity dealing with the trustees or officers be obligated to inquire into the authority of the trustees and officers to enter into and consummate any contract, transaction, or other action on behalf of the corporation.

Any funds collected for the Foundation shall be placed in the Foundation bank account, Endowment account or other repository for safekeeping. The board of trustees shall designate a minimum of two and up to four persons as signers for withdrawals from Endowment Accounts and other asset accounts, all of whom shall be members of the Board of Trustees, and one of whom shall be the Treasurer of the Foundation.

12. **Compensation.** Trustees shall not receive any compensation for their services as such.
13. **Powers.** All the corporate powers shall be and are hereby vested in and shall be exercised by the board of trustees, except as is otherwise provided in these by-laws or in the laws of the State of Michigan. The board of trustees may by general resolution delegate to committees of their own number, or to officers of the corporation, who are members of the board of trustees, such powers as they may see fit. The board of trustees may by general resolution authorize the formation of an executive committee

to be make up of such numbers as the board of trustees may in its discretion determine who shall carry on the regular business of the board of trustees, which may occur between the time that regular or special meetings of the board of trustees are called. Actions of the executive committee shall be carried out in a manner consistent with these bylaws and shall be subject to ratification by the board of trustees at the next general or specially called meeting of the board.

14. **Duties.** The board of trustees shall present at the annual meeting of members and file with the minutes thereof a report, verified by the president and treasurer, or by a majority of the trustees, showing (a) the whole amount of real and personal property owned by the corporation, where located, and where and how invested; (b) the amount and nature of the property acquired during the year immediately preceding the date of the report and the manner of the acquisition; (c) the amount applied, appropriated or expended during the year immediately preceding such date and the purposes, objects, or persons to or for which such applications, appropriation, or expenditures have been made, and (d) the names and places of residence of the persons who are members.

15. Powers of the Board of Trustees with respect to Custody and Distribution of Assets

- a. Except as set forth in Article X, Prohibition against Sharing in Corporate Earnings & dissolution, the board of trustees shall have the power
 - i. To modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in their sole judgment (without the approval of any trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the Grosse Pointe Shores Improvement Foundation;
 - ii. To replace any participating trustee, custodian, or agent for breach of fiduciary duty under the laws of the State of Michigan; and
 - iii. To replace any participating trustee, custodian, or agent for failure to produce a reasonable (as determined by the board of trustees) return of net income (or appreciation when not inconsistent with the Foundation's need for current income) with due regard to safety of principal, over a reasonable period of time (as determined by the board of trustees).
- b. In determining whether there is a reasonable return of net income with respect to the exercise of the power described in subparagraph c) of Paragraph (1) of this Article,

- i. There shall be excluded from such determination such assets as are held for the active conduct of this community trust's exempt activities; and
 - ii. Such determination shall be made separately with respect to each restricted fund and shall be made in the aggregate with respect to the unrestricted funds of the Grosse Pointe Shores Improvement Foundation.
- e. A "restricted fund" means a fund, any income of which has been designated by the donor of the gift or bequest to which such income is attributable as being available only for the use or benefit of a named purpose.

16. **Trustee Emeritus.** In addition to the active trustees there may be trustees emeritus elected by unanimous vote of the trustees present at any regular or special meeting. Eligibility for nomination of trustee emeritus is reserved for board members who were charter members or have served not less than nine years and have given identifiable service to the foundation and are unable to continue to serve as active trustees. Each emeritus trustee shall be welcome to attend any meeting of the trustees, but shall have no vote and shall have none of the other powers, duties, or responsibilities of a trustee. All references to trustees in any other provision of these by-laws or in the Articles of Incorporation of the corporation shall be deemed to refer only to the active trustees and not to the trustees emeritus.

17. **Trustee Membership.** All Trustees of the Corporation must maintain a current membership in the Corporation by contributing to the Corporation's annual fund drive by March 1, of the current year. Any Trustee who has failed to contribute in accordance with the above shall be notified in writing. If a contribution is not received within 30 days of the mailing of such notice, the trustee will be automatically removed from the Board with no further notice or vote of Board members.

ARTICLE IV

Officers

- 1) **Number.** The officers of the corporation shall be the president, vice-president, secretary, treasurer, and such other officers with such powers and duties not inconsistent with these by-laws as may be appointed and determined by the board of trustees. Any two offices, except those of president and vice-president, may be held by the same person.

- 2) **Election term of office, and qualifications.** The president, vice-president, secretary and treasurer shall be elected annually by the board of trustees from among their number, and the other officers shall be elected annually by the board of trustees from among such persons as the board or trustees may see fit, at the first meeting of the board of trustees after the annual meeting of the members of the corporation. The term of the president and treasurer is not to exceed 2 consecutive years, but may also include a portion of another term to which they were appointed.
- 3) **Vacancies.** In case any office of the corporation becomes vacant by death, resignations, retirement, disqualification, or any other cause, the majority of the trustees then in office; may elect an officer to fill such vacancy, and the officer so elected shall hold office and serve until the first meeting of the board of trustees after the annual meeting of members next succeeding and until the election and qualification of his successor.
- 4) **President.** The president shall preside at all meetings of members and of the board of trustees. The president shall have and exercise general charge and supervision of the affairs of the corporation and shall do and perform such other duties as may be assigned to him/her by the board of trustees. The President shall prepare and distribute a schedule of trustee meetings for the following year. Meetings held in accordance with that schedule shall be deemed 'regular' meetings.
- 5) **Vice-President.** At the request of the president, or in the event of the president's absence or disability, the vice-president shall perform the duties and possess and exercise the powers of the president; and to the extent authorized by law the vice-president shall have such other powers as the board of trustees may determine, and shall perform such other duties as may be assigned to him/her by the board of trustees.
- 6) **Secretary.** The secretary shall have charge of such books, documents and papers as the board of trustees may determine and shall have the custody of the corporate seal. The secretary shall attend and keep the minutes of all the meetings of the board of trustees and members of the corporation. He/she shall keep a record, containing the names, alphabetically arranged, of all households that are members of the corporation, showing their address as it appears on the residence mailing address of the city, and such book shall be open for inspection as prescribed by law. The secretary may sign with the president or vice-president, in the name and on behalf of the corporation, any

contracts or agreements authorized by the board of trustees, and when so authorized or ordered by the board of trustees, he/she may affix the seal of the corporation. The secretary shall, in general, perform all the duties incident to the office of secretary, subject to the control of the board of trustees, and shall do and perform such other duties as may be assigned to him/her by the board of trustees.

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- 7) **Treasurer.** The treasurer shall have the custody of all funds, property, and securities of the corporation, subject to such regulations as may be imposed by the board of trustees. The treasurer may be required to give bond for the faithful performance of his/her duties, in such sum and with such sureties as the board of trustees may require at the expense of the Foundation. When necessary or proper, he/she may endorse on behalf of the corporation for collection checks, notes and other obligations, and shall deposit the same to the credit of the corporation at such bank or banks or depository as the board of trustees may designate. He/she shall sign all receipts and vouchers and, together with such other trustee(s) or officer(s), if any, as shall be designated by the board of trustees, he/she shall sign all checks of the corporation and all bills of exchange and promissory notes issued by the corporation, except as provided otherwise in Article III, section 11 (Contracts and Services), in cases where the signing and execution thereof shall be expressly designated by the board of trustees or by these by-laws to some other officer or agent of the corporation. The treasurer shall enter regularly on the books of the corporation to be kept by him/her for the purpose, full and accurate account of all moneys and obligations received and paid or incurred by him/her for or on account of the corporation, and shall exhibit such books at all reasonable times to any trustee or member on application at the offices of the corporation. The treasurer shall, in general, perform all the duties incident to the office of treasurer, subject to the control of the board of trustees.
- 8) **Salaries.** Officers shall not receive any compensation for their services as such.
- 9) **Removal.** An officer may be removed from office by the affirmative vote of two-thirds of all the trustees in attendance at any regular or special meeting called for that purpose, with no less than 10 trustees voting in favor, for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the interests of the corporation, or for refusal to tender reasonable assistance in carrying out its purposes. Any officer proposed to be removed shall be entitled to at least five days notice in writing by mail of the meeting

of the board of trustees at which such removal is to be voted upon and shall be entitled to appeal before and be heard by the board of trustees at such meeting.

ARTICLE V

Agents and Representatives

The board of trustees may appoint such agents and representatives of the corporation with such powers and to perform such acts or duties on behalf of the corporation as the board of trustees may see fit, so far as may be consistent with these by-laws, to the extent authorized or permitted by law.

ARTICLE VI

Contracts

The board of trustees, except as in these by-laws otherwise provided, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on the behalf of the corporation, and such authority may be general or confined to a specific instance; and unless so authorized by the board of trustees, no officer, agent or employees shall have any power or authority to bind the corporation by any contract or engagement, or to pledge its credit or render it liable pecuniarily for any purpose or to any amount.

ARTICLE VII

Advisory Committee

The board of trustees may appoint from their number, or from among such persons as the board may see fit, one or more advisory committees, and at any time may appoint additional members thereto. The members of any such committee shall serve during the pleasure of the board of trustees. Such advisory committees shall advise with and aid the officers of the corporation in all matters designated by the board of trustees. Each such committee may, subject to the approval of the board of trustees, prescribe rules and regulations for the call and conduct of meetings of the committee and other matters relating to its procedure.

ARTICLE VIII

Voting upon Stock of other Corporations

Unless otherwise ordered by the board of trustees, the treasurer shall have full power and authority on behalf of the corporation to vote either in person or by proxy at any meeting of stockholders of any corporation in which this corporation may hold stock, and at any such meeting may possess and exercise all of the rights and powers incident to the ownership of such stock which, as the owner thereof, this corporation might have possessed and exercised if present. The board of trustees may confer like powers upon any other person and may revoke any such powers as granted at its pleasure.

ARTICLE IX

Fiscal Year

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

ARTICLE X

Prohibition against Sharing in Corporate Earnings & Dissolution

No member, trustee, officer, or employee of or member of a committee of or person connected with the corporation, nor any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided that this prohibition shall not prevent the payment to any member, trustee or employee of such reasonable compensation for services rendered to or for the corporation in effecting any of its purposes as shall be fixed by the board of trustees; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the corporation. All members of the corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the corporation, whether voluntary or involuntary, the assets of the corporation then remaining in the hands of the board of trustees shall be distributed, transferred, conveyed, delivered, and paid over to the Village of Grosse Pointe Shores, a Michigan city, to be used for such similar or kindred purposes as are set forth in the certificate of incorporation of the corporation, and any and all amendments

thereto, or as provided with respect to any bequest, devise, gift or grant to the corporation the proceeds of which are among the assets of the corporation then received by the Village.

ARTICLE XI

Amendments

1. **By Trustees.** The board of trustees shall have power to alter, amend, and repeal any by-laws of the corporation, except Article III Trustees, hereof, and to adopt additional by-laws by affirmative vote of a majority of the board, provided, however, that the action is proposed at a regular or special meeting of the board and adopted at a subsequent regular meeting, except as otherwise provided by law. All changes or additions to the by-laws made by the board of trustees may be altered, amended, or repealed by the members.
2. **By Members.** The by-laws may be altered, amended or repealed at any meeting of members of the corporation by a majority vote of the members present, provided that the proposed action is inserted in the notice of such meeting.

ARTICLE XII

Indemnification of Trustees and Officers

Except as otherwise provided by law, a volunteer trustee of the Corporation is not personally liable to the Corporation or its Member(s) for monetary damages for a breach of the trustee's fiduciary duty.

The Corporation assumes all liability to any person other than the Corporation or its member(s) for all acts or omissions of a volunteer trustee incurred in the good faith performance of his or her duties as a trustee.

The corporation assumes the liability for all acts or omissions of a non-trustee volunteer, provided that:

1. The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
2. The volunteer was acting in good faith;
3. The volunteer's conduct did not amount to gross negligence or willful or wanton misconduct;

4. The volunteer's conduct was not an intentional tort; and
5. The volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle as described in Section 209(e)(v) of the Michigan Non-Profit Corporation Act.
6. The corporation shall purchase liability insurance as an expense of the corporation to insure the indemnification of every trustee or officer as stated above.

ARTICLE XIII

Endowment Fund

1. **Purpose.** The Board of Trustees shall maintain an endowment fund to be known as the William and Nena Dahling Endowment Fund whose purpose will be to provide income to be used principally to further enhance past completed projects or to support new projects undertaken by the Foundation. Assets of the endowment may be used only upon the affirmative vote of two-thirds of a majority of the trustees of the Foundation. All lifetime memberships are designated for the Endowment Fund, and the current fund balance minimum will be raised with any increase in lifetime membership. The minimum lifetime membership contribution is \$5000. Resident lifetime households have the same rights as member households.
2. **Investment Guidelines.** The Board of Trustees will adopt by resolution suitable investment guidelines concerning investment of the Endowment Fund in cash and cash equivalents; corporate bonds and notes; U.S. government and government agency securities; and common stock, preferred stock and convertible bonds/preferred stock. The investment guidelines will contain:
 - a. Investment Objectives including the given objective to provide income to the Foundation which will be principally used to further enhance past completed projects or for new projects.
 - b. An allocation range and target for investments
 - c. Investment performance objectives. When non-interest and non-dividend bearing cash accounts are held from time to time, these accounts will not be included in the calculated rate of return.

- d. Withdrawal policy. The guideline will define the minimum value of the Endowment fund, the yearly amount that can be withdrawn and how eligible amounts may be rolled over for withdrawal in subsequent years.
 - e. Investment policy for unrestricted bequests.
3. **Accounting.** The Board of Trustees will maintain a segregated account for accounting control of the funds in the Endowment Fund.
 4. **Investment Decisions.** The Board of Trustees shall have final authority and discretion as to the investment and reinvestment of the assets of the Endowment Fund, including the authority to delegate investment decisions to a committee of the Board or to professional investment managers.
 5. **Expenses.** Administrative expenses pertaining to the Endowment Fund may be charged to the Fund or paid from the general assets of the Foundation, in the discretion of the Board of Trustees.
 6. **Annual Review.** The investment guidelines referenced above will be reviewed annually by the committee to which that authority is delegated.

It is hereby attested that these By-Laws have been approved by a vote of the Board of Trustees of the Grosse Pointe Shores Improvement Foundation at a regular session of the Board on the 26th day of March, 2012