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Before the  
Southern Michigan Railroad Society

In re the matter of  
Proposed Amendment of the Bylaws of the  
Southern Michigan Railroad Society, Inc.


NOW COMES, Mark W. Dobronski, a member of record of the Southern Michigan Railroad Society, Inc. ("Society"), and pursuant to Article Twelve of the Bylaws of the Society does hereby propose that the Bylaws of the Society heretofore adopted on December 28, 1982, and amended most recently on November 18, 2006, be vacated, abrogated, and repealed, and that the bylaws attached hereto be adopted as the Bylaws of the Society.


Dated: August 18, 2009


Mark W. Dobronski

SECONDED BY:

  
Michelle Kapnick

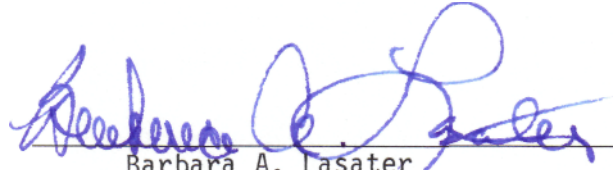
  
Brian W. Thorn


  
Bruce W. Haddow

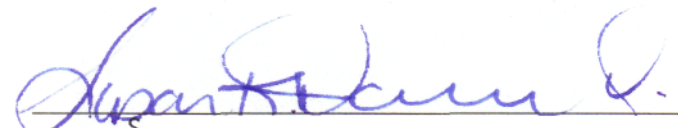
  
Paula Haddow

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Barbara A. Lasater

  
Sandra J. Clarke

  
Susan K. Dobronski

**BYLAWS  
OF THE  
SOUTHERN MICHIGAN RAILROAD SOCIETY, INC.**

**ARTICLE I  
:LEI  
Members**

1.1 GENERAL CONDITIONS: Membership in the Southern Michigan Railroad Society, Inc. ("Society") shall be open to all natural persons in accordance with the member classifications indicated in Section 1.2, *infra*. All members shall be accorded the rights and privileges contained in these Bylaws, including, but not limited to, participation in Society events, receipt of notice of events, receipt of notice of actions of the Board of Directors, and other privileges which may be specified by the Board of Directors.

1.2 CLASSES OF MEMBERSHIP: The following classes of membership shall be established: Regular, Associate, Lifetime, and Supporting.

1.2.1 REGULAR MEMBERS: Regular membership shall be open to all natural persons who have reached the age of 18 years. Regular members shall be eligible to vote in all elections, run for office, and participate in all functions and business of the Society as outlined in these bylaws. |

1.2.2 ASSOCIATE MEMBERS: Associate membership shall be open to all natural persons 16 years or older. Associate members shall not be eligible to vote in the elections of the society, nor run for office. /

1.2.3 LIFETIME MEMBERS: The Board of Directors, by unanimous vote, may grant a lifetime membership to any member as a result of their continued participation and contributions to the overall purposes of the society. Lifetime members shall have been a regular member for at least a minimum of seven (7) years before the Board may consider a request for Lifetime Membership. Lifetime Members are not required to pay membership dues. Lifetime Members are eligible to vote in all elections and participate in all functions and business of the Society as outlined in these bylaws.

1.2.4 SUPPORTING MEMBERS: Supporting members shall be those individuals, corporations, clubs, organizations, or other entities which support the Society with financial support. Supporting members shall not be eligible to vote in elections of the Society or run for office.

1.3 MEMBERSHIP DUES: The Board of Directors shall have authority to set the amounts of membership dues for the various classes of membership as outlined in Section 1.2, *supra*, and shall do so at their first regular scheduled board meeting held subsequent to the annual board of directors meeting in November of each year. The Board of Directors shall establish such dues in a way that membership may be available to a broad section of the public at large.

1.4 ACCOUNTING OF MEMBERSHIP: Membership in the society shall begin on the first day of the month following receipt by the Society of the payment of the membership dues. Membership dues shall be payable on the first day of January for those members who join the Society during October through March, and shall be payable on the first day of June for those members who join the Society during April through September. Membership shall be canceled for failure to pay dues within one month of the due date. During this one month grace period, members whose dues are not current shall not be eligible to vote during any election of the Society.

1.5 LIMITATIONS ON THE ACTIVITIES OF MEMBERS: Members and other attendees of Society events and activities are prohibited from using affiliation with the Society for advertising, sales activities and promotion of personal or corporate business activities.

1.6 TERMINATION OF MEMBERSHIP: Membership shall be automatically terminated for failure to pay annual membership dues in accordance to the provisions of these bylaws.

Membership may also be terminated by the Board of Directors at a regularly scheduled Board meeting or special Board meeting called for that purpose, after a hearing is held where the reasons for termination shall be stated by the secretary and recorded in the society's records. Reasons for termination of membership by the Board shall include, but are not limited to, malicious destruction of Society property or any property stored upon the grounds of the Society; malfeasance, embezzlement, or failure to follow established rules and procedures resulting in the injury to Society members or the public. The termination period for a membership shall be for a minimum of one year, and may be considered for a longer period of time at the discretion of the Board of Directors.

The Secretary shall notify the member charged for termination that a hearing has been called by the Board of Directors to show cause for why the membership privileges may be terminated. Notice of the hearing shall be mailed not less than 30 days prior to the hearing to the member involved and must be posted in both the Meeting Room and Crew Room at the same time for a period of 30 days prior to the hearing.

The member who is charged for termination shall have a right to a closed hearing if so requested by the member. The member shall have the right to postpone the scheduled hearing for an additional 30 days to prepare for the hearing. The Board of Directors may request input on such termination from the membership present at the scheduled hearing.

A two-thirds (2/3) vote of a quorum of the directors present at the hearing shall terminate the membership.

1.7 DUTIES OF MEMBERSHIP: All members shall adhere to the Bylaws of the Society and established safety rules and operating procedures as adopted by the Board of Directors or by the membership. While on Society property or engaged in Society activities, members are to conduct themselves in a professional, honorable and safe manner and to promote and support the purposes of the Society.

## **ARTICLE II**

### **Meetings**

2.1 ANNUAL MEMBERS MEETING: An annual members meeting will be held on the second Saturday in each November at a time to be set by the Board of Directors, or such other date and time in November that the Board of Directors shall by resolution determine, for the purpose of electing directors and for transacting such other business as may properly be brought before the meeting.

2.2 SPECIAL MEMBERS MEETING: Special members meetings may be called at any time by the Secretary upon written request of a majority of the Board of Directors, the President, or not less than 10 percent of the members entitled to vote at a meeting.

2.3 ADJOURNMENT: The members may adjourn any meeting to another time and place by a majority vote of a quorum of members present at a meeting. Notice of the adjourned meeting must be given even though the time and place of the meeting are announced at the meeting at which the adjournment is taken.

2.4 NOTICE OF MEETING: Written notice of the time, place and purpose of all meetings of members must be given to all members at least 30 days, but not more than 60 days, prior to the date of the meeting.

2.5 PROXIES: A member may authorize other persons to act for him or her by proxy. A proxy must be signed by the member's authorized agent or representative and is not valid after the expiration of three years from its date unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the member, except as otherwise provided by law. |

2.6 QUORUM: Presence in person, by proxy, or by submitted ballot of a simple majority of the regular and lifetime members entitled to vote at the meeting shall constitute a quorum for any vote to be taken.

2.7 VOTING: Each regular or lifetime member is entitled to one vote on each matter submitted to the membership for a vote, unless otherwise provided in the Articles of Incorporation. Votes can either be by ballot cast at the time and place set for voting, or by mailed ballot.

2.8 MAILED BALLOT: Mailed ballots may be created by the Board and mailed to all members not less than 30 days nor more than 60 days before the time and place set for the meeting where the vote will occur at. Each ballot shall be numbered, and have a place where the member may sign and certify the ballot prior to voting. Mailed ballots shall be required to be mailed in advance of any vote for election of directors, amendment of the bylaws or the articles of incorporation, proposed dissolution, or any other question which the Board of Directors determines should be submitted to the membership for a vote.

The vote may be cast by either the member delivering a signed ballot to the ballot box at the meeting, or by mailing a signed ballot in a sealed envelop to the address named on the ballot. If

the ballot is mailed or voted by a proxy voter, the documentation of the proxy vote must be attached to the ballot or provided to the Secretary at the time of or prior to the meeting.

2.9 COUNTING THE BALLOTS: At the time and place set for the vote, all ballots will be counted in a live count in front of the membership present. All numbered ballots will be reviewed to ensure that no duplicates exist. Any unsigned ballot or any proxy ballot without attached documentation shall not be counted. Upon completion of the count, the Secretary of the Board of Directors shall certify the election and announce the results.

2.10 PARLIAMENTARY AUTHORITY: The procedures contained in Robert's Rules of Order's current edition shall be employed in conducting membership meetings and meetings of the Board of Directors in all cases to which they are applicable, and in which they are not inconsistent with the laws of the State of Michigan or these bylaws or with any particular procedures which the Board of Directors may adopt.

### **ARTICLE III** **Board of Directors**

3.1 FUNCTIONS: Except as specifically provided in Society's Articles of Incorporation or these bylaws, all rights, powers, duties and responsibilities related to the management and control of the Society's property, activities and affairs are vested in the Board of Directors, in addition to the power and authority expressly conferred on it by these bylaws and the Articles of Incorporation, the Board of Directors may take any lawful action on behalf of the Society which is not prohibited by law, or by law or by the Articles of Incorporation or by these bylaws required to be taken by some other party including but not limited to amending the Articles of Incorporation.

3.2 NUMBER AND TERM: The Board of Directors shall consist of seven (7) directors elected by the members at annual meetings of the membership, each to serve a term of 2 years. The terms of the directors shall be staggered; four (4) directors shall be elected at the annual member meeting during odd-numbered years, and three (3) directors shall be elected at the annual member meeting during even-numbered years.

3.3 QUALIFICATIONS: Directors must be regular members of the Society at the time of and during their term of office. A person who shall have been served as a director for a cumulative period of eight (8) years or more shall be ineligible for reappointment or reelection as a director.

3.4 REMOVAL: At any meeting, a majority of the members of record entitled to vote at a meeting may remove any director with or without cause.

3.5 VACANCIES: Any vacancies occurring in the Board of Directors for any reason may, be filled by the remaining director or directors who shall appoint the new director(s). Any person appointed to fill a vacancy will serve as a Director for the unexpired portion of the term of the vacant seat.

3.6 ANNUAL MEETING OF THE BOARD OF DIRECTORS: Annual meetings of the Board of Directors will be held immediately following the annual meeting of members, for the election of officers and for the transaction of any other business which may come before the meeting.

3.7 REGULAR MEETINGS OF THE BOARD OF DIRECTORS: In addition to the annual meeting, there will be held regular meetings of the board of directors in accordance with a schedule at times and places as the Board of Directors determines. Written notice of the date, time, and location for the Director's meeting must be given to all directors, shall be published in the Society's newsletter, and shall be posted on the Society's bulletin board.

3.8 SPECIAL MEETINGS OF THE BOARD OF DIRECTORS: Special meetings of the Board of Directors may be called by the Secretary on the request of the President or not less than three (3) of the directors. Written notice of the date, time, and location for the Directors meeting must be given to all directors, and shall be posted on the Society's bulletin board.

3.9 LOCATION OF MEETINGS: Meetings of the Board of Directors shall be held at the Society's office in the Village of Clinton, Lenawee County, Michigan, and may be held at any other place within the State of Michigan as may be approved by a majority of the directors.

3.10 QUORUM: Two-thirds (2/3) of the directors then in office constitutes a quorum for the purposes of conducting business at any meeting of the Board of Directors.

3.11 ADJOURNMENT: A majority of the directors present, whether or not a quorum, may adjourn any meeting to another time and place. Notice of the adjourned meeting must be given to all directors even though the time and place of the meeting are announced at the meeting at which the adjournment is taken.

3.12 UNANIMOUS CONSENT: Any action required or permitted to be taken pursuant to an authorized vote at any meeting of the Board of Directors or a committee of the Board of Directors, may be taken without a meeting if, before or after the action, all members of the Board of Directors or the committee consent in writing. Written consent shall be filed with the minutes of the proceedings of the Board of Directors or committee. The consent has the same effect as the vote of the Board of Directors or committee for all purposes.

3.13 TELEPHONIC MEETING: A member of the Board of Directors or of a committee may participate in a meeting by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting.

3.14 NOTICE OF MEETINGS:

3.14.1 GENERAL RULE: No notice of the annual meeting of directors is required to be given. Special meetings of the Board of Directors will be held pursuant to notice of the time, place and purpose either delivered personally, communicated by telephone, or sent

by telegraph or mail to each director not less than five days prior to the meeting, and if by telephone, confirmed in writing before or after the meeting.

3.14.2 WAIVER: Notwithstanding the foregoing, no notice need be given to any person who submits a signed waiver of notice before or after a meeting, or who attends a meeting without protesting any lack of notice.

3.15 OPEN MEETINGS: Except for those agenda items to be discussed during closed session, all meetings of the Board of Directors shall be open to any member of the Society and such guests as the President or any Director may invite. The President shall allow a period of time during the open board meeting for any member desiring to address the Board of Directors to do so who shall have submitted a written request prior to the commencement of the meeting. The President shall be permitted to place and enforce a reasonable time limit on any such member presentation.

3.16 CLOSED SESSION. The Board of Directors may meet in closed session only for the following reasons:

3.16.1 To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against, or to consider a periodic personnel evaluation of an officer, employee, staff member, or member, if the named person requests a closed hearing. A person requesting a closed hearing may rescind the request at any time, in which case the matter at issue shall be considered after the rescission only in open session.

3.16.2 To consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have a detrimental financial effect on the litigation or settlement position of the Society. „

3.16.3 To consider material exempt from discussion or disclosure by state or federal statute.

3.17 RESIGNATION: A director may resign at any time by giving written notice to the Secretary. Unless otherwise specified in the resignation, the resignation takes effect on receipt, and the acceptance of the resignation is not necessary to make it effective. The Secretary shall file the resignation with the minutes of the Society.

3.18 VOTING: The vote of a majority of the directors present at a meeting at which a quorum is present will be the act of the Board of Directors unless a greater vote is required by law, by the Articles of Incorporation, or by these bylaws. Each director present will have one vote. No director will be entitled to vote by proxy.

3.19 COMPENSATION: The directors will not be compensated for the performance of services for the Society, but may, by resolution of the Board of Directors, be reimbursed for expenses incurred on behalf of the Society.

## **ARTICLE IV**

### **Officers**

4.1 OFFICERS: The officers of the Society shall be President, Vice President, Secretary, and Treasurer, and shall be elected each year by the Board of Directors at the annual meeting of the directors. Officers shall be a regular member of record of the Society at the time of and during their term of office. The President and Vice President shall be selected from amongst the Directors. No two offices may be held by the same person, hi addition to the powers set forth in these bylaws, the officers shall have the authority and will perform such duties as may be determined by the Board of Directors.

4.2 TERM OF OFFICE AND VACANCY: Each officer will serve for a term of one year or until the officer's successor is elected. A vacancy in any office will be filled by vote of the Board of Directors. A person elected to fill a vacancy will serve for the balance of the unexpired term.

4.3 REMOVAL: Any officer may be removed at any time, with or without cause, by the vote of a majority of the Board of Directors or the membership.

4.4 DUTIES OF OFFICERS: The duties of all officers shall be as set forth in these bylaws and as specifically established by the Board of Directors from time to time.

4.4.1 PRESIDENT: The President will preside at all meetings of the Board of Directors and members, act as the chief executive officer of the Society, and, subject to the direction of the Board of Directors, have general powers of supervision and management of the affairs of the Society. The President will recommend for appointment, with the approval of the Board of Directors, the chairman and members of all committees.

4.4.2 VICE PRESIDENT: hi the absence or disability of the President or in the event of (and during the period of) vacancy in that office, the Vice President will have the powers and perform the duties of the President.

4.4.3 SECRETARY: The Secretary will cause a record to be kept in permanent form of all meetings of the Board of Directors and will send out notices of all Member and Board of Director meetings. The Secretary will perform other duties as may be assigned by the Board of Directors or the President. The Board of Directors, at its discretion, may appoint an Assistant Secretary, who need not be a member of the Board of Directors, who upon request or in the absence of the Secretary will perform the duties and assume the responsibilities of the Secretary as stated above under the general direction of the Secretary or the President.

4.4.4 TREASURER: The Treasurer will have general charge of the finances of the Society. When necessary and proper, he or she will endorse, on behalf of the Society, all checks, drafts, notes, and other obligations and evidences of the payment of money to the

Society or coming into his or her possession and will deposit the same, together with all other funds of the Society coming into his or her possession, in the bank(s) as may be selected by the Board of Directors. He or she will keep full and accurate account of all receipts and disbursements of the Society in books belonging to the Society, which will be open at all times to the inspection of the Board of Directors. He or she will present to the Board of Directors at its annual meeting a report as Treasurer and will, from time to time, make other reports to the Board of Directors as it may require. The Board of Directors, at its discretion, may appoint an Assistant Treasurer, who need not be a member of the Board of Directors, who will perform duties and assume responsibilities of the Treasurer as stated above under the general direction of the Treasurer or the President.

4.4.5 ADDITIONAL DUTIES: Any officer of the Society, in addition to the powers conferred on him or her by these bylaws, may have additional powers and perform additional duties as may be prescribed from time to time by the Board of Directors.

4.4.6 COMPENSATION: The compensation of all agents, employees, and representatives of the Society will be fixed by the Board of Directors or in accordance with the method of determination which is established by it. Members of the Board of Directors may not receive compensation from the Society beyond a refund of expenses made for a reasonable corporate purpose.

## ARTICLE V

### Committees

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5.1 APPOINTMENT OF COMMITTEES: The Board of Directors may designate one or more committees, each of which will consist of at least one committee chairperson and one or more committee members. Committee members may be members of the Board of Directors or Membership. The chairperson and members of the committee will be appointed by the Board of Directors. Each committee may exercise all powers and authority delegated to it in the Board resolution establishing the committee, except as restricted by these bylaws, the articles of incorporation and applicable law.

5.2 REPORTS OF COMMITTEES: The studies, findings, and recommendations of all committees will be reported to the Board of Directors for consideration and action, except as otherwise ordered by the Board of Director or provided by these bylaws. Committees may adopt rules for the conduct of business as are appropriate and not inconsistent with the authorities delegated to it by the Board of Directors, these bylaws, the articles of incorporation, or applicable law.

**ARTICLE VI**  
**Indemnification of Directors, Officers and Employees**

6.1 INDEMNIFICATION OF DIRECTORS, OFFICERS, AND EMPLOYEES: All directors, officers, trustees, employees, and nondirector volunteers of the Society shall be indemnified by the Society to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as amended.

6.2 INSURANCE: The Society has the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Society or is or was serving at the request of the Society as a director, officer, employee or agent of another foundation, corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him or her or the Society and incurred by him or her or the Society in any capacity, or arising out of his or her status as such, whether or not the Society would have the power to implement the provisions of this Article.

6.3 POWER TO REQUIRE BONDS: The Board of Directors may require any officer or agent to file with the Society a satisfactory bond conditioned for faithful performance of his duties.

**ARTICLE VII**  
**Conflict of Interest**

7.1 STATEMENT OF POLICY: It is the policy of the Society that all officers, directors, committee members and employees of the Society must scrupulously avoid any conflict between their own respective individual interests and the interests of the Society, in any and all actions taken by them on behalf of the Society in their respective capacities.

7.2 DISCHARGE OF DUTIES: A director or an officer shall discharge the duties of that position in good faith and with that degree of diligence, care, and skill which an ordinarily prudent person which exercise under similar circumstances in a like position. In discharging the duties, a director or an officer, when acting in good faith, may rely upon the opinion of counsel for the Society, upon the report of an independent appraiser selected with reasonable care by the board, or upon financial statements of the corporation represented to the director or officer as correct by the President or the officer of the Society having charge of its books of account, or as stated in a written report by an independent public or certified public accountant or firm of accountants fairly to reflect the financial condition of the Society.

7.3 TRANSACTION BETWEEN CORPORATION AND DIRECTORS OR OFFICERS: A contract or other transaction between the Society and 1 or more of its directors or officers, or between the Society and a domestic or foreign corporation, domestic or foreign business corporation, firm, or association of any type or kind in which 1 or more of the Society's directors or officers are directors or officers, or are otherwise interested, is not void or voidable solely because of such common directorship, officership, or interest, or solely because such directors are present at the meeting of the board or committee thereof which authorizes or approves the

contract or transaction, or solely because their votes are counted for such purpose if any of the following conditions is satisfied.

7.3.1. REASONABLE: The contract or other transaction is fair and reasonable to the Society when it is authorized, approved or ratified; or

7.3.2. DISCLOSURE TO BOARD: 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 sufficient for the purpose without counting the vote of any common or interested director; or

7.3.3. DISCLOSURE TO MEMBERSHIP: 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.

### **ARTICLE VIII Annual Audits and Fiscal Year**

8.1 ANNUAL INSPECTION OF FINANCIAL STATEMENTS: There shall be an annual inspection of the financial statements of the Society by an independent certified public accountant selected by the Board of Directors.

8.2 FISCAL YEAR: The fiscal year of the Society shall be the calendar year.

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### **CLE IX Advisory Council**

9.1 ADVISORY COUNCIL: The Board of Directors may seek the advice of members of the business community and the railroad industry, the historic and scientific branches of the academic community, and public officials, and invite these persons to sit on the Advisory Council to the Board so that they may communicate individually or collectively with the Directors and advise the Board on its decisions. Advisors consenting to serve are seated by a vote of the Board and serve no fixed term. Advisors are removed by resignation or a vote of the Board.

### **ARTICLE X Employees**

10.1 TERMS AND CONDITIONS: The day-to-day operations of the Society may be entrusted to employees of the Society, who may volunteer their services or be paid to work either full-time or part-time. Employee positions shall be designated by the Board of Directors, and the Board of

Directors shall fix the contracts and/or compensation of the employees by motion of the Board of Directors. All employees are deemed "at will" and shall serve no fixed terms and are hired and removed by the President or vote of the Board of Directors, unless as specified by a contract or other agreement governing their employment by the Society.

**ARTICLE XI**  
**Election of Directors**

11.1 ELECTION OF THE BOARD OF DIRECTORS: Directors of the Society shall be elected in the manner described in this section.

11.1.1 ELECTION COMMITTEE: Not later than June 15 of each year, the Board of Directors shall appoint an election committee which shall organize the election. This committee shall consist of three members, one of which shall be the Secretary. The Secretary shall serve as *ex-officio* chairperson of the Committee. The Committee shall solicit the membership for nominations, document the nominated candidates, prepare the ballot forms, and monitor the distribution and counting of the ballots.

11.1.2 NOMINATION OF CANDIDATES: Any member may nominate a person to be a candidate for director. Such nomination shall be made in writing to any member of the election committee. Upon nomination, and determination of the election committee that the nominated person is eligible to hold the office, the nominated person's name shall appear on the ballot as a nominated candidate for the specified office.

11.1.3 REPORT OF CANDIDATES NOMINATED: No later than 30 days before the date of the annual general membership meeting, the election committee shall make a report to the Board of Directors and the general membership of the names of candidates nominated for office and shall cause ballots to be distributed to all members of record eligible to vote. Space for write in candidates shall also be provided on the ballot.

11.1.4 VOTING: The voting for the election shall occur as provided in Article II of these bylaws.

11.1.5 WITHDRAWAL FROM CANDIDACY: Any candidate may withdraw from candidacy by written request to the election committee. If such a request is made after ballots are printed, any votes received by the former candidate shall not be counted and his name shall not appear on the list of candidates in order of votes received.

11.1.6 PREVAILING CANDIDATE: The names of the candidates shall be placed in order of number of votes received. The candidate receiving the greatest number of votes shall be deemed elected to the first director's position up for election, and so on, until all director's positions up for election have been filled. In case of a tie vote between one or more candidates to fill a vacant director's seat, the names of the tying candidates shall be

placed on index cards, placed in a hat, and cards drawn at random to select the candidate to fill the director's position.

## **ARTICLE XII Dissolution**

12.1 The Society may be dissolved by action of its board and members as follows:

12.1.1 The board shall adopt a resolution that the Society be dissolved and that a plan of distribution of assets complying with Section 12.1.4, *infra*, be implemented.

12.1.2 The proposed dissolution shall be submitted for approval at a meeting of the membership. Notice shall be given to each member of record entitled to vote at the meeting and shall state a purpose of the meeting is to vote on dissolution of the Society. The notice shall include a copy of the plan of distribution of assets.

12.1.3 At the meeting a vote of members shall be taken on the proposed dissolution and plan of distribution of assets. The dissolution shall be approved upon receiving the affirmative vote of a majority of the members of record of the Society entitled to vote thereon.

12.1.4 If the dissolution is approved, a certificate of dissolution shall be executed and filed on behalf of the Society with the appropriate state officials.

12.1.5 Upon dissolution, the assets of the Society shall be applied and distributed as follows:

12.1.5.1 All liabilities and obligations of the Society shall be paid and discharged, or adequate provisions shall be made therefor.

12.1.5.2 Assets held by the Society upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements.

12.1.5.3 Assets received and held by the Society subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes, but not held upon condition requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or conveyed in accordance with any provisions in the articles of incorporation or bylaws which designate 1 or more recipients or a mechanism for determining 1 or more recipients which are domestic or foreign corporations, societies, or organizations, including governmental agencies, engaged in activities furthering such purposes. If the articles of incorporation or bylaws do not contract such provisions, such assets shall be transferred or conveyed to 1 or more domestic or foreign

corporations, societies or organizations, including governmental agencies, engaged in activities substantially similar to or consistent with those of this Society.

12.1.5.4 Other assets, if any, shall be distributed in accordance with provisions of the articles of incorporation or bylaws which determine the distributive rights of members, or any class or classes or members, or provide for distribution to others.

12.1.5.5 Any remaining assets may be distributed to such persons, societies, organizations, domestic or foreign corporation, or societies or foregoing business corporations, as may be specified in a plan of distribution adopted by the Society.

12.1.5.6 When there is no provision for the distribution of assets, the assets remaining after implementation of the provisions of this section shall escheat to the state.

### **ARTICLE XIII Miscellaneous Provisions**

13.1 EXPENDITURE APPROVAL: The Board of Directors shall designate officers to approve expenses and sign checks, drafts, or other obligations for the payment of money.

13.2 BORROWING: No loans and no renewals of any loans will be contracted on behalf of the Society except when specifically authorized by the Board of Directors. The authority contained in this Section is express and confined to specific instances.

13.3 METHOD OF GIVING NOTICES: Any notice required by statute or by these bylaws to be given to the members, directors, or to any officers of the Society, unless otherwise provided herein, or in the articles of incorporation, or in any statute, may be given by mailing to the member, director or officer at the member's, director's or officer's last address as appears on the records of the Society and the notice is deemed to have been given and completed at the time of mailing.

13.4 CORPORATE SEAL: The Board of Directors may prescribe a suitable seal for the Society. If a seal is prescribed, it may be used by causing it or a facsimile to be affixed, impressed or reproduced in any other manner.

13.5 AMENDMENTS: These bylaws may be altered or amended at any time by the affirmative vote of a majority of the members of record having voting rights.

13.6 ADDITIONAL RULES: The Board of Directors may adopt additional rules and procedures for the conduct of their meetings, and additional rules and regulations for the conduct of the affairs of the Society, provided that no additional rule may be inconsistent with the Articles of Incorporation or these bylaws.