

Name: Ann Arbor Civic Theatre

BYLAWS OF ANN ARBOR CIVIC THEATRE

These Bylaws shall regulate the business and affairs of **Ann Arbor Civic Theatre**, a Michigan nonprofit corporation (the “Corporation”), subject to the provisions of the Corporation’s Restated Articles of Incorporation, as amended (the “Articles”), and any applicable provisions of the Michigan Nonprofit Corporation Act, as amended (the “Act”).

ARTICLE I

Purposes and Powers

1. *Purpose.* The purposes for which the Corporation is organized are set forth in its Articles, but are generally to operate a non-profit, non-professional theater group in order to cultivate, advance, and promote education in dramatic literature, dramatic expression, and dramatic art; and to do all things necessary or incidental to the furtherance of such general purpose

2. *Limitations on Activities.* The Corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code. No part of the earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes set forth above. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf or in opposition to any candidate for public office. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

3. *Dissolution and Winding Up.* Upon the dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

4. *Powers.* The Corporation has all of the powers of a Michigan nonprofit corporation, including without limitation, the power to solicit and receive donations, the power to purchase, own and sell, mortgage or lease tangible and intangible assets, the power to borrow money, and the other general powers enumerated in the Act.

ARTICLE II

Membership

1. *Membership Classifications.* There are two types of membership classifications:

(a) *General Members.* Any person who pays the current annual dues as set by the Board and provides a mailing or email address for purposes of receiving notices from the Corporation shall become a general member of the Corporation. General memberships shall be valid for 12 months with rolling anniversaries.

(b) *Honorary Members.* The Board may, in acknowledgement of service rendered to the Corporation or to the community, bestow honorary memberships upon persons who provide a mailing or email address for purposes of receiving notices from the Corporation. Such honorary members shall not be subject to dues. Honorary memberships shall be valid for 12 months with rolling anniversaries. No more than 10 honorary memberships may exist at any time.

2. *Members' Powers.* General Members and Honorary Members shall have the same powers and are collectively referred to as "Members."

3. *Notices to Members.* Each Member who provides a mailing address to the Corporation in connection with such person's admission as a Member designates that address as his or her address for notices mailed from the Corporation and each Member who provides an email address to the Corporation in connection with such person's admission as a Member authorizes the Corporation to communicate with him or her electronically by sending email to such email address, and such electronic notice shall be effective.

4. *Denial of Membership; Removal of Members.* Membership in the Corporation is a privilege and not a right. The Corporation reserves the right to deny membership to anyone, and to revoke the membership of anyone, for any reason or no reason, upon action of the Board of Directors. The dues of any person whose membership is so revoked shall be returned to such person. Without limiting the foregoing reserved right of the Corporation, violation by a member of policies established for the Corporation by its Board of Directors, as determined by the Board in good faith, shall be grounds for revocation of such member's membership in the Corporation.

ARTICLE III

Membership Meetings

1. *Date of Annual Member Meeting.* An Annual Member Meeting shall be held in May or June of each year to elect Elected Members to the Board and to transact other business.

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2. *Notice of Annual Member Meeting.* Written notice of time, place and agenda of the Annual Member Meeting shall be mailed or emailed to each Member at least 10 (but not more than 60) days prior to the date fixed for the meeting. Such notice may be included in a publication sent to all Members.

3. *Agenda of Annual Member Meeting.* The President, with input from the Board, shall set the agenda for the Annual Member Meeting. Any Member wishing to add other items shall present a written notice to the President at least 48 hours before the Annual Member Meeting. The President shall either include the item on the Annual Member Meeting agenda or refer the request to the Annual Member Meeting, and it shall be included on the agenda if two-thirds of those Members voting so approve.

4. *Quorum for Annual Member Meeting.* Those Members present at the Annual Member Meeting shall constitute a quorum. Proxy votes are not permitted for any purpose.

5. *Voting at Annual Member Meeting.* Each Member present at the Annual Member Meeting is entitled to one vote on every issue. The affirmative vote of a majority of the Members present is the act of the Members, except as otherwise provided in these Bylaws.

6. *Special Membership Meetings.* The Board or any 25 Members (or, if less, 10% of all the Members) may call a Special Member Meeting. The Notice, Agenda, Quorum and Voting requirements and procedures outlined in Article III, Sections 2-5 shall apply to Special Membership Meetings. Nothing in this section should be construed as prohibiting meetings for purposes other than taking formal actions.

ARTICLE IV

Board of Directors

1. *General Powers and Number of Directors.* All corporate powers of the Corporation shall be exercised by and under the authority of a Board of Directors consisting of six to fifteen members (the "Board").

2. *Elected Directors.* There shall be six Elected Directors. The Elected Directors shall be elected at the Annual Member Meeting and the term of office of each Elected Director shall be three years. The Elected Directors shall have staggered terms, with two Elected Directors elected at each Annual Member Meeting. An Elected Director's term of office shall begin on the first day of the Corporation's fiscal year beginning after their election, or such earlier date as is determined by the Members at the time of such election. Elected Directors shall serve until the earlier of their death, resignation or removal or until their successor Elected Director is elected and begins their term of office.

3. *Appointed Directors.* The Board, in its discretion, shall appoint at least six and up to nine Appointed Directors, and the term of office of each Appointed Director shall be up to three years. An Appointed Director's term of office shall begin on the first day of the Corporation's fiscal year beginning after their appointment, or such earlier date as is determined by the Board

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at the time of such appointment, and shall end at the end of the last day of the third fiscal year beginning after their appointment, unless the Appointed Director has been appointed to fill a vacancy, in which case they shall serve for the term of the Appointed Director they are replacing. Appointed Directors shall serve until the earlier of their death, resignation or removal or until their term expires. To the extent practicable, appointed Directors terms shall be staggered such that approximately one-third of the appointed Directors shall have their term of office expire in a given fiscal year.

4. *Director Qualifications.* No person shall be eligible to be an Elected Director who has not been a Member for a period of at least 8 months immediately before taking office. The Appointed Directors shall be chosen from the community at large, without regard to prior or current membership status. All Directors must be at least 18 years of age, except that at any time one Director may be 16 or 17 years of age. Promptly upon and after election or appointment, each Director will provide the Corporation with a current mailing address and email address for purposes of receiving notices from the Corporation and in respect of Board meetings, and each Director authorizes electronic notices to be sent effectively to such current email address.

5. *Duties.* The business and affairs of the Corporation shall be managed under the direction of the Board. The Board shall be responsible for long-range planning for the Corporation, marketing, development and fund-raising. The Board may delegate its responsibilities to Board committees as provided in these Bylaws and may delegate day-to-day management responsibilities, including financial management responsibilities, to one or more Officers or Executive Directors, all as determined by the Board from time to time in good faith.

6. *Director Vacancies.* The Board shall appoint Members to fill all Director vacancies. Such appointments shall be for the same type of Director (Elected Director or Appointed Director) and for the remaining term of the vacated Director. Vacancies for Directors shall be filled with individuals who meet the qualifications for the same type of Director (Elected Director or Appointed Director) as specified in Article IV, Section 4.

7. *Removal of Directors.* The Board may remove any Director for inactivity, continuing absence from Board meetings, or actions believed to be detrimental to the Corporation. The Board may remove any Director by a two-thirds vote of the Board at a Board meeting after written notification to such Director at least 10 days before such action is to be considered.

8. *Board Meetings.* The Board shall meet at least once every two months and at such other times as the President, the Executive Committee or a majority of Board shall so request. A majority of the members of the Board shall constitute a quorum. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board, except as otherwise provided in these Bylaws. All meetings of the Board shall be held at the registered office of the Corporation unless otherwise provided in the notice of the meeting. Directors may participate in and act at any meeting through the use of conference telephone or other communications equipment by which all persons participating in the meeting can communicate with each other.

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9. *Notice of Meetings.* Regular meetings of the Board of Directors may be held without further notice of the date, time, place, or purpose of the meeting other than that specified in the determinations of the Board establishing such meetings. Special meetings of the Board of Directors must be preceded by at least 1 day's notice to each Director of the date, time and place, but not the purpose, of such special meeting. Notice may be in writing or may be given electronically. Notice may be given by the Secretary, by any Executive Director or by the person or one of the persons calling the meeting. Notwithstanding the foregoing, notice of a special meeting called for the purpose (alone or among other purposes) of removing a Director shall be sent to all Directors at least 10 days prior to such meeting.

10. *Waiver of Notice.* If a Director attends or participates in a meeting, he or she waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

11. *Action without Meeting.* Action which is required or permitted to be taken at a meeting of the Board (or committee thereof) may be taken without such a meeting if all Directors (or committee members) consent to taking such action without a meeting in writing (or by electronic transmission), and such action shall be a valid corporate action as though authorized at a meeting of the Board (or committee thereof).

12. *Board Committees.* The Board, by resolution adopted by a majority of the entire Board, may from time to time designate from among its members one or more committees, each consisting of at least two Directors to serve at the pleasure of the Board, to have such powers and authority of the Board as shall be delegated to it by the Board. Notwithstanding the foregoing, as provided in the Act, no such committee shall have the power or authority of the Board to, or may, (a) amend the Articles (b) adopt an agreement of merger or consolidation, (c) recommend to members the sale, lease, or exchange of all or substantially all of the Corporation's property and assets, (d) recommend to members a dissolution of the Corporation or a revocation of a dissolution, (e) amend these Bylaws, (f) fill vacancies on the Board, (g) fix compensation for Directors for serving on the Board or a committee, or (h) terminate any membership. The sections of these Bylaws governing meetings, notice of meetings, quorum and voting requirements for the Board shall apply to Board committees as well.

13. *Executive Committee.* The Executive Committee shall consist of all of the President, the Vice President, the Secretary, the Treasurer and the Assistant Treasurer. The Executive Committee shall have the power to manage the affairs of the Corporation between Board meetings and shall have such other powers as the Board delegates to it.

14. *Finance Committee.* The Board shall appoint a Finance Committee at the first Board Meeting following each Annual Member Meeting. The Finance Committee shall contain no less than 3 members and the Treasurer shall serve as Chair of the Finance Committee. The Assistant Treasurer shall serve as a member of the Finance Committee. All members of the Financial Committee must be Independent Directors. A Director is independent if he or she has no direct or indirect material relationships or financial interests in or with the Corporation. The Finance Committee shall:

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(a) Prepare a preliminary proposed budget for the Corporation's next fiscal year for Board review by May 1 of each year;

(b) Prepare and present a final proposed budget for the Corporation's next fiscal year to the Board by June 1 of each year for modification and approval by the Board;

(c) Work with performance directors to prepare budgets for each performance; and

(d) Provide auditing and oversight of the Corporation's finances, including but not limited to the budget then in effect and the Corporation's investments. Auditors of the Corporation shall report directly to the Finance Committee.

15. *Non-Board Committees.* The Board may create such other committees with such powers and responsibilities, other than to exercise the powers and responsibilities of the Board itself, as the Board sees fit. Each such committee shall contain at least one Board Member. Each committee shall provide an update on the committee's actions, if any, to the Board at each Board Meeting.

ARTICLE V

Officers

1. *Generally.* The Officers of the Corporation shall be selected by the Board, and shall include a President, Vice President, Secretary, Treasurer and Assistant Treasurer, each of whom must be a Director, and shall also include one or more Executive Directors. The Board may also create other offices as are permitted by law, elect or appoint persons to fill them, and establish the authority and duties of such offices. The Officers shall be elected at each first Board Meeting following the start of a fiscal year of the Corporation to serve until the earlier of their death, resignation, removal, or end of their term as a Director or until their successor is duly elected and qualified.

2. *Chairman of the Board.* The President shall serve as chairman of the board. A temporary chairman of the Board may be appointed by the Board to assume the powers and duties of the President during any gap between the end of term of office of an out-going President and the election of new Officers when there is no Vice President to assume such powers.

3. *Removal.* The Board shall have the power to remove any Officer at any time for any reason or no reason by a two-thirds vote of the entire Board.

4. *Authority.* The Officers shall have the following authority:

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(a) The President shall serve as the chairman of the Board. In addition to the other powers and authority set forth herein, the President shall provide leadership for the Corporation and coordination of the activities of the Corporation; function as the official representative and spokesperson for the Corporation; and shall have general authority to act for the Corporation and, in particular, to act to ensure that the business of the Corporation is conducted in conformity with the Corporation's Articles of Incorporation and Bylaws.

(b) The Vice President shall have such authority as determined from time to time by the Board. The Vice President shall perform the duties of the President in the President's absence.

(c) The Secretary shall keep proper minutes of the meetings of the Board; and ensure that the actions of the Board, the Executive Committee, and the membership are properly documented and preserved.

(d) The Treasurer shall have custody of the funds of the Corporation and shall make such disbursements or transfer to fiscal agents of such funds from time to time and perform such other duties as shall be designated by rules and controls of the Board and shall be bonded, at the Corporation's expense, to the extent and in the amount deemed necessary by the Board. The Treasurer shall prepare and submit to the Board for approval an annual budget and ensure that the financial activities of the Corporation are properly conducted. The target for board approval of the annual budget is on or before June 30 of each Corporation fiscal year. In preparing the annual budget, the Treasurer may solicit the input from the staff and other committee chairs as appropriate. Only an Independent Director, as defined in Article IV, Section 14, may serve as Treasurer.

(e) The Assistant Treasurer shall have the same powers and duties as the Treasurer and shall immediately become Treasurer should the position become vacant. Only an Independent Director, as defined in Article IV, Section 14, may serve as Assistant Treasurer.

(f) The Executive Director, or if there is more than one, the Executive Directors jointly and severally, shall be the chief executive officer of the Corporation, shall have general and active management of the Corporation on a day-to-day basis, and shall see that all orders and resolutions of the Board of Directors are carried into effect, subject, however, to the right of the Board of Directors to delegate any specific powers, to any other Officer(s) of the Corporation; provided that the powers, authority and responsibilities of the Executive Director position may be allocated among persons serving in that position as the Board sees fit from time to time. Any Executive Director may be removed by the Board at any time for any reason or no reason.

6. *Other Officers and Staff.* The Board may elect, appoint, and remove officers and agents, including staff positions, as it shall from time to time designate. An Executive Director may create and determine the responsibilities of staff, subject to budgetary and other hiring limitations as may be established by the Board from time to time.

ARTICLE VI

Financial Reports; Records

1. *Annual Report.* The Board shall cause an annual report or examination to be made of the funds, gifts, investments and books of the Corporation and shall make such report available to Members. The report or audit may be audited, reviewed or compiled in the sole discretion of the Board.

2. *Records.* Copies of the Corporation's Articles, Bylaws, membership list, licenses and permits, and current annual reports, annual financial reports and other business records shall be maintained at the Corporation's chief executive office. Such records shall include minutes of proceedings of the Members and the Board and current books of account.

ARTICLE VII

Contracts, Loans, Checks and Deposits

1. *Contracts Generally.* The Board may authorize any officers or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

2. *Loans.* No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

3. *Checks.* All checks, drafts, and money orders for payment of any legal obligations, and all contracts entered into by the Corporation shall be signed in the name of the Corporation, and shall be countersigned by such officers or agents as the Board shall designate; in the absence of such designation, any one of the President, the Treasurer, the Assistant Treasurer or any Executive Director may execute any check, draft, or money order in an amount of Five Hundred Dollars (\$500.00) or less, and any two of the foregoing persons may execute any check, draft or money order in any amount, in the name of and on behalf of the Corporation for a proper purpose.

4. *Deposits.* All funds of the Corporation, not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select and such funds may be invested as the Board shall determine.

ARTICLE VIII

Compensation

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The Directors and Officers, other than Executive Directors, shall not receive any compensation for their services. By resolution of the Board, Officers or Directors may receive reimbursement for expenses reasonably incurred by them on behalf of the Corporation. The Board shall pay reasonable compensation to the Executive Directors and other employees of the Corporation for services rendered in furtherance of the purposes of the Corporation.

ARTICLE IX

Amendments

These Bylaws may be amended by the majority vote of the Board at two consecutive meetings, combined with a two-thirds vote of Members at the succeeding Annual Membership Meeting.

ARTICLE X

Indemnification of Officers, Employees, Directors and Agents

1. *Limited Liability of Directors and Officers.* As provided in the Act and subject to the limitations set forth therein, including any requirement that the Corporation remain exempt from taxation under the Internal Revenue Code, Directors and Officers who serve without compensation or for limited compensation shall not be liable for damages resulting from the exercise of judgment or discretion in connection with their duties or responsibilities unless the act or omission involved willful or wanton conduct.

2. *Indemnification.* With respect to claims or liabilities arising out of service as a Director or Officer (other than Executive Director) of the Corporation, the Corporation shall indemnify and advance expenses to each present and future Director or Officer (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the laws of the State of Michigan, both as now in effect and as hereafter adopted or amended. Without limiting the foregoing, the Corporation shall indemnify a Director, Officer, Executive Director, employee or agent 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 Corporation, by reason of the fact that he or she is or was a Director, Officer, Executive Director, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, partner, 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 in connection with the action, suit, or proceeding, if the person to be indemnified 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, and with respect to any criminal action or proceeding, if he or she 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 he or she did not act in good faith and in a manner which he or she reasonably believed to be in or

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not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

2. *Procedure.* An indemnification under this Article, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because the applicable standard of conduct has been met. This 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 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 Board Members.

(c) By independent legal counsel in a written opinion.

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

4. *Settlement.* If a person is entitled to indemnification under 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 Corporation shall indemnify the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

5. *Non-Exclusivity.* The indemnification or advancement of expenses provided under Article X, Sections 1-4 is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, or Bylaws of the Corporation, or a contractual agreement of 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. The indemnification provided for in Article X, Sections 1-4 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, administrators of the person.

6. *Insurance.* The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, Executive Director, employee or agent of the Corporation, or is or was serving at the request of the Corporation 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

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or not the Corporation would have the power to indemnify the person against such liability under the provisions of the Act.

ARTICLE XI

Fiscal year

1. The fiscal year of the Corporation shall be from July 1 through June 30.

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