

November 2012

BYLAWS OF
ROCHESTER HILLS MUSEUM FOUNDATION

(A Michigan Not-for-Profit Corporation)

Mission

The mission of the Rochester Hills Museum Foundation is to further the educational programs and purposes set forth by the Rochester Hills Museum at Van Hoosen Farm. The Foundation shall promote and assist in the development of the Museum's educational activities and programs and include the development of broad public, private and volunteer support, indentifying and make grant applications, and shall aid in the securing of gifts supportive of the Museum's educational programs, exhibits, events, and collections. The Foundation shall also seek to make the Museum's resources more accessible to the public and to promote historic preservation in Rochester Hills and the surrounding area that benefit from the Museum's educational operation.

ARTICLE I

NAME

The name of this corporation shall be the Rochester Hills Museum Foundation hereafter referred to as the Foundation.

ARTICLE II

MEMBERS

Section 1: Members. The Foundation shall be organized on a membership basis where Members of the Foundation will be the City Council Members of the City of Rochester Hills, Michigan who are currently in office.

Section 2: Voting Rights. Each Member is entitled to one vote on each matter submitted to a vote of the Members. A simple majority of Members, or a greater number if required by State Law, shall constitute a quorum for the transaction of business.

Section 3: Transfer of Membership. Membership in this Foundation is not transferable or assignable.

Section 4: Responsibilities of the Members. The Members shall have the following rights and responsibilities:

- (a) Approve and change the mission and policy of the Foundation;
- (b) Authorize changes to the Foundation's Articles of Incorporation and By-Laws;
- (c) Elect and remove, with or without cause, the Foundations Directors, except for those ex officio Directors who hold a Director position by virtue of their position with the City of Rochester Hills; and
- (d) Approve plans of a merger, consolidation or dissolution of the Foundation or the creation by the Foundation of any controlled corporation; and

ARTICLE III

MEETING OF MEMBERS

Section 1: Annual Meeting. An annual meeting of the Members will be held in the last quarter of each year for the purpose of appointing the Board of Directors and to conduct any other business that may fall under the responsibilities of the members. The date of the annual meeting shall be determined by the Members. Directors can also be appointed at other meetings of the Members during the year to fill vacancies.

Section 2: Special Meetings. Special meetings of the Members may be called by the Rochester Hills City Council President or by resolution of the members.

- a. Notice of the Special Meeting shall be prepared in writing by the Secretary, or his/her designee, containing the following information: date, time, place, and the purpose of the meeting and be posted at least eighteen (18) hours prior to the scheduled starting time of the meeting in accordance with the Open Meetings Act.
- b. Notice of any Special Meeting shall be given to all members at least twenty-four (24) hours prior to the scheduled starting time of the meeting by a personal conversation with each member, and by placing a copy of the notice in each member's City Hall mailbox; or by E-Mail, or by Voice Mail.
- c. No business shall be transacted at any Special Meeting of the Members unless the same has been stated in the Notice of such Meeting. However, if all the Members of the Foundation are present at any such Meeting of the Members, then any business

that may lawfully come before a Regular Meeting may be transacted at such a Special Meeting (all Members present and all Members are in agreement).

ARTICLE IV

ELECTION OF BOARD OF DIRECTORS

Section 1: Eligibility. Those persons who demonstrate an awareness of and a commitment to the educational, cultural, and recreational needs of the Rochester Hills community shall be eligible to serve on the Board of Directors of the Foundation. The Board shall consist of nine (9) directors of whom five (5) at-large shall be appointed by the Members. The other four directors on the Board shall be ex officio members and shall include one member of the Rochester Hills City Council, the Mayor of the City of Rochester Hills (or his or her designee), the Director of the Parks Department for the City of Rochester Hills (or his or her designee), and the City of Rochester Hills Finance Director (or his or her designee). The Rochester Hills City Council will appoint one of its members to serve (annually) as their Representative on the Board of Directors. The Supervisor of Interpretive Services of the Rochester Hills Museum shall serve as an advisor to the Board of Directors and will be a non-voting member. The Mayor will nominate candidates for the five (5) Director positions to be appointed by the Members.

Section 2: Term. Except for ex officio Directors serving based on their position with the City, the term of office of any Director shall be for two (2) years, with no term limits, and continue until his or her successor has been elected. The initial Board of Directors shall consist of two- three (3) year terms, two- two (2) year terms, and one- one (1) year term.

Section 3: Resignation and Removal. Any Director may resign by written notice to the Foundation. Any Director who is appointed by the Members may be removed by the Members at any meeting of the Members, either with or without cause, by the affirmative vote of a majority of the Members.

Section 4: Vacancy. If a vacancy occurs among the Board of Directors, the vacancy shall be filled by the Members within 60 days by appointing a successor from among one or more candidates nominated by the Mayor of the City of Rochester Hills.

ARTICLE V

BOARD OF DIRECTORS

Section 1: General Powers. It shall be the responsibility of the Board of Directors to carry out the purposes of the Foundation as specified in the Preamble of this document.

Section 2: Regular Meetings. Regular meetings will be held as needed to conduct business to support the Rochester Hills Museum.

Section 3: Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson or by resolution of the Directors.

- a. Notice of the Special Meeting shall be prepared in writing by the Secretary, containing the following information: date, time, place, and the purpose of the meeting.
- b. Notice of any Special Meeting shall be given to all Directors at least twenty-four (24) hours prior to the scheduled starting time of the meeting by a personal conversation with each Member, and by E-Mail, or by Voice Mail.

Section 4: Notice. Notice of any regular meeting of the Board of Directors will be given at least seven (7) days prior by written notice delivered personally, sent by fax or E-mail to each Director at his or her address as shown by the records of the Foundation. If mailed, such notice will be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid.

Section 5: Quorum. A majority of the Directors will constitute a quorum for the transaction of business at any meeting of the Board.

Section 6: Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present will be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 7: Compensation. Directors will not receive any compensation for their services.

Section 8: Meeting by Telephone or Remote Means. The Board may conduct meetings by conference telephone, email or other remote means of communication if a quorum of the Board agrees to such a means and the means allows for interactive communication that all directors may participate in.

Section 9: Responsibilities. Each member of the Board of Directors will be responsible for the following:

- 1) Regular attendance at the Board meetings.
- 2) Promoting the Rochester Hills Museum Foundation and all activities that support the Rochester Hills Museum's educational activities.
- 3) Encouraging financial contributions to support the mission of the foundation.
- 4) Participation in a committee (s) of the Board.
- 5) Participation in Rochester Hills Museum events and Rochester Hills Museum Foundation events.

Section 10: Annual Plan and Budget. Before the beginning of the Foundation's Fiscal Year (January 1-December 31), the Board of Directors shall adopt a plan for that fiscal year and a budget to accomplish the plan. In addition, this plan and budget shall be presented to the Members before the start of the Foundation's Fiscal Year and the Members shall review said budget.

Section 11: Adjourned Meetings. A majority of the directors present, whether or not a quorum, may adjourn any meeting to another time and place. Notice of such adjourned meeting shall be given even though the time and place thereof are announced at the meeting at which the adjournment is taken.

Section 12: Method of Giving Notices. Any notice required by statute or by these Bylaws to be given to the directors, or to any officers of the Foundation unless otherwise provided herein or in any statute, shall be given by mailing to such director or officer at his or her last address as the same appears on the records of the Foundation, and such notice shall be deemed to have been given at the time of such mailing.

Section 13: Action By Written Consent. Action required or permitted to be taken pursuant to authorized vote at any meeting of the Board of Directors or a committee thereof, may be taken without a meeting if, before or after the action, all Members of the Board of Directors or the committee consent thereto in writing. Written consent shall be filed with the minutes of the proceedings of the Board or committee. Such consent shall have the same effect as the vote of the Board or committee for all purposes.

Section 14: Participation in Meeting by Telephone. By oral or written permission of a majority of the Board of Directors, a member of the Board of Directors or of a committee

designated by the Board may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and interact. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting.

ARTICLE VI

OFFICERS

Section 1: Election or Appointment. The Board of Directors, as soon as may be practical after the annual appointment of Directors in each year, shall elect from among the current At-Large Directors, a Chairperson, a Vice-Chairperson, and a Secretary. Ex officio Directors shall not hold an officer position, with the exception of the Finance Director for the City of Rochester Hills who shall be the Treasurer of the Foundation.

Section 2: Term of Office. The term of office of all officers shall commence upon their selection or appointment and shall continue until the next annual meeting of the Board of Directors for the Foundation and thereafter until their respective successors are chosen or until their resignation or removal. Any officer, except for the Treasurer, may be removed from office at any meeting of the Board of Directors, with or without cause, by the affirmative vote of a majority of the Directors present, whenever in their judgment the best interests of the Foundation will be served thereby. An officer may resign by written notice to the Foundation. The resignation shall be effective upon its receipt by the Foundation or at a subsequent time specified in the notice of resignation. The Board of Directors shall have power to fill any vacancies in any offices. A Director may hold a specific officer's position for two (2) years, and can remain as an officer until his or her successor has been elected. The Finance Director for the City of Rochester Hills (or his or her designee) shall be exempt from this requirement.

Section 3: Compensation. Officers will not receive compensation for their services.

Section 4: Chairperson. The Chairperson shall be the Chief Executive Officer of the Foundation and shall have general management of the activities of the Foundation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she shall preside over all meetings of the Board of Directors.

Section 5: Vice-Chairperson. The Vice-Chairperson shall, in the absence or disability of the Chairperson, perform the duties and exercise the powers of the Chairperson and shall perform such other duties as the Board of Directors shall prescribe.

Section 6: Secretary. The Secretary shall attend all meetings of the Board of Directors and record all votes and the minutes of all proceedings in a manner to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the Directors for which notice may be required, and shall perform such other duties as may be prescribed by the Directors.

Section 7: Treasurer. The Treasurer shall ensure that funds are properly deposited and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Foundation and will provide full access to the City of Rochester Hills and shall deposit all money in a designated Foundation account. The accounts of the Foundation shall be audited annually by an independent firm, consistent with the City of Rochester Hills procedures. He or she shall account for all his or her transactions as Treasurer and of the financial condition of the Foundation.

ARTICLE VII

COMMITTEES

Section 1: General. The Board of Directors may designate ad hoc or standing committees with such duties and powers as it may provide in order to carry out the program and purposes of the Foundation, and the Board shall further designate the individuals from their number to serve as chairpersons of said standing committees.

ARTICLE VIII

DISSOLUTION

Section 1: Dissolution. In the event of the dissolution of the Foundation, after paying or providing for all of the expenses and liabilities of the Foundation, all of the Foundation's remaining assets, real and personal, shall be distributed to the City of Rochester Hills for use in public educational programs held by the City Museum, or if the Museum ceases to exist as a City asset, to the Community Foundation of Greater Rochester to be used or distributed exclusively for exempt purposes within the meaning of IRC Section 501 (c)(3), as may be amended.

Section 2: No Inurement. No part of the earnings or assets of the Foundation shall be distributed to or inure to the benefit of any Member, Director or Officer of the Foundation, or other private persons as prohibited by Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (or corresponding provisions of subsequent federal tax laws), or the Michigan General Sales Tax Act or the Michigan Use Tax Act. However, the Foundation shall be authorized to pay reasonable compensation for services rendered and to make

payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws, except as otherwise prohibited herein. No substantial part of the activities of the Foundation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Foundation shall not participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these bylaws, the Foundation shall not carry on any other activities that are not permitted to be carried on by an organization exempt from federal income tax under IRC 501(c)(3), as may be amended, or by an organization whose contributions are deductible under IRC 170(c)(2), as amended.

ARTICLE IX

INDEMNIFICATION OF OFFICERS, DIRECTORS AND AGENTS

Section 1: Indemnification of Directors and Officers: Claims Brought by Third Parties.

The Foundation shall, to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act or other applicable law, as the same presently exists or may hereafter be amended, indemnify a director or officer who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the Foundation, by reason of the fact that he or she is or was a director, officer, or agent of the Foundation, or is or was serving at the request of the Foundation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses, including attorneys fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with the action, suit, or proceeding, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonable believed to be in or not opposed to the best interests of the Foundation, and with respect to any criminal action or proceeding, if the Indemnitee had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner which the Indemnitee reasonable believed to be in or not opposed to the best interests of the Foundation, and, with respect to any criminal action or proceeding, has reasonable cause to believe that the conduct was unlawful.

Section 2: Indemnification of Directors and Officers: Claims Brought by or in the Right of the Foundation. The Foundation shall, to the fullest extent authorized or permitted by the

Act or other applicable law, as the same presently exists or may hereafter be amended, indemnify a director or officer who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Foundation to procure a judgment in its favor by reason of the fact that the Indemnitee is or was a director, officer, employee or agent of the Foundation, or is or was serving at the request of the Foundation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys fees, and amounts paid in settlement incurred by the person in connection with the action of suit, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonable believed to be in or not opposed to the best interests of the Foundation. However, indemnification under this Section shall not be made for a claim, issue, or matter in which the Indemnitee has been found liable to the Foundation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Indemnitee is fairly and reasonable entitled to indemnification for the expenses which the court considers proper.

Section 3: Actions Brought by the Indemnitee. Notwithstanding the provisions of Sections 1 and 2 of this Article, the Foundation shall not indemnify any person in connection with any action, suit proceeding or claim (or part thereof) brought or made by such person; unless such action, suit, proceeding or claim (or part thereof) (i) was authorized by the Board of Directors of the Foundation, or (ii) was brought or made to enforce this Article and such person has been successful in such action, suit, proceeding or claim (or part thereof).

Section 4: Approval of Indemnification. An indemnification under Sections 1 or 3 of this Article, unless ordered by a court, shall be made by the Foundation only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in Sections 1 and 3 of this Article. This determination shall be made promptly in any of the following ways:

- A. By a majority vote of a quorum of the Board of Directors consisting of directors who were not parties to the action, suit, or proceeding.
- B. If the quorum described in subdivision (A) is not obtainable, then by a majority vote of a committee of directors who are not parties to the action. The committee shall consist of not less than two (2) disinterested directors.

C. By independent legal counsel in a written opinion.

Section 5: Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 1 or 3 of this Article shall be paid promptly by the Foundation in advance of the final disposition of the action, suit, or proceeding upon receipt of any undertaking by or on behalf of the Indemnitee to repay the expenses if it is ultimately determined that the Indemnitee is not entitled to be indemnified by the Foundation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

Section 6: Partial Indemnification. If an Indemnitee is entitled to indemnification under Sections 1 or 3 of this Article for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Foundation shall indemnify the Indemnitee for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the Indemnitee is entitled to be indemnified.

Section 7: Indemnification of Employees and Agents. Any person who is not covered by the foregoing provisions of this Article and who is or was an employee or agent of the Foundation, or is or was serving at the request of the Foundation as a director, officer, employee or agent of another foreign or domestic foundation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, may be indemnified to the fullest extent authorized or permitted by the Act or other applicable law, as the same exist or may hereafter be amended, but in the case of any such amendment, only to the extent such amendment permits the Foundation to provide broader indemnification rights than before such amendment, but in any event only to the extent authorized at any time or from time to time by the Board of Directors.

Section 8: Other Rights of Indemnification. The indemnification or advancement of expenses provided under Sections 1 to 7 of this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation, bylaws, or a contractual agreement. 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 or expenses. The indemnification provided for in Sections 1 to 5 of the Article continues as to a person who ceases to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and Managers of the person.

Section 9: Liability Insurance. The Foundation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or

agent of the Foundation, or is or was serving at the request of the Foundation as a director, officer, employee or agent of another corporation, business corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Foundation would have the power to indemnify the person against such liability under the provisions of the Act.

Section 10: Severability. Each and every paragraph, sentence, term and provision of this Article shall be considered severable in that, in the event a court finds any paragraph, sentence, term or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining paragraphs, sentences, terms, or provisions shall not be affected, and this Article shall be construed in all respects as if the invalid or unenforceable matter had been omitted.

ARTICLE X

CONFLICTS OF INTEREST

Section 1: Statement of Policy. It is the policy of the Foundation that all officers, directors, committee members and employees of the Foundation shall avoid any conflict between their own respective individual interests and the interests of the Foundation, in any and all actions taken by them on behalf of the Foundation in their respective capacities.

Section 2: Dealing with the Foundation. A contract or other transaction between the Foundation and one or more of its directors or officers, or between the Foundation and a domestic or foreign corporation, firm or association of any type or kind in which one or more of the Foundation's directors or officers are trustees or officers, or are otherwise interested, is not void or voidable solely because of such common trustee, officer or interest, or solely because such directors are present at the meeting of the Board of Directors or committee thereof at which such contract or transaction is acted upon, or solely because their votes are counted for such purpose, if any of the following conditions is satisfied:

- (a) The contract or other transaction is fair and reasonable to the Foundation when it is authorized, approved or ratified; or
- (b) The material facts as to such trustee's relationship or interest and as to the contract or transaction are disclosed or known to the Board of Directors or committee thereof and the Board of Directors or committee thereof authorizes, approves or ratifies the contract or transaction by a vote sufficient for the purpose without counting the vote of any common or interested director.

Section 3: Procedure in Event of Potential Conflict of Interest. In the event that any officer, trustee, committee member or employee of the Foundation shall have any direct or indirect interest in, or relationship with, any individual or organization which proposes to enter into any transaction with the Foundation, such officer, director, committee member or employee shall give the Board of Directors notice of such interest or relationship and shall thereafter refrain from voting or otherwise attempting to exert any influence on the Foundation, its Board of Directors, or its committees, to affect its decision to participate or not to participate in such transaction.

Section 4: Special Voting Rules. Any member of the Board of Directors who has a conflict of interest on any matter involving the Foundation shall not be counted in determining the quorum for the meeting at which the matter is to be acted upon, even when permitted by law. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 1: Contracts, Conveyances. Etc. All conveyances, contracts and instruments of transfer and assignment shall be approved as provided by a resolution of the Board of Directors.

Section 2: Execution of Instruments. All Foundation instruments and documents, including, but not limited to, checks, drafts, bills or exchange, acceptances, notes or other obligations or orders for the payment of money, shall be signed as provided by a resolution of the Board of Directors.

ARTICLE XII

AMENDMENTS AND ADDITIONS

Section 1: Amendments. These Bylaws may be altered or amended at any duly called meeting of the Members, at which a quorum is present by a majority of the Members, provided that written notice naming the substance of the proposed amendment has been sent to each Member at least five (5) days in advance of the date of the meeting, unless such notice is waived by all the Members.

Section 2: Rules and Regulations. The Board of Directors may adopt additional rules and regulations, general or specific, for the conduct of their meetings, and additional rules and regulations, general or specific, for the conduct of the affairs of the Foundation; provided,

however, no such additional rule or regulation shall be inconsistent with or in contravention of any provision of the Articles of Incorporation or these Bylaws.