

# BYLAWS OF LIBERAL ARTS CAREER NETWORK

## ARTICLE I STATEMENT OF MISSION AND PURPOSES

### ***1.01 Mission Statement***

The Liberal Arts Career NetWORK collaboratively maximizes technology in developing innovative resources and initiatives, positioning students and graduates for a competitive advantage in the global marketplace.

### ***1.02 Guiding Principles for Members of the Liberal Arts Career NetWORK***

As a voluntary collaborative venture of career professionals from highly selective liberal arts schools, we seek to embody and express the vision and mission of our consortium through the Jeffersonian principle of democracy in affirmation of the common good: that by pooling the collective wisdom of the group, the whole is by nature much greater than the individuals and units who form its parts.

***1.03 History.*** The first annual meeting of the LACN Executive Committee was held in December 2000 at Oberlin College. The Executive Committee at that time consisted of the Chairs of the Marketing, LEADS, LACN Internships, and WebExchange [name changed to Spotlight on Careers, June 2003 Summit] Committees and the Site Host of the 2001 Summit. Those in attendance at this first meeting were: Dale Austin [Hope College], Chair, WebExchange; Lisa Kastor [College of Wooster], Chair, LACN Internships; A. Charles Kovacs [Bates College], Chair, and Kino Ruth [Hamilton College], Co-Chair, Marketing [name changed to Employer Development and merged with LEADS, June 2002 Summit]; Wendy Miller [Oberlin College], Chair, LEADS [name changed to Employer Development and merged with Marketing]; and Denise Ward [Macalester College], Site Host, 2001 Summit. The initial charge to the Committee from the membership was to develop and establish bylaws, a governing structure, and mission statement. In addition, the Executive Committee was charged with evaluating for the LACN an appropriate vision and initiatives thus insuring our forward movement as a leading and trend-setting consortium. The results of this meeting included four proposals - the establishment of two new committees, Technology and Membership; membership expansion and replacement procedures; and a call for an annual dues increase - were presented to the Membership for their consideration, deliberation, and final vote at the 2001 summit meeting by the entire LACN membership. The Bylaws and proposals were passed; the proposals were incorporated into the Bylaws. Further development of LACN took place in 2004, by incorporating the organization as a membership-based Michigan nonprofit corporation, with the Executive Committee also serving as the Board of Directors of the corporation, and the Chairperson of the Executive Committee also serving as President.

***1.04 Charitable Purposes and Restrictions*** . This corporation shall be known as the "Liberal Arts Career NetWORK, Inc." The purpose for which the

corporation is organized is to collaboratively maximize technology in developing innovative resources and initiatives, positioning students and graduates for a competitive advantage in the global marketplace.

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

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal income tax under Section 501(C)(3) of the Internal Revenue Code, or corresponding section of any future Federal Tax Code, or (b) by an organization, contributions to which are deductible under Section 170(C)(2) of the Internal Revenue Code, or corresponding section of any future Federal Tax Code.

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(C)(3) of the Internal Revenue Code, or corresponding section of any future Federal Tax Code, or shall be distributed to the Federal Government, or to its State or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Circuit Court of the County in which the principal office of the organization is then located, exclusively for such purposes or to such organizational or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE II OFFICES**

**2.01 Principal Office.** The principal office of the corporation shall be at such place within the state of Michigan as the board of directors may determine from time to time.

**2.02 Other Offices.** The board of directors may establish other offices in or outside the state of Michigan.

## **ARTICLE III MEMBERS**

**3.01 Requirements for Membership.** To be eligible for membership in the corporation, a member school must be a highly selective liberal arts college located in the United States, and approved by a majority vote of the existing members pursuant to Article 3.02, below; membership is currently at 30 member schools. Members are expected to meet the following expectations:

- a. Attend Annual Summit Meetings. Each member school is expected to send at minimum one staff member to the annual summit as a duly appointed representative of the affiliated LACN institution. Each member institution shall be responsible for the costs associated with sending their representative(s) to the annual summit meeting.
- b. Pay Dues. Each member institution will pay an annual membership fee and proportionate share of other expenses incurred for the administration and management of the LACN.
- c. Host Annual Summit. Each member school of the LACN will have an opportunity to host the annual site summit meeting of the LACN, to be determined by a lottery system. The responsibilities of the summit site hosting institution will include all: logistics, pricing, housing, facilities, correspondence, billing, entertainment, and related services for the members in attendance.
- d. LACN Internships Updates. Each member school will annually update and expand a specified number of listings in the LACN summer job and internship database.
- e. Spotlight On Careers. Each LACN school will contribute a topically suitable and approved Spotlight On Careers web site to this shared product site.
- f. Promote LACN to Employers. Member schools will actively promote the LACN, its products, services, and listing options to employers in a variety of means including at minimum: linking to the LACN consortium web site and position listing submission page specifically, through their web sites; cite the LACN option for employers in their printed materials on their recruiting services; verbally apprise employers of the service for posting listings through the LACN and the benefits of our free posting options.
- g. Commitment to Technology in Career Services. Each member of the LACN will sustain and maintain a conceptual and functional commitment to the transforming role of computer and web technology within the service offerings of their offices for students and employers. This implies budgetary and staff sensitivities to the role of technology in career services and a willingness to learn, innovate, integrate, and provide enhanced and appropriate technology interventions in career services.
- h. Willingness to Share. Each LACN member is philosophically and predisposed to a cooperative and collegial, instead of a competitive, approach to their fellow members in the LACN. This implies a willingness to train, mentor, teach, guide, inform, support, and reveal ideas and insights with other members. This further suggests an amiable team-oriented approach to work in the consortium that sensitively offers friendship and respects and honors diversity.

**3.02 Procedure for Expansion or Replacement of Members.** In the event that the LACN Membership and Executive Committees decide to expand membership

of the LACN, or should a member school decide to withdraw from the LACN, the procedure for replacement or expansion shall be as follows:

- a. Admission shall be by invitation only.
- b. Any requests for membership must be forwarded to a member of the Membership Committee who will discuss the invitation procedure with the petitioning school. The Membership Committee will retain a record of petitioning schools for later evaluation for invitation.
- c. All requests for membership will be evaluated by the Membership Committee and the Board, who will determine which schools will receive an invitation/request for proposal packet, outlining the history, products, services and membership requirements. This packet will also stipulate the procedure and deadline for application [no later than March 1].
- e. Application process/written proposal from the petitioning school shall include:
  - 1) written proposal including their rationale for joining and justifying their fit with member schools;
  - 2) a detailed explanation of what their career office proposes to implement: committee assignment, WebExchange topic, LACN Internships participation, and attendance at annual meetings;
  - 3) letter of agreement specifically agreeing to pay dues and to fulfill membership responsibilities;
  - 4) 3 letters of support from current member schools in good standing must accompany the proposal for membership.
- (f) The Membership Committee and the Board will perform a preliminary review of the submitted proposal for recommended actions, changes, modifications to the application proposal, and the petitioning school may amend its application for resubmission to the Board.
- g. The applying member will then be accorded an opportunity to resubmit its membership application for the Board's review and submission to the entire membership for voting.
- h. A discussion and vote by the members will follow by April 1.
- i. All deliberations and discussions and the final vote by the membership on the petitioning school shall not be disclosed by any member of LACN or the Board with the petitioning school.
- j. A delegated member of the Board will convey to the petitioning school the decision of the membership.
- k. The petitioning school will be accorded 10 days to respond to the invitation to join LACN and will be invited to the annual summit.
- l. A current member of the Board or Membership Committee will appoint a delegated member from a member school in good standing as a "new member mentor" to assist the new school with full assumption of its responsibilities.

**3.03 Membership Dues.** The board of directors shall establish the initial and annual dues for membership in the corporation. The billing and collection of dues shall be in a manner prescribed by the board of directors, and administered by the Treasurer.

**3.04 Transitional Membership.** When the directorship of a career center changes, the institution's status within the consortium changes to 'transitional'.

The Membership Committee of LACN will contact the institution to discuss the institution's continued participation in LACN. If the new director agrees to continue the responsibilities of membership, the institution's status remains transitional. If the new director declines, the institution withdraws from the consortium.

The transitional membership begins when the director of the career center leaves the position and such status continues for a minimum of one year after the appointment of a new director. During the period of transitional membership, the institution must assume full membership responsibilities and perform all tasks necessary to remain a member in good standing. It is incumbent on the new director to communicate any questions or concerns with the Membership Committee.

At the end of the transitional period, the Membership Committee will review and report the institution's performance, and make a recommendation regarding the institution's return to full member status. At the annual meeting following the end of the transitional period, the LACN general membership will vote on the status of the institution to the consortium.

Transitional members retain their voting power on all issues except the reinstatement of their general/full membership

**3.05 Termination of Membership.** Membership may be terminated by the board of directors on the occurrence of any of the following events:

- (a) Failure to pay dues by June 30 of the year they are due.
- (b) Failure to satisfy the requirements of section 3.01 of this article.

**3.06 Annual Meeting.** The annual meeting of the members shall be held in June at the Summit. At each annual meeting, the members shall elect Committee chairs who shall also serve as directors during their respective terms in office. The members may further transact any other business that may come before the meeting.

**3.07 Special Meetings.** Special meetings of the members may be called by the board of directors or by the Chairperson of the Board. Such meetings shall also be called by the Chairperson or secretary at the written request of not less than 10 percent of the members.

**3.08 Place of Meetings.** All membership meetings shall be held at the corporation's principal office or at any other place determined by the board of directors and stated in the notice of the meeting.

**3.09 Notice of Meetings .** Except as otherwise provided by statute, written notice of the time, place, and purposes of a membership meeting shall be given not less than 10 days nor more than 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 corporation. Alternatively, notice may be published in the

corporation'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 10 days nor more than 60 days before the date of the meeting.

**3.10 Record Dates .** The board of directors may fix in advance a record date for the purpose of determining members entitled to notice of and to vote at a membership meeting or an adjournment of the meeting, or to express consent to or to dissent from a proposal without a meeting, or for the purpose of any other action. The date fixed shall not be more than 60 days nor less than 10 days before the date of the meeting, nor more than 60 days before any other action.

**3.11 List of Members.** The secretary of the corporation or the agent of the corporation having charge of the membership records of the corporation shall make and certify a complete list of the members entitled to vote at a membership meeting or any adjournment. The list shall be arranged alphabetically with the address of each member, be produced at the time and place of the membership meeting, be subject to inspection by any members during the whole time of the meeting, and be prima facie evidence of the members entitled to examine the list or vote at the meeting.

**3.12 Quorum.** Unless a greater or lesser quorum is required by statute, members present in person or by proxy who, as of the record date, represented fifty percent (50%) of the members entitled to vote at a membership meeting shall constitute a quorum at the meeting. Whether or not a quorum is present, the meeting may be adjourned by vote of the members present.

**3.13 Proxies.** A member entitled to vote at a membership meeting or to express consent or dissent without a meeting may authorize other persons to act for the member by proxy. A proxy shall be signed by the member or the member's authorized agent or representative and shall not be valid after the expiration of one year, unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the member executing it except as otherwise provided by statute.

**3.14 Voting.** Each member is entitled to one vote on each matter submitted to a vote. A vote may be cast either orally or in writing. When an action, other than the election of directors, is to be taken by a vote of the members, it shall be authorized by a majority of the votes cast by the members entitled to vote, unless a greater vote is required by statute. Directors shall be elected by a plurality of votes cast at any election.

**3.15 Meeting by Telephone or Similar Equipment.** A member may participate in a membership meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

## **ARTICLE IV BOARD**

**4.01 General Powers.** The business, property, and affairs of the corporation shall be managed by the board of directors, each of whom shall serve as chairperson of a standing or other committee to be formed by the board pursuant to Article V., below, and who shall serve as directors concurrently with their respective terms as committee chair.

**4.02 Number.** There shall be not less than 6 nor more than 9 directors on the board as shall be fixed from time to time by the board of directors.

**4.03 Tenure.** Directors shall be elected at each annual membership meeting to hold office for a two year term and until the director's successor is elected and qualified, or until the director's death, resignation, or removal.

**4.04 Resignation.** A director may resign at any time by providing written notice to the corporation. Notice of resignation will be effective on receipt or at a later time designated in the notice. A successor shall be appointed as provided in section 4.06 of the bylaws.

**4.05 Removal.** Any director may be removed with or without cause by a majority vote of the members entitled to vote at an election of directors.

**4.06 Board Vacancies.** A vacancy on the board may be filled with a person selected by the remaining directors of the board, though less than a quorum of the board of directors, unless filled by proper action of the members. Each person so elected shall be a director for a term of office continuing until the next election of directors by the members.

**4.07 Annual Meeting .** An annual meeting shall be held each year in June immediately after the annual membership meeting. If the annual meeting is not held at that time, the board shall cause the meeting to be held as soon thereafter as is convenient.

**4.08 Regular Meetings .** Regular meetings of the board may be held at the time and place as determined by a board resolution without notice other than the resolution.

**4.09 Special Meetings.** Special meetings of the board may be called by the chairperson of the Board or any five (5) directors at a time and place as determined by those persons authorized to call special meetings. Notice of the time and place of special meetings shall be given to each director in any manner at least ten (10) days before the meeting.

**4.10 Statement of Purpose.** Neither the business to be transacted at, nor the

purpose of, any regular meeting of the board need be specified in the notice for that meeting. The purpose of any special meeting shall be stated in the notice of that meeting.

**4.11 Waiver of Notice.** The attendance of a director at a board meeting shall constitute a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In addition, the director may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.

**4.12 Meeting by Telephone or Similar Equipment.** A director may participate in a meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

**4.13 Quorum.** A 2/3 majority of the directors then in office constitutes a quorum for the transaction of any business at any meeting of the board. Actions voted on by a 2/3 majority of directors present at a meeting where a quorum is present shall constitute authorized actions of the board.

**4.14 Consent to Corporate Actions.** Any action required or permitted to be taken pursuant to board authorization may be taken without a meeting if, before or after the action, all directors consent to the action in writing. Written consents shall be filed with the minutes of the board's proceeding.]

## **ARTICLE V COMMITTEES**

**5.01 General Powers.** The board, by resolution adopted by a vote of a majority of its directors, may designate one or more committees, each committee consisting of one or more directors, one of whom shall be named by the board as chairperson. The board may also designate one or more directors as alternate committee members who may replace an absent or disqualified member at a committee meeting. If a committee member is absent or disqualified from voting, then members present at a meeting who are not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint an alternate committee member to act at the committee meeting in place of the absent or disqualified member. All committees designated by the board shall serve at the pleasure of the board.

A committee designated by the board may exercise any powers of the board in managing the corporation'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 corporation;
- (d) fill vacancies on the board;
- (e) fix compensation of the directors for serving on the board or on a committee;
- (f) recommend to members the sale, lease, or exchange of all or substantially all of the corporation's property and assets;
- (g) recommend to the members a dissolution of the corporation or a revocation of a dissolution; or
- (h) terminate memberships.

**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 Consent to Committee Actions.** Any action required or permitted to be taken pursuant to authorization of a committee may be taken without a meeting if, before or after the action, all members of the committee consent to the action in writing. Written consents shall be filed with the minutes of the committee's proceedings.

**5.04 Committee Structure.** Committees shall have the delegated authority from the LACN membership to execute their charges in their areas of functional specificity or mandates. The charges to these Standing Committees may be determined and annually affirmed, modified, or appended by the membership at the annual summit, consistent with these Bylaws. Committees shall recommend annually to the membership for ratification significant and applicable changes and innovations relative to their charges. Committees shall also have the delegated authority from the LACN membership to execute their charges in their areas of approved functional specificity or charges without referring to the entire membership on the details of the administration of those charges. Committees will maintain the highest personal integrity in their actions and decisions. Actions by LACN committees may be reviewed by the Board and/or the membership for possible action. The Board will resolve issues that cannot be resolved at the committee level by majority vote.

Each Standing Committee shall consist of a Chair (who shall be a member of the Board) and members. Members shall be determined by the Chair but must be set at a manageable and feasible number relative to the charges of the committee and its needs. Members and Chairs of committees shall function on their committees as volunteers; members may be nominated to committees by their institutions, fellow members, Chairs and Vice-Chairs. Each member is expected to serve on their committees for a minimum of two years; longer tenures on committees are anticipated and encouraged with the approval of the Chair, Executive Committee, or membership at large. Members have, through their committee service, an opportunity to express their functional skills, expertise, abilities and interests. Members are also afforded a means of enhancing their

professional skills through their committee service and the unique programs of each committee.

**5.05 Membership on Committees.** Each member school shall have, as an expression of its membership in the LACN, active participation on a minimum of one committee. Service on a committee is not optional but rather an affirmation of commitment to the success of LACN through the expression of its various activities. Schools who do not participate in a committee shall not be considered "members in good standing." Tenure on committees shall last for a period of three years. All committee members will be indicated on the LACN web site.

**5.06 Standing Committees.**

Employer Development  
Technology  
Membership  
Spotlight on Careers  
Executive

**5.07 Responsibilities of Committee Chairpersons.** To discharge the duties of their committees as received as a mandate from the membership of the LACN as delineated above. In addition, each Committee Chair will: a) serve on the Board of Directors; b) coordinate subcommittees, including organizing the tasks, responsibilities, timing, and reporting of all members of their committee, insuring an equitable and fair distribution of tasks for all committee members, maintaining cooperative oversight of the committee, and maintaining Committee meeting notes (annual Summit Meeting notes will appear on the LACN web site); and c) maintaining contact with committee members.

## **ARTICLE VI OFFICERS**

**6.01 Number.** The officers of the corporation shall be appointed by the board. The officers shall be the President, who shall also serve as chairperson of the Board, a secretary, and a treasurer. There may also be a chairperson, vice president, and such other officers as the board deems appropriate. The president shall be a voting member of the board. Two or more offices may be held by the same person, but such person shall not execute, acknowledge, or verify an instrument in more than one capacity if the instrument is required by law or by the president or by the board to be executed, acknowledged, or verified by two or more officers.

**6.02 Term of Office.** Each officer shall hold office for the term appointed and until a successor is appointed and qualified. An officer may resign at any time by providing written notice to the corporation. Notice of resignation is effective on receipt or at a later time designated in the notice.

**6.03 Removal.** An officer appointed by the board may be removed with or without cause by vote of a majority of the board. The removal shall be without prejudice to the person's contract rights, if any. Appointment to an office does not of itself create contract rights.

**6.04 Vacancies.** A vacancy in any office for any reason may be filled by the board.

**6.05 President.** The president shall be the chief executive officer of the corporation and shall have authority over the general control and management of the business and affairs of the corporation. The president shall have power to appoint or discharge employees, agents, or independent contractors, to determine their duties, and to fix their compensation. The president shall sign all corporate documents and agreements on behalf of the corporation, unless the president or the board instructs that the signing be done with or by some other officer, agent, or employee. The president shall see that all actions taken by the board are executed and shall perform all other duties incident to the office. This is subject, however, to the president's right and the right of the board to delegate any specific power to any other officer of the corporation. The President, as chairperson of the Board, shall preside at all board meetings.

**6.06 Vice President.** The vice president, if any, shall have the power to perform duties that may be assigned by the president or the board. If the president is absent or unable to perform his or her duties, the vice president shall perform the president's duties until the board directs otherwise. The vice president shall perform all duties incident to the office.

**6.07 Secretary.** The secretary shall (a) keep minutes of board meetings; (b) be responsible for providing notice to each member or director as required by law, the articles of incorporation, or these bylaws; (c) be the custodian of corporate records; (d) keep a register of the names and addresses of each member, officer and director; and (e) perform all duties incident to the office and other duties assigned by the president or the board.

**6.08 Treasurer.** The treasurer shall (a) have charge and custody over corporate funds and securities; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation at such depositories in the corporation's name that may be designated by the board; (d) complete all required corporate filings; and (e) perform all duties incident to the office and other duties assigned by the president or the board.

## **ARTICLE VII CORPORATE DOCUMENT PROCEDURE**

All corporate documents (including stocks, bonds, agreements, insurance and

annuity contracts, qualified and nonqualified deferred compensation plans, checks, notes, disbursements, loans, and other debt obligations) shall not be signed by any officer, designated agent, or attorney-in-fact unless authorized by the board or by these bylaws.

## **ARTICLE VIII INDEMNIFICATION**

**8.01 Nonderivative Actions.** Subject to all of the other provisions of this article, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the corporation). Such indemnification shall apply only to a person who was or is a director or officer of the corporation, or who was or is serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its members. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the corporation or its members or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

**8.02 Derivative Actions .** Subject to all of the provisions of this article, the corporation shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor because (a) the person was or is a director or officer of the corporation or (b) the person was or is serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its members. However, indemnification shall not be made for any claim, issue, or matter in which such person has been found liable

to the corporation unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

**8.03 Expenses of Successful Defense.** To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in sections 8.01 or 8.02 of this article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.

**8.04 Contract Right; Limitation on Indemnity.** The right to indemnification conferred in this article shall be a contract right and shall apply to services of a director or officer as an employee or agent of the corporation as well as in such person's capacity as a director or officer. Except as provided in section 8.03 of this article, the corporation shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the board.

**8.05 Determination That Indemnification Is Proper .** Any indemnification under sections 8.01 or 8.02 of this article (unless ordered by a court) shall be made by the corporation only as authorized in the specific case. The corporation must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in sections 8.01 or 8.02, whichever is applicable. Such determination shall be made in any of the following ways:

- (a) By a majority vote of a quorum of the board consisting of directors who were not parties to such action, suit, or proceeding.
- (b) If the quorum described in clause (a) above is not obtainable, then by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.
- (c) By independent legal counsel in a written opinion.
- (d) By the members.

**8.06 Proportionate Indemnity.** If a person is entitled to indemnification under sections 8.01 or 8.02 of this article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

**8.07 Expense Advance.** Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 8.01 or 8.02 of this article may

be paid by the corporation in advance of the final disposition of the action, suit, or proceeding on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the corporation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured.

**8.08 Nonexclusivity of Rights.** The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

**8.09 Indemnification of Employees and Agents of the Corporation.** The corporation 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 corporation to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

**8.10 Former Directors 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.

**8.11 Insurance.** The corporation may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of the corporation or (b) was or is serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have power to indemnify against such liability under this article or the laws of the state of Michigan.

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

## **ARTICLE IX COMPENSATION**

When authorized by the board, a person shall be reasonably compensated for services rendered to the corporation as an officer, director, employee, agent, or independent contractor, except as prohibited by these bylaws.

**ARTICLE X  
FISCAL YEAR**

The fiscal year of the corporation shall end on June 30 of each year, beginning in 2005.

**ARTICLE XI  
AMENDMENTS**

The board of directors at any regular or special meeting may amend or repeal these bylaws, or adopt new bylaws by vote of a majority of the directors, if notice setting forth the terms of the proposal has been given in accordance with any notice requirement for such meeting of the board.

Adopted by the Board of Directors this 26th day of January, 2010.

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David McDonough, Executive Chair