

RESTATED BYLAWS

OF THE

ANN ARBOR AREA COMMUNITY FOUNDATION

Adopted February 2006
as Amended March 2014
as Amended March 19, 2015
as Amended February 28, 2019

**RESTATED BYLAWS
OF THE
ANN ARBOR AREA COMMUNITY FOUNDATION**

ARTICLE I: MISSION

The Ann Arbor Area Community Foundation enriches the quality of life in our region through its knowledgeable leadership, engaged grantmaking, and creative partnerships with donors to make philanthropic investments and build endowment.

ARTICLE II: ORGANIZATION

- 2.1 Organization. The Foundation is organized on a directorship basis. The Foundation will, at all times, be operated in accordance with the rules promulgated by the Internal Revenue Service governing publicly supported community trusts.
- 2.2 Principal and Other Offices. The principal office of the Foundation shall be at such location in Washtenaw County, Michigan, as the Board of Trustees may determine from time to time. In addition, the Board of Trustees may establish other offices of the Foundation either in or outside of the State of Michigan.

ARTICLE III: BOARD OF TRUSTEES

- 3.1 General Powers. The business, affairs and assets of the Foundation shall be managed by a board of directors designated the "Board of Trustees."
- 3.2 Number and Term of Office
- (a) The Board of Trustees shall consist of at least 15 and not more than 20 members. The Board of Trustees, acting by a majority vote of the Trustees then in office, shall annually elect Trustees to replace Trustees who terms have expired. The immediate past Chair shall continue for a one-year term as a Member of the Board of Trustees, even if the immediate past Chair becomes the 21st member of the Board, notwithstanding the expiration of his or her term. If elected Chair for a second one (1) year term, the Chair shall continue for a one-year term as a Member of the Board of Trustees, even if the Chair becomes the 21st member of the Board, notwithstanding the expiration of his or her term. One member of the Board of Trustees shall be designated as the Youth Council representative.

- (b) Tenure. Trustees shall be elected for a term of three (3) years. No Trustee shall serve more than three (3) consecutive three-year terms. A Trustee who is appointed to fill an unexpired term may be elected to two (2) additional three-year terms.
- 3.3 Successive Terms. In order that approximately one-third of the Board positions are elected each year, a Trustee may be elected to a one- or two-year term. In no event may a Trustee appointed or elected to a term of less than three (3) years serve more than nine (9) consecutive years as a Trustee. A former Trustee may be reelected after at least a one-year absence from the Board.”
- 3.4 Resignation or Removal.
- (a) Resignation. A Trustee may resign at any time by providing written notice to the Foundation. The resignation shall be effective on the date specified or, if none, on the date received by the Foundation.
- (b) Removal. Any Trustee may be removed at any time, with or without cause, by the vote of a majority of the entire Board of Trustees then in office.
- 3.5 Vacancies. Any vacancy in the Board of Trustees may be filled by a majority vote of the Trustees then in office. Each appointment to fill a vacancy occurring on the Board shall specify an expiration date for such term.
- 3.6 Meetings.
- (a) Annual and Regular Meetings. The Board of Trustees shall convene an annual meeting for the purpose of appointing members to the Board, appointing officers to serve as provided in the Bylaws, and for such other proper purposes. In addition, the Board of Trustees shall hold at least four regular meetings per year (one of which may be designated as the annual meeting).
- (b) Special Meetings. Special meetings of the Board of Trustees may be called by the Chair, the President, or any two members of the Board.
- (c) Notices of Meetings. The Secretary shall give a notice of the annual meeting and of each regularly scheduled meeting of the Board of Trustees to each Trustee at least ten but no more than sixty days prior to the meeting. In addition the Secretary shall give a notice of each special meeting of the Board of Trustees to each Trustee at least twenty-four (24) hours prior to the meeting. All such notices shall specify the time, location and purpose of the meeting and shall be delivered to each Trustee at his/her business or home address by mail, facsimile, e-mail or telephone (if confirmed in writing immediately thereafter).

- (d) Waiver of Notice. Notice of the time, place and purpose of any meeting of the Board of Trustees may be waived by any Trustee who submits a waiver by facsimile, e-mail, or other writing either before or after the meeting has been held, or who attends a meeting without protesting any lack of notice.
 - (e) Attendance by Telephone or Electronic Equipment. A Trustee may participate in any meeting by conference telephone or similar equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes attendance in person at the meeting.
 - (f) Quorum. A majority of the Trustees then in office constitutes a quorum for the transaction of any business at a meeting of the Board of Trustees. Actions voted upon by a majority of Trustees present at any meeting at which a quorum is present shall constitute authorized actions of the Board. A majority of the Trustees present at a meeting, whether or not a quorum, may adjourn any meeting to another time and place. Notice of such adjourned meeting shall be promptly given to all Trustees, whether or not present when the meeting is adjourned.
- 3.7 Specific Powers of the Board. The Board of Trustees may exercise all of the powers of the Foundation, specifically including, but not by way of limitation, to receive gifts to the Foundation from any source – whether such gifts be permanent or of a temporary nature – or reject the same in accordance with the Foundation’s Gift Acceptance Policy and Investment and Spending Policy; to approve grants; and to adopt additional rules and regulations, general or specific, for the conduct of its meetings, and additional rules and regulations, general or specific, for the conduct of 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. In addition, a majority of the entire Board of Trustees then in office shall have the authority to borrow money and to issue its notes, bonds and other evidence of indebtedness for repayment thereof, and to mortgage or pledge the real or personal property of the Foundation as security therefore.
- 3.8 Action by Written Consent. Any action required or permitted to be taken by authorization of the Board may be taken without a meeting if, before or after the action, all Trustees then serving consent to the action in writing. Written consents shall be filed with the minutes of the Board’s proceedings.
- 3.9 Compensation of Trustees. No Trustee shall receive compensation for his or her services as such, provided that a Trustee may be reimbursed for his or her actual, reasonable and necessary expenses incurred in connection for work done for the Foundation if the Board of Trustees specifically approves such reimbursement.

- 3.10 Conflicts of Interest. Trustees and officers of the Foundation may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the Foundation and may freely make contracts, enter transactions, or otherwise act for and on behalf of the Foundation, notwithstanding that they may also be acting as individuals, or as Trustees of trusts, or as agents for other persons or corporations, or may be interested in the same matters as stockholders, directors, or otherwise; provided, however, that any contract, transaction, or act on behalf of the Foundation in a matter in which Trustees or officers are personally interested as stockholders, directors, or otherwise shall be at arm's-length and not violative of the proscriptions in the Articles of Incorporation against the Foundation's use or application of its funds for private benefit. In no event, however, shall any person or other entity dealing with the Trustees or officers be obligated to inquire into the authority of the Trustees and officers to enter into and consummate any contract, transaction or other action.

ARTICLE IV: COMMITTEES

- 4.1 General. The Board of Trustees may appoint or authorize the appointment of such standing or temporary committees of Trustees and of committees consisting partially or entirely of persons who are not Trustees and may delegate such powers and duties to them as the Board considers advisable from time to time. The Board shall also have the right to appoint advisory committees, either of or outside its own members, as it shall deem advisable. The Board shall designate the individuals to serve as chairpersons and members of all committees. The Board may also designate one or more Trustees as alternate members of any committees who may replace an absent or disqualified member at any meeting thereof. The Board, in its discretion at any time, may terminate the authority of any committee and dissolve the committee.
- 4.2 Trustee Committee. At all times, a Trustee Committee shall be impaneled as appointed by the Board of Trustees, with the exclusive authority for proposing 1) the slate of officers and Trustees, including fulfilling vacancies, and 2) members for all standing committees.
- 4.3 Executive Committee. The Board of Trustees shall annually appoint from among the Trustees an Executive Committee consisting of four (4) or more members of the Trustees including its officers. The Executive Committee shall keep minutes of its meetings and shall provide copies of all minutes to the Board. Unless limited by a resolution of the Board of Trustees, the Executive Committee may exercise all powers and authorities of the Board of Trustees in management of the business and affairs of the Foundation during intervals between meetings of the Trustees, including approving grants in exigent circumstances. However, such Committee shall not have the power or authority to:
- (a) Adopt an agreement of merger or consolidation;

- (b) Borrow money in the name of, or on behalf of, the Foundation;
- (c) Fill vacancies on the Board; or
- (d) Recommend the dissolution of the Foundation.

The Chair of the Board of Trustees shall be the chair of the Executive Committee and action may be taken by the affirmative vote of a majority of the full committee.

ARTICLE V: OFFICERS

- 5.1 Election of Officers; Term of Office. The Board of Trustees shall annually elect a Chair, a Vice Chair, a Secretary, and a Treasurer, who each shall serve for a term of one (1) year. In addition, all said officers shall be members of the Board of Trustees. Said officers shall have all the usual powers and shall perform all the usual duties incident to their respective offices, and shall, in addition, perform such other duties as shall be assigned to them from time to time by the Board of Trustees. Any two or more of these offices may be held by the same person except for the offices of Chair and Treasurer.
- In addition, the Board of Trustees shall appoint a President to serve for an indefinite term at the pleasure of the Board. The Board of Trustees may also create such other offices as they determine are necessary to conduct the business of the Board and may elect or appoint persons to fill the same and may define their duties.
- 5.2 Chair. The Chair shall preside at all meetings of the Board of Trustees. The Chair shall perform such other duties and functions as shall be assigned to him or her from time to time by the Board of Trustees. He or she shall be, *ex officio*, a voting member of all committees.
- 5.3 Vice Chair. The Vice Chair shall perform the duties and exercise the powers of the Chair during the absence or unavailability of the chair, and shall have such additional powers and perform such additional duties as shall from time to time be assigned by these Bylaws or by the Board of Trustees.
- 5.4 President. The Board of Trustees shall appoint and employ a President who shall be a salaried employee of the Foundation responsible for the administration of the Foundation's activities pursuant to the policies established by and subject to the approval of the Board. The President shall employ and discharge such staff as he or she deems necessary in accordance with budget provisions and personnel policies and practices established by the Board. The President shall be an *ex-officio* member, without vote, of the Board of Trustees and all other committees of the Foundation. The President shall be responsible for the routine day-to-day affairs of the Foundation.

- 5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Trustees in books provided for that purpose and sign, with the Chair of the Board of Trustees, in the name of the Foundation, all contracts when authorized to do so. The Secretary shall have charge of such books and papers as the Board of Trustees shall direct, all of which shall at all reasonable times be open to the examination by any Trustee, and in general perform all of the duties incident to the office of the Secretary, subject to the control of the Board of Trustees.
- 5.6 Treasurer. The Treasurer shall be responsible for all of the funds and securities of the Foundation. The Treasurer shall cause to be entered regularly in the books of the Foundation kept for that purpose, full and accurate accounts of all monies received and paid on account of the Foundation, and whenever required by the Board of Trustees, shall render statements of such accounts; shall, at all reasonable times, exhibit the books and accounts to any Trustee of the Foundation, and shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Trustees.
- 5.7 Absence of Officers. In the absence or disability of any officer of the Foundation, the Board of Trustees may delegate his or her powers and duties to any other officer or to any Trustee during such absence or disability and the person so delegated shall, for the time being, be the officer whose powers and duties he or she so assumes.
- 5.8 Vacancies. Any vacancy in any office shall be filled for the unexpired term by a majority vote of the Board of Trustees at any meeting.
- 5.9 Removal of Officers. The Board of Trustees, by vote of a majority of the entire Board, may remove any officer of the Foundation.
- 5.10 Compensation of Officers. Officers who are Board members and not full-time or part-time employees of the Foundation shall serve without compensation, but may, in accordance with the provisions of Section 3.9, receive reimbursement for their expenses or payment for reasonable and necessary services if approved by the Board.
- 5.11 Giving Bond by Officers. All officers of the Foundation, if required to do so by the Board of Trustees, shall furnish bonds to the Foundation for the faithful performance of their duties, in such penalties and with such conditions and security as the Board shall require. The Foundation shall assume the cost of providing any bond required hereunder.

ARTICLE VI: FISCAL YEAR

The fiscal year of the Foundation shall be the calendar year.

ARTICLE VII: INDEMNIFICATION

7.1 Nonderivative Actions.

- (a) The Foundation shall indemnify against all liability to any person other than the Foundation or its members, if any, for all acts or omissions of a trustee who is a voluntary director as defined in the Act incurred in the good faith performance of the trustee's duties as such; provided, however, that the Foundation shall not be considered to have assumed any liability to the extent such assumption is inconsistent with the status of the corporation as an organization described in Section 501(c)(3) of the Internal Revenue Code or results in the imposition of tax under Section 4958 of the Internal Revenue Code.

- (b) Subject to all of the other provisions of this article, and the Articles of Incorporation, the Foundation 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 Foundation), by reason of the fact that the person is or was a director, officer, employee, nondirector volunteer, or agent of the Foundation, or who was or is serving at the request of the Foundation as a director, officer, partner, trustee, employee, nondirector volunteer, 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 the person in connection with such action, suit, or proceeding, if all of the following are met:
 - (1) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
 - (2) the volunteer was acting in good faith.
 - (3) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
 - (4) the volunteer's conduct was not an intentional tort.
 - (5) the volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor

vehicle for which tort liability may be imposed as provided by Michigan law.

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, or 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 the person reasonably believed to be in or not opposed to the best interests of the Foundation, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

7.2 Derivative Actions. Subject to all of the provisions of this article and the Articles of Incorporation, the Foundation 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 Foundation to procure a judgment in its favor because the person was or is a director (trustee) or volunteer officer of the Foundation. 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, except for liability for any of the following:

- (a) The amount of a financial benefit received by a director (trustee) or volunteer officer to which he or she is not entitled.
- (b) Intentional infliction of harm on the Foundation or its members.
- (c) A violation of Section 551 of the Act.
- (d) An intentional criminal act.
- (e) Liability imposed under Section 497(a) of the Act.

However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the Foundation 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, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

7.3 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 7.1 or 7.2 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.

- 7.4 Contract Right; Limitation on Indemnity. The right to indemnification conferred in this article shall be a contract right and shall apply to services of an indemnified person, as well as in such person's capacity as a director, officer, employee, nondirector volunteer, or agent of the Foundation. Except as provided in section 7.3 of this article, the Foundation 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.
- 7.5 Determination that Indemnification is Proper. Any indemnification under sections 7.1 or 7.2 of this article (unless ordered by a court) shall be made by the Foundation only as authorized in the specific case. The Foundation 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 7.1 or 7.2, 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 Trustees 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 Trustees who are not parties to the action. The committee shall consist of not less than two disinterested Trustees.
 - (c) By independent legal counsel in a written opinion.
- 7.6 Proportionate Indemnity. If a person is entitled to indemnification under sections 7.1 or 7.2 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 Foundation 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.
- 7.7 Expense Advance. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 7.1 or 7.2 of this article may be paid by the Foundation 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 Foundation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but need not be secured.

- 7.8 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 Foundation. 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.
- 7.9 Former Trustees and Officers. The indemnification provided in this article continues for a person who has ceased to be a Trustee, officer, employee, nondirector volunteer, or agent and shall inure to the benefit of the heirs, executors, and administrators of that person.
- 7.10 Insurance. The Foundation may purchase and maintain insurance on behalf of any person who (a) was or is a Trustee, officer, employee, nondirector volunteer, or agent of the Foundation, or (b) was or is serving at the request of the Foundation as a Trustee, officer, employee, nondirector volunteer, or agent of another foundation, business 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 Foundation would have power to indemnify against such liability under this article or the laws of the State of Michigan.
- 7.11 Changes in Michigan Law. If there are any changes in the Michigan statutory provisions applicable to the Foundation 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 Foundation to provide broader indemnification rights than such provisions permitted the Foundation to provide before any such change.

ARTICLE VIII: CONTRACTS FOR SERVICES

- 8.1 Investment/Custodian Services. The Board of Trustees shall have power to appoint such fiscal agents as they deem necessary, to invest and reinvest available funds or gifts, with such requirements of reports from such fiscal agents as the said Board shall deem necessary and proper with a further right to reimburse such fiscal agents for services, provided that any donor may designate a fiscal agent relative to this gift. The Board may authorize any fiscal agents to hold assets in its own name or in the name of its nominee. It may direct that disbursements be made by the fiscal agents. Further, the Board of Trustees may authorize the deposit of available funds from time to time in such bank accounts or investment instruments as it deems prudent.
- 8.2 Other Services. The Board of Trustees shall have the right to appoint and engage a CPA to examine or audit the records of the Foundation and to pay the expenses of such

services; to engage and employ employees of the Foundation, agents, or other representatives for any and all proper purpose, including necessary legal counsel. Expenses of the Foundation, including the ones just enumerated, shall be equitably allocated as from time to time determined by the Board of Trustees with the advice of its certified public accountants.

ARTICLE IX: EXECUTION OF INSTRUMENTS

- 9.1 Checks, Drafts, Notes and Orders. All checks, drafts, notes and orders for the payment of money to or by the Foundation shall be signed in the name of the Foundation by such person or persons, whether or not officers of the Foundation, as shall be empowered to do so by the Board of Trustees from time to time.
- 9.2 Contracts and Conveyances. Except as otherwise provided by resolution of the Board of Trustees, all formal contracts and conveyances of the Foundation shall be executed in its name on its behalf by its Chair, Vice Chair or President.
- 9.3 Provision by Resolution. Notwithstanding the provisions of these bylaws as to the manner of executing any instrument for the Foundation, the Board of Trustees shall have full authority to provide, by resolution, the manner in which a particular instrument shall be signed or executed for the Foundation.

ARTICLE X: SPECIAL POWERS OF THE BOARD OF TRUSTEES

- 10.1 Special Powers. The Board of Trustees shall have the power to modify any restriction or condition on the purposes or to specified organizations, if in their sole judgment (without approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the communities served.
- 10.2 Supervision by the Board of Trustees. The Board of Trustees shall obtain information and take other appropriate steps with the view to seeing that each participating trustee, custodian or agent administers each restricted trust or fund and the aggregate of unrestricted trusts or funds of the Foundation in accordance with the provisions of Treasury Regulations Section 1.170A-9(f)(11)(v)(F).

ARTICLE XI: AMENDMENTS

The Bylaws may be altered or repealed or new Bylaws may be adopted in lieu thereof by the affirmative vote of a majority of the Board of Trustees then in office at any regular or special

meeting of the Board, if a notice of the proposed alteration, repeal or substitution is contained in the notice of such meeting.

As approved by the Board of Trustees on 2-23-06

Amended on 9-29-07

Amended on 10-18-07

Amended on 3-19-09

Amended on 3-20-14

Amended on 03-19-15

Amended on 02-28-19

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