

# **Michigan Lake to Lake Bed and Breakfast Association BYLAWS**

**As revised by vote of the membership on October 21, 2019**

ARTICLE I: NAME: The name of the corporation shall be the Michigan Lake to Lake Bed and Breakfast Association.

ARTICLE II: A. OBJECT: The purpose of this corporation is to promote the bed and breakfast concept in Michigan; to encourage organization, education, and the promotion of Michigan bed and breakfast establishments in Michigan and elsewhere.

B. RESTRICTIONS ON ACTIVITIES:

1. This corporation is organized under section 501(c)(6) of the Internal Revenue Code which provides for the exemption from federal income tax of business leagues, chambers of commerce, real estate boards, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.
2. No part of the net earnings of the corporation shall inure to the benefit of or be distributed to its members, board officers, or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered in the furtherance of the purposes set forth in Article II.

ARTICLE III: A. MEMBERSHIP:

There shall be three classes of membership: regular members, honorary members; and associate members.

1. Regular members are Michigan B&B/inns, not owners, that meet the membership criteria established in the association's "Quality Assurance Review Requirements," as reviewed and approved from time to time by the Board of Directors. Such requirements are established to assure that member inns meet the expectations of the bed and breakfast-going public. The Board of Directors has the authority to accept or reject an application for membership based on its interpretation of the Quality Assurance Review Requirements. When ownership changes, a standards review will be required.
2. The Board of Directors may establish honorary membership as special recognition. Honorary members shall have no vote in the conduct of business and are not required to pay dues.
3. Associate membership may be extended to organizations or individuals not qualified for regular membership. These persons must be involved in the B&B industry or have shown a sincere interest in same. Associate members have no vote in the conduct of business but are assessed dues.
4. Associate and honorary members may not serve as directors, but may serve as advisors to the Board of Directors.

**B. TERMINATION OF MEMBERSHIP:**

Regular members or associate members may have their membership terminated by action of the majority of the Board of Directors members for:

1. Failure to pay dues for that year.
2. Failure to continue to meet the Quality Assurance Review Requirements.
3. Willfully inflicting harm or hardship upon fellow member inns, Michigan Lake to Lake Bed and Breakfast Association or the industry in general, in the opinion of the Board of Directors.

**C. DUES:**

The Board of Directors shall establish membership dues. Dues are payable as designated by the Board of Directors.

**D. CODE OF ETHICS**

Proprietors or their delegates of Lake to Lake member inns shall endeavor at all times to promote other member inns and the bed and breakfast industry in general. They shall not engage in business practices or personal acts which can be deemed as willfully inflicting harm or hardship upon fellow member inns, Michigan Lake to Lake Bed and Breakfast Association, or the industry In general.

**ARTICLE IV: OFFICERS:**

1. The officers of this association shall be a President, Vice President, Secretary and Treasurer.
2. The President shall be the president of the Board of Directors and shall be the president of the corporation. The President shall be responsible for chairing all meetings of the membership and the Board of Directors. The President shall have such other powers and duties not inconsistent with these articles and as may be assigned from time to time by the Board of Directors.
3. The Vice President shall, in the absence of the President, have all the powers normally vested in the President and such other duties that the Board of Directors may from time to time assign.
4. The Secretary or a Board of Directors-appointed designate, shall be the custodian of all records and documents of the corporation and shall keep the minutes of all membership meetings and Board of Directors meetings.
5. The Treasurer, or a Board of Directors-appointed designate, shall be accountable for the receipts and the disbursements of money and or property of the corporation. The Treasurer shall provide financial reports to the Board of Directors at all called meetings.
6. Serving ML2L Board members and officers may be removed for cause due to:
  - a. Failure to attend, without acceptable reason, two consecutive regular or special Board meetings or assigned committee meetings within one fiscal year;
  - b. Malfeasance;
  - c. Misfeasance; or
  - d. Dereliction of fiduciary duty.

ARTICLE v: MEETINGS:

- A. The general meeting of the membership shall be held once a year as scheduled by the Board of Directors. A quorum shall be considered to be 15% of the regular membership of the Association. Each regular member B&B/inn is entitled to one vote.
1. Each member inn shall be notified of the date, time and place of the annual membership meeting not less than 30 days prior to the meeting.
  2. Notifications pertaining to membership matters shall be made via first-class mail if the member makes a one-time request in writing. Otherwise, notification may be made electronically.
  3. Educational meetings may be held from time to time as scheduled by the Board of Directors for the purpose of pursuing the objectives of the corporation through the education of its members and others associated with the B&B activity. No business shall be conducted at educational meetings unless so directed by the Board of Directors and advertised in advance of the meeting.
- B. Board of Directors meetings: The Board of Directors shall meet a minimum of twice a year or more often as requested by the chairperson and/or by two Board members.

ARTICLE VI: BOARD OF DIRECTORS

1. The Board of Directors shall manage the business of the corporation. Actions of the Board of Directors shall be communicated to the membership. The Board of Directors meetings shall have minutes recorded and said minutes shall be available to the membership upon request.
2. The number of board members shall be determined by the ratio of 25 members per seat but with a minimum of five members. Each member must be the owner or operator of a B&B/Inn holding a regular membership in good standing. No more than one representative from a member B&B/Inn may serve on the board at a time.
3. Each director shall be elected for a three-year term, commencing at the end of the annual membership meeting, and may be re-elected for one succeeding three-year term. After two consecutive three-year terms, a board member may not be nominated for a period of one year. If a director is unable to complete his or her term, the board will appoint an eligible member to complete the partial term.
4. Officers of the Board are elected by Board members and serve a one-year term. They may serve multiple terms.
5. A majority of the Board of Directors shall constitute a quorum for the transaction of business.
6. At least four months prior to the annual meeting, the President shall appoint a Nominations Committee comprised of at least three members, only one of which may be a current director. The Nominations Committee shall call for nominations in a communication dedicated to that purpose. The call for nominations shall be distributed electronically or, to those members who have so requested, by first-class mail.
7. During a period of not fewer than 14 days, any regular member may recommend an eligible member, including himself or herself, in accordance with the method articulated by the Nominations Committee.

8. The Nominations Committee shall consider all candidates and recommend a slate comprised of one nominee for each open position. If one or more partial terms are to be filled, the committee shall designate a nominee for each open term.
9. Not fewer than five weeks prior to the annual meeting, the Nominations Committee shall distribute to all members its report, including a short bio of each candidate, in an electronic communication dedicated to that purpose, except that it shall be sent via first-class mail to those members who have so requested.
10. Not fewer than three weeks prior to the annual meeting, the Board of Directors or its designee shall issue ballots electronically and via first-class mail to those who have so requested. The ballot shall provide for a separate vote on each candidate and for write-in candidates. Voting shall take place via first-class mail unless and until a method approved by the Board provides for both secret voting and the impossibility of duplicate voting by the same inn. The deadline for receiving completed ballots shall not be fewer than 10 days from the date the ballots were issued.
11. The Board of Directors may engage an Executive Director who will be responsible for, but not limited to:
  - a) Management and implementation of association policy;
  - b) Report on the activities of the association to the Board of Directors at each of its meetings; and
  - c) Be an ex-officio member of the Board of Directors and on all association committees.

ARTICLE VII: COMMITTEES

1. Nominations Committee shall be appointed each year, as provided in Article V.
2. The Board of Directors may appoint such other standing or ad hoc committees as dictated by the needs and priorities of the association, as determined by the Board. The President shall recommend committee chairs and members for the Board's approval.
3. Committee chairs shall be regular members and may be officers. Committee members may be regular, associate or honorary members, or aspiring members, or innkeepers employed at inns owned by regular members.
4. The duration of a committee appointment is for one year or until a newly-constituted Board of Directors takes office, whichever is less, or until a committee is dissolved. A committee appointment may be renewed each year so long as the appointee is willing.
5. A committee's recommendations are reported to the Board for consideration and action.
6. The Board of Directors may vote to replace committee chairs or members at any time it determines the committee is not meeting its goals, to the detriment of the association.
7. For the purpose of performing urgent business that cannot wait for the action of the Board of Directors, the President and another board member designated by the President are authorized to act as an Executive Committee on behalf of the Board.

ARTICLE VIII: INDEMNIFICATION:

Any person (and their heirs, executors and the administrators of such person) made or threatened to be made a party to any such action, suit, or proceeding by reason of the fact the he or she is or was a director, officer, agent or employee of the corporation shall be indemnified by the corporation to the extent permitted by law. Such indemnification shall not apply to matters, which the court shall adjudge it that such director, officer, agent or employee is liable for negligence or misconduct in the performance of his or her duties. Such right of indemnification shall not be deemed exclusive of other rights to which such director, officer, agent or employee may be entitled apart from this article.

ARTICLE IX: DISSOLUTION:

Upon the dissolution of the corporation and after the payment or the provision for payment of all liabilities of the corporation, the Board of Directors shall dispose of all the assets of the corporation exclusively for the purpose of the corporation; or to organizations that are then qualified as tax-exempt organizations under Section 501(C)(6) of the Internal Revenue Code of 1954 (as it may be amended). Any assets not so disposed of shall be disposed of by a court of competent jurisdiction in the county where the principal office of the corporation is then located.

ARTICLE X: ACTS OF VOLUNTEER DIRECTORS:

A. A volunteer director of the corporation shall not be personally liable to the corporation or its members for monetary damages for a breach of the director's fiduciary duty arising under applicable law. However, this article shall not eliminate or limit the liability of a director for any of the following:

1. A breach of the director's duty of loyalty to the corporation or its shareholders or members.
2. Acts or omissions not in good faith or that involve intentional misconduct or knowing violation of the law.
3. A violation of Section 551(1) of the Michigan Nonprofit Corporation Act.
4. A transaction from which the director derived an improper personal benefit or an act or omission that is grossly negligent.

B. A volunteer director of the corporation shall be only personally liable for monetary damages for a breach of fiduciary duty as a director to the corporation or its members to the extent set forth in this Article X. No repeal or modification of this Article X by the members of the corporation shall adversely affect any right or protection of any volunteer director existing at the time of any acts or omissions occurring before such repeal or modification.

ARTICLE XI: LIABILITY OF DIRECTORS:

The corporation assumes all liability to any person, other than the corporation or its members, for all acts or omissions of a volunteer director occurring on or after January 1, 1988, incurred in the good-faith performance of the volunteer director's duties as such. Notwithstanding the foregoing, volunteer directors shall be personally liable to the corporation or its member for monetary damages for a breach of fiduciary duty as a

director to the extent permitted by the preceding Article X. No appeal or modification of this Article XI by the members of the corporation shall adversely affect any right or protection of any volunteer director existing at the time of any acts or omissions occurring before such repeal or modification.

ARTICLE XII: PARLIAMENTARY AUTHORITY:

The rules contained in the current edition of *Roberts Rules of Order Newly Revised* shall govern the corporation in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the corporation may adopt.

ARTICLE XIII: AMENDMENT OF BYLAWS:

Bylaws and the Articles of Incorporation may be amended or altered by a two-thirds (2/3) favorable vote of the responding membership. Any proposed amendments or alterations shall be submitted by a majority vote of the Board to all regular members, in writing, at least fourteen (14) days prior to an announced election, whether that vote is taken at the Annual Meeting or by electronic ballot. Electronic ballots shall remain open for a period of seven (7) days from the announced start date. The result of ballots indicating approval/disapproval will be made available to all regular members within fourteen (14) days of the close of such election.