

**BYLAWS
OF
KALAMAZOO LINUX USERS GROUP, INC.,**
a Michigan Non Profit Corporation

**ARTICLE I
OFFICES**

Section 1.01 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.

Section 1.02 OTHER OFFICES. The Board of Directors may establish other offices in or outside the state of Michigan.

**ARTICLE II
PURPOSES; CORPORATE STRUCTURE; POWERS**

Section 2.01 PURPOSES. The Corporation is organized for the purposes set forth in its Articles of Incorporation, as they may be restated.

Section 2.02 POWERS. The Corporation shall have and may exercise all the powers set forth in the Michigan Non-Profit Corporation Act necessary or appropriate to carry out its purposes and not inconsistent with its Articles of Incorporation or these Bylaws.

Section 2.03 MEMBERSHIP BASIS. The Corporation shall be a Michigan nonprofit Corporation organized on a membership basis, pursuant to MCL 450.2304 and any amendments thereto.

Section 2.04 STOCKHOLDERS. There shall be no stockholders.

**ARTICLE III
MEMBERS**

Section 3.01 ELIGIBILITY FOR JUNIOR MEMBERSHIP. Prior to qualification for membership status newcomers will be responsible for announcing themselves as “new” to the Kalamazoo Linux Users Group and provide contact information to verify attendance. During this pre-membership period individuals may be referred to as “Junior Members”.

Section 3.02 ELIGIBILITY FOR GENERAL MEMBERSHIP. To be eligible for a general membership in the Corporation, an individual must attend at least three (3) general meetings in a twelve (12) month period. The person shall thereafter be considered a “General Member”. Every member in good standing shall be entitled to participate in special functions, events, or activities conducted by the Corporation.

Section 3.03 ELIGIBILITY FOR SUPPORTING MEMBERSHIP. Any person who has fulfilled the conditions for a General Membership as set forth in Section 3.02 may, but

shall not be required to, pay annual dues. The General Member shall thereafter be considered a “Supporting Member” and shall be entitled to extended membership benefits, as set forth in Section 3.05. The Board of Directors shall establish the initial and annual dues for a supporting membership in the Corporation. The billing and collection of dues shall be in a manner prescribed by the Board of Directors. The amount may vary from year to year.

Section 3.04 ADDITIONAL MEMBERSHIP CLASSES. In order to improve the financial condition of the Corporation and provide additional services, the officers may periodically expand or reduce the number of membership types, and the benefits associated with each level of membership for which annual dues or fees are charged.

Section 3.05 EXTENDED MEMBERSHIP BENEFITS. Any member who has fulfilled the requirements set forth in Sections 3.02 and 3.03 shall be entitled to the following extended membership benefits:

- (a) Borrowing rights for any items in the property master’s inventory of books and software, for a period not to exceed two (2) weeks. This shall include a number of reference works, recent official copies of various Linux distributions, and other materials;
- (b) Access to the complete archives of the mailing list, including numerous messages on technical topics, the computer industry and Open Source Software, and other developments;
- (c) One (1) week advance notification and availability for the sale of any items being held by the property master on behalf of the group; provided, however, this subsection 3.04(c) shall not apply to any officer who is otherwise eligible for extended membership benefits.

Section 3.06 PROPERTY. All members shall be required to maintain and return all property of the Corporation in substantially the same condition when returned as when received. The preservation of any copyright or permissions are the sole responsibility of the member using the property.

Section 3.07 TERMINATION OF MEMBERSHIP. Membership may be terminated by the Board of Directors when a member has not attended a general meeting in a six (6) month period. A Supporting Member’s extended membership benefits shall be terminated, and such Supporting Member shall be termed a General Member upon the failure to pay the required annual dues within ninety (90) days of written notice of payment due.

Section 3.08 REINSTATEMENT OF MEMBERSHIP. Any person whose membership has been terminated pursuant to Section 3.05 above shall be reinstated as a General Member after attending two (2) regular meetings within a six (6) month period. Any member whose extended membership benefits have been terminated, as described in Section 3.05 above shall be reinstated as a Supporting Member upon the payment of the delinquent annual dues. Such annual dues shall be considered paid as of the initial date

due and the extended membership benefits shall be reinstated as of the actual date such annual dues shall be paid.

Section 3.09 ANNUAL MEETING. The annual meeting of the members shall be held on the 2nd Tuesday of each January at 7:00 p.m. At each annual meeting, directors shall be elected and any other business shall be transacted that may come before the 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. The incumbent Chairman shall preside over the Annual Meeting until all Board Members are elected. For the remainder of the meeting the incoming Chairman shall preside.

Section 3.10 REGULAR MEETINGS. Regular meetings shall be held once a week. Formal presentations or informal meetings shall be conducted, as determined by the Board.

Section 3.11 SPECIAL MEETINGS. Special meetings of the members may be called by the Board of Directors or by the Chairman. Such meetings shall also be called by the Chairman or Secretary at the written request of not less than ten (10%) percent of the members. Notice of the time, place, and purpose of the special meeting shall be given to each member not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Notice shall be given either personally, 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, or by posting such information of the web site for 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 ten (10) days nor more than sixty (60) days before the date of the meeting.

Section 3.12 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.

Section 3.13 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 sixty (60) days nor less than ten (10) days before the date of the meeting, nor more than sixty (60) days before any other action.

Section 3.14 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 physical address and email 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.

Section 3.15 QUORUM. Unless a greater or lesser quorum is required by statute, members present, in person or by proxy who, as of the record date, represent seven (7) 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.

Section 3.16 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.

Section 3.17 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.

Section 3.18 CONFIDENTIALITY. All members shall be required to maintain confidentiality of any information generally considered private, to which they have access due to roles or benefits of the Corporation, specifically, but not limited to, passwords and any legal Privacy Act information. The violation of this rule shall result in termination of membership benefits.

Section 3.19 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 OF DIRECTORS**

Section 4.01 GENERAL POWERS AND QUALIFICATION. The business, property, and affairs of the Corporation shall be managed by the Board of Directors. Any member, in good standing may stand for election as a director. All Directors must maintain their membership in good standing.

Section 4.02 NUMBER. The Board of Directors shall consist of Chairman, Vice-Chairman, Treasurer, Secretary and Members-at-Large. There shall be not less than one (1) nor more than three (3) Members-at-Large on the Board as shall be fixed from time to time by the Board of Directors.

Section 4.03 ELECTION OF DIRECTORS. The Board of Directors shall be elected at the Annual Meeting of the Membership defined in Section 3.09. The Chairman, Vice-Chairman, Treasurer, and Secretary shall be elected by a plurality of votes cast. Each position shall be proposed and voted separately. Members-at-Large shall be elected all

on one ballot. Member-at-Large positions shall be filled starting with the person with the most votes and proceeding in decreasing order of votes received until the number of positions are filled. Each member may cast as many votes as there are Members-at-Large positions. Members shall not cast more than one vote for any one person.

Section 4.04 TENURE. Directors shall be elected at each annual membership meeting to hold office until the next annual membership meeting and until the director's successor is elected and qualified, or until the director's death, resignation, or removal.

Section 4.05 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 this Article.

Section 4.06 REMOVAL. Any director may be removed with or without cause by a majority vote of the members at a Special Meeting of the General Membership. Any director who does not maintain their membership in good standing may be removed by the majority vote of the remaining Board.

Section 4.07 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.

Section 4.08 DUTIES, POWERS AND OBLIGATIONS

(a) The duties, powers and obligations of the Chair, Vice-Chair, Secretary and Treasurer shall be as described in Article VI - OFFICERS

(b) MEMBER-AT-LARGE. The members-at-large shall (a) represent the general membership interest; (b) shall bring before the Board any and all issues relating to members and memberships; (c) perform all duties incident to the position and other duties assigned by the chairman or the Board, and which may be posted on the Corporation's web site.

Section 4.09 ANNUAL MEETING. An annual meeting shall be held each year on the 2nd Tuesday of each January 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.

Section 4.10 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. The Board shall meet at least once in each calendar quarter, with no more than four (4) months separating any two meetings.

Section 4.11 SPECIAL MEETINGS. Special meetings of the Board may be called by the Chairman or any two directors at a time and place as determined by those persons

authorized to call special meetings. Notice of the time and place of special meetings shall be given to each director in any manner at least three days before the meeting.

Section 4.12 STATEMENT OF PURPOSE. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice for that meeting.

Section 4.13 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.

Section 4.14 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.

Section 4.15 QUORUM. A 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 majority of directors present at a meeting where a quorum is present shall constitute authorized actions of the Board.

Section 4.16 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, a majority of directors consent to the action in writing. Written consents shall be filed with the minutes of the Board's proceeding.

ARTICLE V **BOARD COMMITTEES**

Section 5.01 GENERAL POWERS AND QUALIFICATION. The general rules for committees and selection or qualification of committee members are as follows:

- (a) 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 and other persons as the Board sees fit. The Board may also designate one or more persons 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 committee 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.

(b) 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:

- (1) amend the articles of incorporation;
- (2) adopt an agreement of merger or consolidation;
- (3) amend the bylaws of the Corporation; or
- (4) fill vacancies on the Board.

(c) Any member may volunteer for any committee position declared vacant by the Chairman and shall be appointed upon a majority vote by the Board of Directors.

Section 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.

Section 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, a majority of the committee members consent to the action in writing. Written consent s shall be filed with the minutes of the committee's proceedings.

ARTICLE VI **OFFICERS**

Section 6.01 NUMBER. The officers shall be the elected Chairman, Vice-Chairman, Secretary, and Treasurer. There may also be other such officers as the Board deems appropriate. 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 chairman or by the Board to be executed, acknowledged, or verified by two or more officers.

Section 6.02 TERM OF OFFICE. Each officer shall hold office for the term elected or 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.

Section 6.03 REMOVAL. An officer, if 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. Election or appointment to an office does not of itself create contract rights.

Section 6.04 VACANCIES. A vacancy in any office for any reason may be filled by the Board.

Section 6.05 CHAIRMAN. The chairman 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 chairman shall have power to appoint or discharge employees, agents, volunteers, project managers, or independent contractors, to determine their duties, and to fix their compensation. The chairman shall sign all corporate documents and agreements on behalf of the Corporation, unless the Board instructs that the signing be done with or by some other officer, agent, or employee, or volunteer. The chairman shall see that all actions taken by the Board are executed and shall perform all other duties incident to the office, including defining new opportunities for the Corporation. This is subject, however, to the chairman's right and the right of the Board to delegate any specific power to any other officer of the Corporation.

Section 6.06 VICE-CHAIRMAN. The vice chairman shall have the power to perform duties that may be assigned by the chairman or the Board. If the chairman is absent or unable to perform his or her duties, the vice chairman shall perform the chairman's duties until the Board directs otherwise. The vice-chairman shall perform all duties incident to the office and other duties assigned by the chairman or the Board, which may be posted on the Corporation's web site.

Section 6.07 SECRETARY. The secretary shall (a) keep minutes of Board meetings; (b) be responsible for providing notice to each 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 officer and director; and (e) perform all duties incident to the office and other duties assigned by the chairman or the Board, which may be posted on the Corporation's web site.

Section 6.08 TREASURER. The treasurer shall (a) have charge and custody over corporate assets, 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 chairman or the Board, and which may be posted on the Corporation's web site.

ARTICLE VII **VOLUNTEERS**

Section 7.01 NUMBER. The volunteers for the Corporation will fluctuate from time to time depending on varying projects and activities.

Section 7.02 APPOINTMENT. All volunteer positions are appointed by the Chairman with Board approval.

Section 7.03 TERM OF POSITION. Each volunteer shall hold each position for the term appointed. All volunteer positions shall become vacant at the Annual Meeting of the Membership or upon change of Chair. A person may or may not be reappointed by the incoming chair with or without prejudice.

Section 7.04 RESIGNATION. A volunteer 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.

Section 7.05 REMOVAL. A volunteer may be removed with or without cause by the Chairman. The removal shall be without prejudice to the person's contract rights, if any. Appointment to a volunteer position does not of itself create contract rights.

Section 7.06 VACANCIES. A vacancy in any office for any reason may be filled by the Chair with approval of the Board.

Section 7.07 DUTIES, POWERS AND OBLIGATIONS.

(a) All volunteer positions shall be as specified in the board resolution approving the appointment by the Chairman. Duties shall continue until changed by specific board resolution.

(b) No volunteer shall have the power to:

- (1) amend the articles of incorporation;
- (2) adopt an agreement of merger or consolidation;
- (3) amend the bylaws of the Corporation; or
- (4) fill vacancies on the Board.

(c) All volunteer positions sanctioned by the Board shall continue to exist for the term specified in the Board resolution or without specified term as long as the Board does not explicitly act (by majority vote) to dissolve the position.

Section 7.08 FUNDING. The Board may allocate a budget for a selection of volunteer positions through resolutions of the Board. A request for expected costs shall be presented by the volunteer to the Board. All budgets must be approved by the Board. The Volunteer shall take necessary steps to adhere to the budget, and the Board reserves the right to deny expenses it considers unreasonable or unnecessary in light of the original budget, project progress, and the likelihood of a successful outcome.

ARTICLE VIII **PROJECTS**

Section 8.01 GENERAL POWERS AND QUALIFICATION. The general rules for projects and selection or qualification of project members are as follows:

(a) A project is a well-defined, finite segment of work defined in a project proposal document. Anyone may submit such a document to the Board for due consideration as a project formally sanctioned, endorsed, sponsored, and funded

by KLUG. The Board, by resolution adopted by a vote of a majority of its directors, may so designate a project.

(b) No project shall have the power to:

- (1) amend the articles of incorporation;
- (2) adopt an agreement of merger or consolidation;
- (3) amend the bylaws of the Corporation; or
- (4) fill vacancies on the Board.

(c) All projects sanctioned by the Board shall continue to exist for the term specified in the Board resolution or without specified term as long as the Board does not explicitly act (by majority vote) to dissolve the project. Upon successful completion of the project, the project manager shall report to the Board and recommend dissolution of the project based on the completion of objectives.

Section 8.02 PROJECT MANAGERS. Each project shall have a project manager, appointed by the Chairman with Board approval, who reports to the Board on project progress and related information. The Board may also designate one or more directors to exercise oversight over the project, and who can substitute for an absent project manager at a project meeting. Project volunteers shall otherwise determine, with Board approval, the structure and work style of the project team.

(a) **TENURE.** All project manager positions shall become vacant at the annual elections or upon change of the Chair. A person may or may not be reappointed by the incoming chair with or without prejudice.

(b) **RESIGNATION.** A Project Manager 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.

(c) **REMOVAL.** A Project Manager may be removed with or without cause by the Chairman. The removal shall be without prejudice to the person's contract rights, if any. Appointment to a volunteer position does not of itself create contract rights.

(d) Any member may volunteer for any project position declared vacant by the project manager, and shall take that position with the approval of the project manager, in lieu of any oversight exercised by the Board.

Section 8.03 MEETINGS. The project manager shall call meetings of the project team as needed. Any decisions made at such meetings shall be reported to the Board in a timely fashion.

Section 8.04 FUNDING. The Board may fund projects through resolutions of the Board. A budget covering expected costs shall be a part of any project proposal. The Project Manager shall approve all expenditures within the budget allocated by the Board. Project team members, the project manager, and the Board shall take necessary steps to adhere to the budget, and the Board reserves the right to deny expenses it considers unreasonable or unnecessary in light of the original budget, project progress, and the likelihood of a successful outcome.

ARTICLE IX **CORPORATE DOCUMENT PROCEDURE**

Section 9.01 CORPORATE DOCUMENTS. All corporate documents shall not be signed by any officer, designated agent, or attorney in fact unless authorized by the Board or by these bylaws.

ARTICLE X **INDEMNIFICATION**

Section 10.01 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.

Section 10.02 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.

Section 10.03 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 10.01 or 10.02 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.

Section 10.04 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 10.03 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.

Section 10.05 DETERMINATION THAT INDEMNIFICATION IS PROPER. Any indemnification under Sections 10.01 or 10.02 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 10.01 or 10.02, 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.

Section 10.06 PROPORTIONATE INDEMNITY. If a person is entitled to indemnification under Sections 10.01 or 10.02 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.

Section 10.07 EXPENSE ADVANCE. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 10.01 or 10.02 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.

Section 10.08 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.

Section 10.09 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.

Section 10.10 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.

Section 10.11 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.

Section 10.12 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 XI
COMPENSATION

Section 11.01 COMPENSATION OF DIRECTORS. No member of the Board of Directors shall receive any compensation for their services rendered to the Corporation.

Section 11.02 COMPENSATION OF OFFICERS. No officer of the Corporation shall receive any compensation for their services rendered to the Corporation

ARTICLE XII
FISCAL YEAR

Section 12.01 FISCAL YEAR OF CORPORATION. The fiscal year of the Corporation shall end on December 31st of each year.

ARTICLE XIII
AMENDMENTS

Section 13.01 AMENDMENT OF BYLAWS. 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.