

# **Bylaws of Port Sanilac Area Business Association, Inc.**

Revised and approved March 30, 2022

## **Article I**

### **Offices**

**1.01** Principle Office. The principle office of the corporation shall be a such place with the State of Michigan as the board of directors may determine from time to time.

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

## **Article II**

### **Members**

**2.01** Membership Eligibility. To be eligible for membership in the corporation, a person must be:

1. an owner, manager or independent contractor of a business or
2. an administrator, director, CEO or an official of an agency, church, institution, organization or
3. appointed by 1 or 2 as a representative.

The business or organization must be located in or serve the area of Port Sanilac, Michigan.

**2.02** 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.

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

- (a) Failure to pay dues within 90 days after written notice of payment due.
- (b) Failure to satisfy the requirements of section 2.01 of this article.

**2.04** Annual Membership Meeting. The annual meeting of the members shall be held on the second Wednesday in April. At each annual meeting, an election will be held for any end of term board vacancies and any other business shall be transacted that may come before the meeting.

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

**2.06** 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.

**2.07** Notice of Meetings. Except as otherwise provided by statute, written or email notice of the time, place and purposes of a membership meeting shall be given not less than 10 days or more than 60 days before the date of the meeting. Notice shall be given either personally, by mail or email to each member or 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.

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2.08 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.

2.09 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.

2.10 Quorum. Unless greater or lesser quorum is required by statute, twenty-five (25%) percent of the members present in person or by proxy 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.

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

2.12 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. Director shall be elected by a plurality of votes cast at any election.

2.13 Compensation. No member, committee member or board officer shall be compensated for attending meetings. Expenses incurred due to an action requested by the board may be reimbursed only with a receipt or proof of purchase. A board directive must be made in advance for the expense and approved by a quorum of the board.

### **Article III**

#### **Board**

3.01 General Powers. The business, property and affairs of the corporation shall be managed by the board of directors.

3.02 Number. There shall be five (5) directors on the board. *(Amended May 10, 2017)*

3.03 Tenure. Board Members shall be elected at each annual membership meeting to hold office for a term of two years until the annual membership meeting following their term. The Board Member shall serve until their successor is elected and qualified or until the director's death, resignation or removal. *(Amended April 11, 2018)*

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3.031 Election of Board Members: Three board members will be elected on even number years and two will be elected on odd number years. The designations for each term will be 1A and 1B for odd years and 2A, 2B and 2C for even years. The succession of elected board members will follow that designation. *(Added April 11, 2011. See example on page 10)*

3.04 Resignation. A director may resign at any time by providing written notice to the corporation. Notice of resignation will be effective on receipt or a later time designated in the notice. A successor shall be appointed as provided in section 3.06 of the bylaws.

3.05 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.

3.06 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 elected shall be a director for a term of office continuing until the next election of directors by the members.

3.07 Annual Board Meeting. An annual board meeting shall be held each year before 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.

3.08 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.

3.09 Special Meetings. Special meetings of the board may be called by the president or any two directors at a time and place as determined by those persons authorized to call special meetings. Notice of the time and place of special meetings shall be given to each director in any manner at least three days before the meeting.

3.10 Statement of Purpose. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the board need be specified in the notice for that meeting.

3.11 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.

3.12. Meeting by Telephone or Similar Equipment. A board member may participate in a board 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.

3.13 Quorum. A majority of the directors then in office constitutes a quorum for the transaction of any business at any meeting of the board. Action voted on by a majority of directors present at a meeting where a quorum is present shall constitute authorized actions of the board.

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3.14 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 director consent to the action in writing. Written consents shall be filed with the Minutes of the board's proceeding.

3.15 Compensation. Board officers will not be compensated for attending board or regular PSABA meetings. If a Board Officer attends a training session or other occasion as a representative of PSABA by order of the Board, session fees and travel expenses may be reimbursed including mileage (at the IRS rate), meals and accommodation. Attending any such event must be approved in advance by a quorum of the board.

3.16 Ethics and Conflict of Interest. Board officers must avoid situations in which personal interests might be served or financial benefits gained as a result of their position. An officer shall abstain from voting whenever a conflict of interest exists. Officers shall not use their position to gain unwarranted privileges or advantages for themselves or their business. Include this for all membership?

### **Article IV Committees**

4.01 General Powers. The board, by resolution adopted by a vote of the majority of its directors, may designate one or more committees, each committee consisting of one or more directors. 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, 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.

The purpose of the committee and its responsibilities shall be stipulated by the Board so that all those who participate clearly understand the expectations of the board, the actions required and the limited authority granted by the board.

The Board will appoint a PSABA Board Officer as the Chairperson of the committee. Members of PSABA and volunteers from the community may serve on the committee.

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; or
- (e) Fix compensation of the directors for serving on the board or committee.
- (f) Recommend to the 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.

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4.02 Meetings. Committees shall meet as directed by the board and their meetings shall be governed by the rules provided in Article III for meetings of the board. Minutes of each committee meeting shall be taken by a person appointed by the committee and a copy of the minutes shall be submitted to the board. A representative of the committee may be asked to attend a board or membership meeting. Updates of committee actions shall be reported to the board and membership.

4.03 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.

4.04 Removal. Any person appointed by the board may be removed with or without cause by vote of a majority of the board.

### **Article V Board Officers**

5.01 Number: The officers of the corporation shall be appointed by the board. The officers shall be a president, 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.

5.02 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 by the notice.

5.03 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 if itself create contract rights.

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

5.05 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 shall preside at all board or membership meetings. Qualification for President: must have served as an officer on the board for two years prior to nomination.

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5.06 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.

5.08 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;
- (e) perform all duties incident to the office and other duties assigned by the president or the board.

5.09 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 monies 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) prepare financial reports for meetings
- (f) perform all duties incident to the office and other duties assigned by the president or the board.

5.10 Background Check: An acceptable background check is required for all current and prospective board officers.

## **Article VI**

### **Corporate Document Procedure**

No 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 be signed by any officer, designated agent, or attorney-in-fact unless authorized by the board or by these bylaws.

## **Article VII**

### **Indemnification**

**6.01** 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 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), judgements, 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

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he or she reasonably believed to be in or not opposed to the best interests of the corporation of 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 reasonable 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.

6.02 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 an 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 the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its members. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the corporation unless and only to the extent that the court in which the action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

6.03 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 this article, or is 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.

6.04 Contract Right: Limitation on Indemnity. The right to indemnification conferred in the 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. The corporation shall have not 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.

6.05 Determination That Indemnification Is Proper. Any indemnification (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 0in the circumstances because the person has met the applicable standard of conduct set forth. The 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, 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.

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(d) By the members.

6.06 Proportionate Indemnity. If a person is entitled to indemnification under sections 6.01 or 6.02 if this article for a portion of expenses, including attorney fees, judgements, 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, judgements, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

6.07 Expense Advance. Expenses incurred in defending a civil or criminal action, suit, or proceeding 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 it need not be secured.

6.08 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.

6.09 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 or director and officers of the corporation.

6.10 Former Directors and Officers. The indemnification provided in the article continues for a person who has ceased to be a director or officer and shall inure to the benefit of heirs, executors, and administrators of that person.

6.11 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. The insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have power to indemnify against liability under this article or the laws of the State of Michigan.

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



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## Article VIII 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 IX Fiscal Year

The fiscal year of the corporation shall end on December 31.

## Article X 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 the meeting of the board.

Adopted: March 30, 2022

Beverly Dear  
Secretary

Bylaw Change: May 10, 2017

O3.02 Number. There shall be three (3) directors on the board.

Addendum to 3.2 of the bylaws: change from three (3) to five (5) the number of board members.

Voted upon May 10, 2017 by a full membership Approved.

3.021 Number. There shall be five (5) director on the board.

President: David Boyer

Secretary: Jeanne Harper

Bylaw Changes April 11<sup>th</sup> 2018

Amendment

3.03 Tenure: Board members shall be elected at each annual membership meeting to hold office for a term of two years until the annual membership meeting following their term. The Board Member shall serve until their successor is elected and qualified or until their death, resignation or removal.

Addition

3.031 Election of Board Members: Three board members will be elected on even number years and two will be elected on odd number years. The designations for each term will be 1A and 1B for odd years and 2A, 2B and 2C for even years. The succession of elected board members will follow that designation.

Example:

Designation	Name	Year	Successor Name
1A	Dave Boyer	2019	TBD
1B	Jeanne Harper	2019	TBD
2A	Gale Travis	2018	Pam Willis
2B	Sarah Arrell	2018	Katie Hardison
2C	Lori Moran	2018	Laura Koehldorfer