

# ROUND ISLAND LIGHTHOUSE PRESERVATION SOCIETY

## BYLAWS

Adopted January 24, 2009  
Amended February 27, 2010

### ARTICLE I

#### PURPOSE OF THE CORPORATION

The Corporation, the **Round Island Lighthouse Preservation Society** (or hereinafter referred to as “Corporation”), is organized for the specific purpose of preserving and providing public access to the Round Island Lighthouse currently owned by the United States Government and assigned to the United States Forest Service, located on Round Island, County of Mackinac, State of Michigan and to engage in any activities related or incidental thereto which may be permitted pursuant to Michigan Public Act 162 of 1982, as amended, subject to the limitations set forth in Article II of the Articles of Incorporation. The Corporation intends to seek and maintain recognition as a “tax-exempt” charitable organization pursuant to Section 501(c) (3) of the Internal Revenue Code

### ARTICLE II

#### MEMBERSHIP

**Section 1 - Organization.** The Corporation is organized as a not-for profit Membership Corporation with membership open to any person, group or business entity subscribing to the purpose of the Corporation and meeting membership qualifications, if established by the Board of Directors.

**Section 2 - Rights of Membership.** Member entitlements shall include, among others, the right to participate in the election of the Board of Directors to administer the Corporation pursuant to the purpose of the Corporation.

**Section 3 – Qualifications for and Categories of Membership.** The Board of Directors shall establish a minimum of six (6) categories of membership including 1), an individual membership, 2) a family membership, 3) a life membership 4) a youth/student membership 5) a business/corporate membership, and 6) an honorary membership. The Board of Directors may establish specific qualifications for each category of membership. Once established by action of the Board of Directors, the qualifications shall be used as the basis to accept, reject or disqualify an application for membership in the Corporation.

**Section 4 - Membership Dues.** The Board of Directors shall prepare and present an annual schedule of membership dues to be approved by the Board of Directors at the

annual meeting.

**Section 5 - Period of Membership.** Failure to remit annual membership dues shall be grounds for termination of membership in the Corporation.

### ARTICLE III

#### BOARD OF DIRECTORS

**Section 1 - Powers.** Subject to the limitation of the Articles of Incorporation of the Corporation, these Bylaws and the laws of the State of Michigan, the affairs of the Corporation shall be managed by the Board of Directors (the Board). The Board of Directors is empowered on behalf of the Corporation to do and perform all acts necessary, appropriate, or incident to the accomplishment of the purpose of the Corporation.

**Section 2 – Initial Board of Directors.** The initial Board of Directors shall consist of five (5) members nominated and elected by the incorporators. The initial Directors shall serve staggered terms with one (1) Director serving a term of one (1) year, two (2) Directors serving a term of two (2) years and two (2) Directors serving a term of (3) years.

**Section 3 – Determination of Number of Directors.** The Board of Directors shall consist of a minimum of five (5) but no more than thirteen (13) members. The number of Directors may be expanded annually by action of the Board of Directors not less than one hundred twenty (120) days prior to the annual meeting. At all times the total number of Directors shall be either be five (5), seven (7), nine (9), eleven (11) or thirteen (13).

**Section 4 – Terms of Directors** Terms of the Directors shall be for three (3) years. If the number of the Directors is expanded as provided for in Section 3, the terms of new Directors shall be set by the Board of Directors so that the terms of approximately one third (1/3) of the Board of Directors will expire annually.

**Section 5 - Election of Directors.** The Board of Directors, except for the initial Board of Directors, shall be elected annually by the members of the Corporation. Directors shall be elected at the annual meeting by a majority of members present at the annual meeting. Any member may stand for election by submission of a statement of interest to the Secretary of the Corporation no later than one hundred twenty (120) days prior to the date of the annual meeting. The Secretary of the Corporation shall provide the membership a list of nominations with the notice of the annual meeting by first class postage via US Postal Service not less than thirty (30) days prior to the scheduled meeting. At the annual meeting, the election may be conducted by voice or secrete ballot process according to specific election procedures established by the Board of Directors. The candidates receiving the highest number of votes in the election shall be deemed elected to the Board

of Directors.

**Section 6 - Term.** Each Director shall hold office for three (3) years or until his/her death, resignation, incapacity to act, or removal.

**Section 7 - Vacancy.** In the event that a vacancy shall occur in the Board of Directors because of death, resignation, incapacity to act or removal of a Director, the Board of Directors shall, within a reasonable time, fill the vacancy, but only for the remainder of the term that would otherwise have been completed.

**Section 8 - Resignation.** A Director may resign at any time by giving written notice to the Secretary of the Corporation, who shall advise the Board of Directors of such resignation. Such resignation shall take effect upon receipt of the written notice by the Secretary or at such later time as may be specified in the notice of resignation. Acceptance of such resignation shall not be necessary to make it effective.

**Section 9 – Removal or Disqualification.** A Director may be removed from the Board of Directors by an affirmative vote of two thirds (2/3) of all other Directors of the Board of Directors at any regular or special meeting called for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the Corporation, inability to carry-out the duties or, if such Director fails to attend three (3) consecutive regular and special meetings of the Board of Directors without an excused absence for good cause. Failure to maintain membership qualifications as set forth in Article II, Section 3 including remittance of annual membership dues as required in Article II, Section 4, shall be uncontested grounds for removal from office and/or disqualification to serve as a Director of the Corporation.

**Section 10 - Compensation.** Directors shall serve without compensation. Upon resolution of the Board of Directors, the Directors may receive reimbursement for expenses incurred for attendance at any meeting of the Board or for any reasonable and necessary expenses incurred in connection with the conduct of the business of the Corporation. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and of receiving compensation thereof.

**Section 11 – Honorary Board Members.** The Board of Directors may by majority decision of all Directors designate one or more honorary Board members. Honorary Board members shall only serve in ex officio capacity.

## ARTICLE IV

### MEETINGS AND RULES OF ORDER

**Section 1 - Regular Meetings.** Regular meetings of the Board of Directors of the Corporation shall be held at such time and place as the Board of Directors may designate from time to time. The Corporation shall meet at least three (3) times each year to

conduct the business of the Corporation. The Board of Directors shall establish an annual calendar of meeting dates containing the time and location of each meeting, a copy of which will be provided to each member of the Corporation delivered personally, delivered via first class postage, or by electronic delivery via e-mail or facsimile should a member so designate.

**Section 2 - Annual Meeting.** One of the required regular meetings required by the terms of Section 1 shall be the annual meeting of the Corporation. The agenda for this meeting shall, among other items, provide for the election of the Board of Directors, submission of an annual report summarizing the affairs of the Corporation, submission an annual financial report showing income and expenditures for the recently concluded fiscal year period, and submission of the forthcoming year operational budget for discussion and approval by the membership (see Article VII).

**Section 3 - Special Meetings.** Special meetings of the Board of Directors for any purpose shall be held whenever called by the Chairperson of the Corporation or, in his/her absence by the Secretary, or any other officer, or at the written request of any two (2) Directors delivered to the Secretary. Such request shall state the specific purpose of the proposed special meeting. The Board of Directors shall only conduct business specifically related to the announced purpose of the special meeting.

**Section 4 - Place of Meetings.** Meetings of the Board of Directors shall be held at any place within the State of Michigan, which may be designated from time to time by resolution of the Board of Directors.

**Section 5 – Notices Regular and Special Meetings.** No notice of regular meetings of the Directors shall be required other than that prescribed in Section 1. At least five (5) days' notice of the place, day, and hour of any special meeting of the Directors shall be with notice delivered personally, delivered via first class postage, or by electronic delivery via e-mail or facsimile should a member so designate. Notice by mail shall be deemed to be given at the time when the same is deposited in the United States mail, with postage fully paid, plainly addressed to the Director entitled to the notice.

**Section 6 - Waiver of Notice.** Notice of the time and place of any special meeting of the Board of Directors may be waived in writing either before or after such meeting has been held. If all the Directors waive notice of the meeting, no notice of the same shall be required. Attendance of a Director at a special meeting shall constitute a waiver of notice of such meeting except when the Director attends the special meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any Director failing to designate an address or a change of address to the Secretary shall be deemed to have waived notice of such meeting except at the address on record with the Secretary.

**Section 7 - Action Without Meeting.** Any action, which may be taken at a meeting of the Board of Directors, may be taken without a meeting if all the Directors shall consent

in writing to such action. Such action by written consent shall have the same force and effect as the unanimous vote of the Directors.

**Section 8 - Meeting by Telephone or Similar Equipment.** Any member of the Board of Directors or of a committee designated by the Board may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

**Section 9 - Quorum.** A majority of the Directors then in office shall constitute a quorum for the transaction of business, except as otherwise provided by law or by the Articles of Incorporation.

**Section 10 - Adjournment.** Any meeting of the Board of Directors, whether regular or special, and whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Directors present. Notice of the time and place of an adjourned meeting need not be given to absent Directors if said time and place are fixed at the initial meeting. At any such meeting business may be transacted which might have been transacted at the initial meeting.

**Section 11 - Provision for Acting Officers.** The Chairperson of the Corporation, or in his/her absence, the Vice Chairperson, or in his/her absence a Chairperson chosen by a majority of the Directors present, shall act as Chairperson at every meeting of the Board of Director. The Secretary of the Corporation, or in his/her absence, any person anointed by the Chairperson of the meeting, shall act as Secretary of the meeting.

**Section 12 - Rules of Order.** Conduct of the all meeting of the Corporation shall be governed by the latest edition of “Roberts Rules of Order”.

## ARTICLE V

### STANDING AND ADVISORY COMMITTEES

**Section 1 - Standing Committees.** The Board of Directors may by appropriate resolution appoint one (1) or more standing committees, each of which shall consist of one (1) or more Directors appointed by the Board of Directors, which to the extent provided in said resolution or in these Bylaws, may exercise, when the Board of Directors is not in session, any or all powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, except that no such committee shall have power or authority to:

1. Amend the Articles of Incorporation.
2. Adopt an agreement of merger or consolidation.

3. Sell, lease or exchange all or substantially all of the Corporation's property and assets.
4. Dissolve the Corporation or revoke dissolution.
5. Amend these Bylaws.
6. Fill vacancies on the Board.
7. Fix compensation of the Directors for serving on the Board or on a committee.

Such committee(s) and each member thereof shall serve at the pleasure of the Board. Such Committee(s) shall have the same power to act without a meeting as is provided in Section 7 of this Article IV with respect to the Board of Directors. Records of the action taken by such committee(s) shall be prepared and kept with the records of the Corporation. The designation of such committee(s) and delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed by the terms of Corporation Bylaws.

**Section 2 - Advisory Committees.** The Board of Directors may appoint from their numbers, or from among such other persons as the Board of Directors shall determine one or more advisory committees and may, at any time, appoint additional members thereto. The members of such advisory committees shall serve at the pleasure of the Board of Directors. Such advisory committees shall advise and assist the Board of Directors and its officers in all matters designated by the Board of Directors. Each such advisory committee may, subject to the approval of the Directors, prescribe rules and regulations for the call and conduct of meetings of the advisory committees and other matters related to its procedures and duties.

## **ARTICLE VI**

### **OFFICERS AND DUTIES**

**Section 1 - Officers.** The Corporation shall have a Chairperson, Vice Chairperson, Secretary and Treasurer and any such other officers as the Board of Directors may appoint. Any two (2) of said offices may be held by the same person, except that the offices of Chairperson and the Treasurer may not be held by the same person. The Chairperson and Vice Chairperson shall be Directors.

**Section 2 - Chairperson.** The Chairperson shall serve as the chief operating officer of the Corporation, preside over meetings of the Board of Directors, execute all documents as approved by the Board of Directors and to the extent authorized by law, shall have such other powers as the Board of Directors may determine and shall perform such other duties as may be assigned by the Board of Directors.

**Section 3 - Vice Chairperson.** At the request of the Chairperson, or in the event of his/her absence or disability, the Vice Chairperson shall perform the duties and possess

and exercise the powers of the Chairperson; and to the extent authorized by law, the Vice Chairperson shall have such other powers as the Board of Directors may determine and shall perform such other duties as may be assigned to him/her by the Board of Directors.

**Section 4 - Secretary.** The Secretary shall have charge of all official records of the Corporation and other documents and papers as the Board of Directors shall determine. Such records, documents and papers shall be kept at the principal office of the Corporation. The Secretary shall keep a record containing the names, alphabetically arranged, of all persons who are members of Corporation and the Board of Directors, showing their addresses and other contact information. The Secretary shall in general, perform all the duties incident to the office of the Secretary, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned by the Board of Directors.

**Section 5 - Treasurer.** The Treasurer shall have charge of such books, financial records of the Corporation and other documents and papers, as the Board of Directors shall determine. Such books, financial records, documents and papers shall be kept at the principal office of the Corporation. He/she shall prepare such periodic financial reports of income and expenses and assets of the Corporation, as the Board of Directors shall require. He/she shall in general, perform all the duties incident to the office of the Treasurer, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned by the Board of Directors.

At the annual meeting each year, the Treasurer shall submit a resolution to the Board of Directors for approval designating the repository banking institution(s) for Corporation funds and the names of officers who shall be designated signatories for Corporation funds. All financial transactions of the Corporation shall require the signature of any two (2) of the designees. The Treasurer shall file with the Board of Directors prior to April 1<sup>st</sup> each year, in the form prescribed by the Board of Directors, an annual financial report concerning the operations of the Corporation for the immediate past fiscal year.

**Section 6 - Election to and Term of Office of Officers.** The officers of the Corporation shall be elected by the Board of Directors at the annual meeting for a term of one (1) year. Each officer shall hold office until his/her successor shall have been duly elected and seated, or until his/her death, resignation, incapacity to act, or removal.

**Section 7 - Officer Removal or Resignation.** Any officer may be removed from office by the affirmative vote of two thirds (2/3) of all of the Board of Directors at any regular or special meeting called for that purpose, for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the Corporation or inability to carry-out the duties of the office. Failure to maintain membership qualifications as set forth in Article II Section 3 including remittance of annual membership dues as required in Article II, Section 4, shall be uncontested grounds for removal from office and/or disqualification to serve as a Director and officer of the Corporation (See Article III, Section 9). Any officer proposed to be removed shall be entitled to at least five (5) days notice in writing delivered or by

first class postage via the US Postal Service of the meeting of the Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting. Any officer may resign his/her office at any time; such resignation shall take effect upon receipt of written notice thereof by the Secretary or at such later time as may be specified in the notice of resignation. Acceptance of such resignation shall not be necessary to make it effective.

**Section 8 - Vacancies.** The Board of Directors may fill a vacancy occurring in any office, for any reason. Any officer elected to fill a vacancy shall hold office only until the term of his/her predecessor expires.

**Section 9 - Other Officers.** All other officers, as may from time to time be appointed by the Board of Directors pursuant to this Article, shall perform such duties and exercise such authority, as the Board of Directors shall prescribe.

**Section 10 - Absence of Officer.** In the case of absence or the temporary incapacity to act of any officer, or for any other reason that the Board may deem sufficient, the Board may delegate for the time being the powers or duties of such officer to any other officer or to any Director.

**Section 11 - Compensation.** No officer of this Corporation shall receive compensation for service in such capacity. An officer may, however, upon resolution of the Board of Directors, be reimbursed for any reasonable and necessary expenditures incurred by that officer in connection with the conduct of the business of this Corporation.

## ARTICLE VII

### FISCAL YEAR AND ANNUAL BUDGET

**Section 1- Fiscal Year.** The fiscal year of the Corporation shall be the year beginning January 1<sup>st</sup> to December 31<sup>st</sup> unless some other fiscal year is fixed by resolution of the Board of Directors.

**Section 2 - Annual Budget.** The Treasurer and Board of Directors shall annually prepare a budget to be submitted to the membership at the annual meeting for approval. The annual budget shall show anticipated revenue, including membership dues, income from other sources such as sales of commemorative memorabilia, donations, grants, contributions, etc.; and expenditures, including operating expenses of the Corporation, purchase of goods and materials for lighthouse restoration, commemorative memorabilia, and the like.

**Section 3 - Budget Authority of the Board of Directors.** Upon approval of the annual budget, the Board of Directors is authorized to administer the budget and make such expenditures as detailed in the budget. The Board of Directors may by resolution transfer



funds between approved budgeted expenditure activities (line items) detailed in the budget but shall not increase budgeted revenue or increase budgeted expenditures without approval of the membership.

## ARTICLE VII

### INSTRUMENTS; BANK ACCOUNTS; CHECKS AND DRAFTS; LOAN; SECURITIES

**Section 1 - Execution of Instruments.** Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officers or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the need of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. Except as so authorized, or as in these Bylaws otherwise expressly provided, no office, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

**Section 2 - Accounts.** The Board of Directors from time to time may authorize the opening and keeping of general and /or special depository accounts with such banks, savings, and loans or other depositaries as may be selected by the Board or by any officer(s) or agents(s) of the Corporation to whom such power may be delegated by the Board of Directors. The Board of Directors may make such rules and regulation with respect to such accounts, not inconsistent with provisions of these Bylaws, as the Board may deem expedient. The Board of Directors may last authorize the making of such other lawful investments, as the Board may deem appropriate.

**Section 3 - Checks and Drafts.** All checks, drafts, or other orders for payment of money, notes, acceptances, or other evidences of indebtedness charged in the name of the Corporation, shall be signed by such officer(s) or agents(s) of the Corporation and in such manner as the Board of Directors shall determine from time to time by resolution. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositaries may be made by the Chairperson, Vice Chairperson, Secretary or Treasurer, or by any other officer or agency of the Corporation to whom the Board of Directors, by resolution, shall have delegated such power, or by hand stamped impression in the name of the Corporation.

**Section 4 - Loans.** No loans shall be construed on behalf of the Corporation and no evidences of indebtedness shall be issued in his/her name unless authorized by or under the authority of a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

**Section 5 - Sale of Securities.** The Board of Directors may authorize and empower any officer or officers, agent or agents, to sell, assign, pledge, or hypothecate any and all

share of stocks, bonds, or securities, or interest in stocks, bonds, securities, owned or held by the Corporation at any time, including without limitation because of enumeration, deposit certificated, for stock and warrants or rights which entitle the holder thereof to subscribe for shares of stock, and to make, execute, and deliver, to the purchaser or purchasers, pledges, on behalf and in the name of the Corporation, any assignment of bonds or stocks certificates presenting shares of stock owned or held by the Corporation, and any deposit certificated for stock. Such authorization may be general or confined to specific instance. This Section 5 shall be deemed to limit any other power the Board of Directors may have had under the laws of the State of Michigan with respect to the sale of the Corporation's assets.

**Section 6 - Fidelity Bonds.** The Board of Directors may require any officer, agent or employee of the Corporation specifically designated by the Board of Directors by resolution to execute a fidelity bond in favor of the Corporation in the penal sum specified by the Board of Directors by resolution. Each such fidelity bond shall be executed by the officer, agent, or employee as principal and by a corporate surety company approved by the Board of Directors, provided, however, that blanket bonds may be employed in lieu of individual bonds in the case of employees. All premiums or fidelity bonds required of officers, agents and employees hereunder shall be paid by the Corporation and such premiums shall be paid by the Corporation and such premiums shall be a corporate expense.

## ARTICLE VIII

### PROHIBITION OF POLITICAL CAMPAIGN INTERVENTION

**Section 1 – Prohibition of Political Campaign Intervention.** It is the intent of the Corporation to operate for charitable purposes, specifically to preserve and provide public access to the Round Island Lighthouse currently owned by the United States Government and assigned to the United States Forest Service, located on Round Island, County of Mackinac, State of Michigan. As such the Corporation intends to seek and maintain recognition as a “tax-exempt” charitable organization pursuant to Section 501(c) (3) of the Internal Revenue Code. Pursuant to the provision of the Internal Revenue Code prohibiting a charitable organization involvement in political campaigns, the Corporation shall not engage in any actions or activities that may influence any legislation or any political campaigns on behalf (or in opposition to) any candidate for elective public office.

## ARTICLE IX

### CONFLICTS OF INTEREST POLICY

**Section 1 – Purpose.** The purpose of this conflict of interest policy is to protect the Corporation’s tax-exempt status upon issuance by the US Department of Treasury pursuant to the provisions of Section 501 (c) (3) of the Internal Revenue Code when and if the Corporation contemplates entering into a transaction or arrangement that might benefit the private interest of any officer or Director of the Corporation or might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to the Corporation.

**Section 2 - Definitions:**

A. **Interested Person.** Any Director, principal officer, or member of a committee with governing Board delegated powers, who has a direct or indirect financial interest, as defined definition B, below.

B. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

C. **Compensation.** Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

D. **Financial Conflict of Interest.** A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or committee decides that a conflict of interest exists.

**Section 3 - Obligation to Disclose Potential Conflicts of Interest.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with governing Board delegated powers considering the proposed transaction or arrangement.

**Section 4 - Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

**Section 4 - Procedures for Addressing the Conflict of Interest.**

**A. Presentations by the Interested Party.** An interested person may make a presentation at the governing Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

**B. Appointment of Disinterested Investigative Party.** The chairperson of the governing Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction arrangement.

**C. Board Determination of Alternative Transactions.** After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

**D. Board Decision.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

**Section 3 - Violations of the Conflicts of Interest Policy.**

**A. Duty to Report Conflict of Interests to Corporation President.** If any member of the Board or committee has reasonable cause to believe any member has failed to disclose actual or possible conflicts of interest, it shall inform the Corporation President member of the basis for such belief and the President shall so inform the member of the accusation and afford the member an opportunity to explain the alleged failure to disclose.

**B. Corporation President Investigation and Report to Corporation Board.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Corporation President shall make a full report of findings to the Corporation Board who shall determine whether the member has failed to disclose an actual or possible conflict of interest. The Corporation

Board finds a violation of this policy it shall take appropriate disciplinary and corrective action.

**Section 4 –Board Member Annual Statement.** Prior to the seating of the Board of Directors at the annual meeting each Board members shall and member of a committee where the Corporation Board delegated powers shall sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Section 5 – Periodic Review Use of Outside Experts.**

**A. Contents and Process of Review.** To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction

**B. Outside Experts.** When conducting the periodic reviews as provided for in this Section, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Corporation Board of its responsibility for ensuring periodic reviews are conducted.

**ARTICLE X**

## INDEMNIFICATION

**Section 1 - Indemnification Other Than in Actions of in the Right of the Corporation.** 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, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as trustee, Director, officer, employee, or agent of another Corporation partnership, joint venture, trust, or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation or its members, and with respect to any criminal action or proceedings, had no reasonable cause to believe his/her 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, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation or its members, or, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his/her conduct was unlawful.

**Section 2- Indemnification in Action by or in the Right of Corporation.** Any person who was or is a party 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 by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a trustee, Director, officer, employee or agent of another Corporation, partnership, joint venture, trust, or other enterprises shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonable incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation or its members, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Corporation unless only to the extent that the court is which such action or suit is brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem property.

**Section 3 - Expenses.** To the extent that a Director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

**Section 4 - Authorization of Indemnification.** Any indemnification under Sections 1 or 2 of 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 of the Director, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in this Article. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, if quorum of disinterested Directors so directs, by independent legal counsel (who may be the regular counsel of the Corporation) in a written opinion.

**Section 5 - Advancing of Expenses.** Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 1 or 2 of this Article may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in the manner provided in Section 4 upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

**Section 6 - Indemnification Hereunder Not Exclusive.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a party seeking indemnification may be entitled under any Bylaw, agreement, vote of disinterested Directors, or otherwise, both as to action in his/her official capacity as to action in another capacity while holding such officer, and shall continue as to a person who has ceased to be a Director, officer, employee or agent, and shall inure to the benefit of the heirs, and personal representatives of such a person.

**Section 7 - Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was serving at the request of the Corporation as a trustee, Director, officer, employee or agent of another Corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his/her status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

## ARTICLE XI

### CONFLICT OF INTEREST

**Section 1 - Obligation for Disclosure.** A Director, officer, employee, or agent who has a direct interest in any matter before the Corporation shall disclose such interest as soon as practicable and, in any event, before any action is taken by the Corporation with respect to the matter. The interested party shall refrain from participation in the Corporation's proceedings relating to the matter. The disclosure shall become a part of

the Corporation's permanent records.

**Section 2 - Effect of Violation.** Any Director, officer, employee or agent violating the provisions of Section 1 above shall immediately, be subject to removal from office pursuant to the provision of Article VI, Section 7.

## ARTICLE XII

### DISILLUSIONMENT

**Section 1 – Procedures to Dissolve the Corporation.** The Board of Directors may, by action of a majority of the Directors, take action to dissolve the Corporation. Such action shall not be taken until the Secretary of the Corporation has given a minimum of five (5) days notice to all members with notice delivered personally, delivered via first class postage, or by electronic delivery via e-mail or facsimile should a member so designate of the date and time of the Board of Directors meeting when such action will be considered. Should a resolution to dissolve the Corporation be approved by the Board of Directors, the Secretary shall within five (5) days of the action, notify all members of the action via first class postage of the US Postal Service.

**Section 2 – Winding Up of Affairs.** After an action to dissolve the Corporation has been approved by the Board of Directors, the Chairperson and Treasurer shall prepare a final report including financial statements for approval by the Board of Directors detailing all final disbursements and the distribution of any remaining assets of the Corporation.

**Section 3 – Disposition of Remaining Assets.** All remaining assets of the Corporation shall be transferred to the US Forest Service, Hiawatha National Forest, Escanaba, Michigan office (or a successor not-for-profit owner of the Round Island Lighthouse) for use in the maintenance and restoration of the lighthouse. Should ownership of the lighthouse be transferred to a private owner, remaining assets shall be transferred to a not-for-profit lighthouse maintenance and restoration Corporation chosen by majority decision of the Board of Directors.

**Section 4 – Retention of Records and Final Reports.** The Secretary of the Corporation, after the final meeting of the Corporation, shall prepare minutes of the meeting for review, approval and signature of the officers of the Corporation showing these are the final minutes of the Corporation. The Secretary shall immediately file with the State of Michigan a final report noticing the dissolving of the Corporation. Custody of the Corporation records shall be retained by the Corporation's Resident Agent, Secretary or other person designated by the Board of Directors for a period of seven (7) years. The Treasurer, immediate upon the distribution of remaining assets shall take action to reconcile the Corporation bank account and thereafter close-out the account, with proper notification to given to the Internal Revenue Service and any other state or federal



agency, if required.

### ARTICLE XIII

#### AMENDING THE BYLAWS

**Section 1 - Bylaw Amendments.** The Directors of the Corporation may at any meeting propose an amendment alter, or repeal any part of these Bylaws, provided the substance of the proposed amendment, alteration or repeal shall have been stated in the notice of the meeting, or by unanimous vote of all the Directors of the Corporation in the event such notice has not been given.

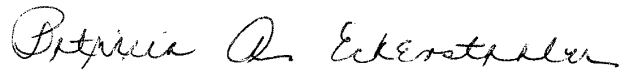
**Section 2 - Amendment Approval by Membership.** Upon approval of a proposal to amend, alter or repeal any part of these Bylaws, the proposal shall be submitted to the membership for approval at either the regular annual meeting or at such other special meeting call for such purposes. A majority of membership shall be required for approval of a change to these Bylaws cast by members present at the meeting or in the absence of members, by proxy cast by a majority decision of the Board of Directors.

Section 1 and 2 amended 2/27/2010

### ARTICLE XIV

#### ADOPTION OF THE BYLAWS

I, Patricia A. Eckenstahler, Secretary of the Round Island Lighthouse Preservation Society, hereby certify that the above Bylaws were adopted by the Board of Directors at the organizational meeting of said Corporation held this 24<sup>th</sup> day of January, 2009.



Patricia A. Eckenstahler, Secretary