

BYLAWS OF THE MICHIGAN SECTION
of the
AMERICAN WATER WORKS ASSOCIATION

Approved by the membership February 2018
Approved by the AWWA Executive Committee August 2018

ARTICLE I **NAME**

The name of this organization shall be the Michigan Section of the American Water Works Association (hereinafter the Section). The American Water Works Association shall hereinafter be referred to as "AWWA" or "the Association."

ARTICLE II **OBJECTIVES**

The objectives of this Section are to promote public health, safety, and welfare through improvement of the quality and quantity of water delivered to the public and the development and furtherance of understanding of the problems relating thereto, by

- a) Advancing the knowledge of the design, construction, operation, water treatment, and management of water utilities;
- b) Advancing the knowledge of the problems involved in the development of resources, production and distribution of safe and adequate water supplies;
- c) Educating the public on the problems of water supply and promoting a spirit of cooperation between consumers and suppliers in solving these problems; and
- d) Conducting research to determine the causes of problems of providing a safe and adequate water supply and proposing solutions thereto in an effort to improve the quality and quantity of the water supply provided to the public.

ARTICLE III **HEADQUARTERS & OPERATIONS**

- 3.1 Headquarters of the Section shall be at the office of the Secretary-Treasurer, except as some other location may be specifically designated by the Section governing board (hereinafter referred to as the "Board of Trustees" or "Board").
- 3.2 These Bylaws and all matters pertaining to the operation of the Section shall be constructed to be consistent with the Articles of Incorporation, Bylaws, the Board Policy Manual of the Association, and the Affiliation Agreement between the Section and the Association, (collectively, the "AWWA Documents"). In the event of any conflict between these Bylaws or the policies and procedures of the Section and the AWWA Documents, the AWWA Documents shall control.

ARTICLE IV **MEMBERSHIP**

- 4.1 The membership of the Section shall consist of those members of the Association in good standing who reside in or have a principal business activity in the State of Michigan, including members with primary membership in another Section (multi-section members), or those assigned to the Section by the Chief Executive Officer of the Association (hereinafter, "Members").
- 4.2 The geographic boundaries of the Michigan Section are defined as the State of Michigan.

ARTICLE V VOTING BY MEMBERS

- 5.1 All Members of the Section in good standing, including multi-section Members, are eligible to vote. Each Member shall have one vote.
- 5.2 Occasions where a vote of the membership is required include: the election of Section Board Members, as described herein; approval of a proposed amendment of these Bylaws; approval of a special dues assessment of the Section membership; or any other event for which the Board requires a vote of the Section membership.
- 5.3 Except as otherwise specified in these Bylaws, the required vote to approve any matter put before the Members shall be two-thirds of 25% of the Members in good standing on the date of the vote, provided, however, that the Board of Trustees may resolve, in its discretion, to require only the vote of a majority of the Members present at a meeting of which either written notice or other electronic transmission was delivered to all such Members at least ten (10) days before the date of the meeting (a “Fully Noticed Meeting”), and may establish and disseminate a specific voting process and procedure for other matters placed before the Members.
- 5.4 The vote necessary for the Members to elect one or more trustees to the Board of Trustees is set forth in Section 7.7 of these Bylaws.
- 5.5 Members may, to the extent permitted by law, take action without a meeting by means of a unanimous written consent to action signed by a majority of the Members in good standing on the date of the action.
- 5.6 The Board of Trustees may request Members vote on matters outside of the Annual Business Meeting or Special Meetings. Such vote may include a mail-in ballot, an electronic ballot, or other electronic means. Electronic voting may include, without limitation, such means as fax, e-mail, or web-based balloting, or other means consistent with the laws of the State of Michigan. Procedures for facilitating participation by electronic means, and verification of the Member’s identity and eligibility are contained in the Section’s policies and procedures documents.

ARTICLE VI SECTION FINANCES

- 6.1 The Section shall establish a Finance Committee to assist in the administration of its finances. The Finance Committee shall be chaired by the Secretary-Treasurer and include as its members at least two at-large members and the Past Chair. The Finance Committee is responsible for recommending financial policies, goals, and budgets that support the mission, values, and strategic goals of the Section. The committee also reviews the organization’s financial performance against its goals and proposes major transactions and programs to the Board. A quorum for the Finance Committee shall be three (3) members.
- 6.2 Dues shall be assessed against Members, as required for membership in AWWA. Only the Association can determine and collect dues and assessments. Funds for financing Section activities may be obtained from sources consistent with the policies of the Association.

- 6.3 The Section may, in accordance with the procedures defined in the AWWA Documents as well as other guidelines established by AWWA, apply for permission to levy a Section dues assessment. The Section dues assessment would be levied annually at the time of membership renewal, and the revenue collected would be used to increase funds available for Section uses consistent with objectives in Article II. Once the initial Section dues assessment is approved, changes in a Section dues assessment can be authorized by a vote of the Board of Trustees for submission to and approval by the AWWA Board of Directors.
- 6.4 The Section reserves the right to collect fees for Section activities and events, as appropriate (e.g., registration fees for the Annual Conference, teleconferences, and other educational programs). Such fees will be established in accordance with these Bylaws, the Section Board policies and guidelines, and the AWWA Documents.
- 6.5 The Section's finances shall be managed in accord with these Bylaws, the Section Board policies and guidelines, the Board Policy Manual and Bylaws of the Association, and all applicable financial rules and regulations of the State of Michigan. The Section shall conduct a financial audit or review no less than once every three years. A copy of the audited or reviewed financial statement shall be provided to the Association. The audit or review shall be conducted by an independent third party certified public accountant who is not employed or affiliated with (a) any employee or independent contractor of the Section involved with the Section's finances nor (b) any officer or non-officer trustee of the Section.
- 6.6 The scholarship endowment named for Raymond Faust shall be maintained in an account separate from any other Section Funds. The fund will be administered by the Section Secretary-Treasurer, and a financial report shall be presented at each Annual Business Meeting.

ARTICLE VII SECTION GOVERNANCE

7.1 DEFINITIONS

- 7.1.1 Council. A group of individuals led by a Chair and Vice-Chair that is responsible for implementing specific strategic planning goals of the Section.
- 7.1.2 Committee. A group of individuals led by a Chair or Co-Chairs that is responsible for implementing specific tasks on an ongoing basis.
- 7.1.3 Standing Committee. A committee that is specified in the Bylaws and has an ongoing responsibility.
- 7.1.4 Task Force. A group of individuals led by a Chair or Co-Chairs that is responsible for implementing specific tasks on a short term basis.

7.2 Authority and Purpose of the Board

The property, affairs, and business of the Section shall be managed by the Board of Trustees, and the Board of Trustees shall have full power to establish and modify the

Michigan Section Bylaws

policies for the conduct, management, and direction of the business and affairs of the Section, except for those matters specifically reserved or granted to the Members by these Bylaws, the Section Board policies and guidelines, AWWA Documents, and all applicable regulations of the State of Michigan.

- 7.2.1 The governing body of the Section shall be the Board of Trustees (“Board”). The Board shall execute Section business in accordance with the Bylaws, the Section Board policies and guidelines, and the AWWA Documents.
- 7.2.2 The Chair and/or the Board of Trustees shall have the power to create and dissolve committees and task forces as needed in order to carry out the business of the Section. The Board reserves to itself the power to create and dissolve Councils.
- 7.2.3 The Section shall establish an Executive Committee. The Executive Committee shall have the limited authority, as described herein, to execute Section business in between Board meetings in accordance with the Bylaws, the Section Board policies and guidelines, and the AWWA Documents. This authority is limited to business that requires immediate action and cannot wait until the next scheduled Board meeting or a special Board meeting. The action shall be consistent with previous Board decisions and shall be reviewed and confirmed with the Board at the next available Board meeting. The Executive Committee shall consist of the Chair, Chair-Elect, Past Chair, Secretary-Treasurer, and Director. A quorum for the Executive Committee shall be three (3) Members.

7.3 Authority and Purpose of the Executive Director

- 7.3.1 The Executive Director shall be the chief of staff for the Section and an officer of the corporation. As such, the Executive Director shall supervise and have general charge of the operations of the Section and shall assist the Board members in carrying out the policies, programs, orders, and resolutions of the Board.
- 7.3.2 The Executive Director reports to the Board. He/she shall attend all business meetings of the Section and the Board, but shall not have a vote on matters brought before the Board. The Executive Director shall be retained as an employee of the Section, the terms of which will be stated in an employment contract. The Executive Director’s work performance shall be reviewed as indicated in the employment contract and the Board policies and procedures.

7.4 Members and Structure of the Board

- 7.4.1 The Section shall be governed by its Board of Trustees, consisting of a chair, chair-elect, past-chair AWWA Director, a secretary-treasurer, and six non-officer trustees.
- 7.4.2 The voting members of the Board shall consist of the Chair-Elect, Secretary-Treasurer, Director, Past-Chair, and Six Trustees. The Chair will only vote in the case of a tie. A quorum of the Board shall consist of at least six voting members.
- 7.4.3 The representation of the Board members should reflect the diverse membership of the Section, including, but not limited to, geographical locations, membership categories, utility size, gender, and ethnic origins. The Section will strive to recruit Board members

(Section 7.4.1) (a) from the Upper Peninsula of Michigan and (b) from either the area of the Lower Peninsula north of Town Line fifteen or (c) from any district, area, or community in the Lower Peninsula maintaining water service to a population under 10,000 persons at the most recent Federal Census.

7.5 Eligibility to Serve on the Board

- 7.5.1 Any member in good standing of the Section, including a multi-section Member, shall be eligible to hold elective office in the Section.
- 7.5.2 Multi-section members may hold office in only one Section at a time.
- 7.5.3 Two or more offices may not be held by the same individual, with the exception of the offices of secretary and treasurer.
- 7.5.4 To become Director of the Section, the person nominated shall be a member in good standing and shall have previously held the position of Section Chair. Should no candidate meeting these criteria be available or willing to serve, the person nominated shall be a Member in good standing and shall be a present or past member of the Board.

7.6 Nomination for Members of the Board

- 7.6.1 Not less than 90 days prior to the Annual Business Meeting of the Section, the Chair shall appoint a Nominating Committee of seven members consisting of the incumbent Director, the incumbent Chair-Elect, three Trustees, and two at-large Members, in good standing. The at-large Members shall be appointed in accordance with the Section Board policies and procedures. The incumbent Director shall be Chair of the committee. In the years when there is an incumbent Director and incoming Director, the incoming Director shall be Chair of the committee and the incumbent Director will be the eighth member of the committee. A quorum of the Nominating Committee shall be four (4) Members.
- 7.6.2 Nominations for the Board of Trustees shall be solicited in accordance with the Section Board policies and procedures from general membership and by recruiting Members meeting the criteria in Section 7.4. Self and peer nominations are both encouraged.
- 7.6.3 The Nominating Committee shall report to the Board of Trustees nomination of one or more members for each office to be filled allowing sufficient time for announcement of the nominations by the Secretary-Treasurer to the membership at least 60 days prior to the Annual Business Meeting.
- 7.6.4 Notice of all nominations shall be made available to the membership prior to the election by written notice or electronic transmission, consistent with the laws of the State of Michigan. The notice shall indicate which members were nominated by the Nominating Committee.
- 7.6.5 The Director shall be nominated in a manner consistent with and for a term consistent with Article III of the Bylaws of the Association.

7.7 Election of Members of the Board

7.7.1 Members of the Section Board of Trustees may be elected either during the Annual Business Meeting or a Fully Noticed Meeting of the Section or, if approved by the Section Board of Trustees, by any other process consistent with the laws of the State of Michigan. The voting process should be established and administered by the Board in accordance with these Bylaws, the Section policies and procedures, and the AWWA Documents.

7.7.2 Voting at the Annual Business Meeting or a Fully Noticed Meeting:

a The Section desires and shall strive to maximize participation by the Members in the election of the members of the Board of Trustees at the Annual Meeting or a Fully Noticed Meeting. However, in accordance with Section 5.3 of these Bylaws, the Board of Trustees reserves the right to require only the vote of a majority of the Members present.

b A method of determining voter eligibility and recording the votes cast shall be implemented.

c The candidate receiving the greatest number of votes for an elected office at the Section's Annual Business Meeting or at a Fully Noticed Meeting shall be elected to the office even if that candidate receives less than a majority of the votes cast. If more than one seat of the same office, such as a non-officer trustee, is up for election at the same meeting, then the Board of Trustees will hold separate votes for each available seat. In cases of a tie, the Board members shall be polled to select which of the tied candidates shall be chosen.

7.7.3 Voting by mail, electronic, or other means:

a. The voting process shall be established by the Board of Trustees in accordance with the laws of the State of Michigan and with the Section policies and procedures.

b. A method of determining voter identity and eligibility and for recording all ballots received shall be implemented.

c. Proper notice shall be provided, shall include clear and unambiguous instructions to the Members, and clearly state the nominees for each office being decided. If more than one seat of the same office, such as a non-officer trustee, is up for election, then the ballot will contain separate votes for each available seat.

d. Balloting outside of the Business Meeting shall end at least 30 days (as determined by the postmark for mailed ballots or transmittal date for electronic and other transmission) before the opening of the Business Meeting.

e. There shall be adequate time from the time of receipt of the ballots by the Members until balloting is ended.

f. The candidate receiving the greatest number of votes for an elected office when mailed or electronic ballots are tallied shall be elected to the office even if that candidate receives less than a majority of the votes cast. In cases of a tie, the Board members shall be polled to select which of the tied candidates shall be chosen.

7.7.4 Any voting procedure determined by the Board shall remain in effect until changed by the Board. The effective date of any change shall be at least 30 days before nomination of candidates for the next regular election.

7.7.5 The Director shall be elected in a manner consistent with Article III of the Bylaws of the Association.

7.8 Terms of Office for Section Board of Trustees

7.8.1 The AWWA Director shall be elected for a term of three years or as otherwise required by the Bylaws of the Association.

7.8.2 The term of the Chair-Elect, Chair, and Past-Chair will each be one year, with a three-year progression through the positions as listed above. The term of the Secretary-Treasurer shall be three (3) years. These terms shall commence and expire on the first business day following the Annual Business Meeting at which they are elected or succeed to office.

7.8.3 The positions of chair, chair-elect and/or past chair, do not allow for back-to-back terms.

7.8.4 The term of office of a non-officer Trustee shall be three years and shall commence and expire at the same time as the officers described in Section 7.8.2.

7.9 Vacancies on Section Board of Trustees

7.9.1 In the case of a vacancy in the office of Chair, Chair-Elect, Past Chair, Secretary-Treasurer, or non-officer Trustee, the Board shall appoint a suitable replacement to complete the term of the vacant position by resolution by a majority of the votes of such members at a duly called meeting of the Board. The voting members of the Board may by resolution passed by a majority of not less than two-thirds (2/3) of the votes of such members at a duly called meeting of the Board, allow the vacancy to be filled by the nomination and election process described in Sections 7.6 and 7.7.

7.9.2 In the case of a vacancy in the office of AWWA Director, the Board shall appoint a member to fulfill the unexpired term. The Section Chair or Secretary-Treasurer shall notify the Chief Executive Officer of the Association of such selection.

7.9.3 The voting members of the Board may, by resolution passed by a majority of not less than two-thirds (2/3) of the votes of such members at a duly called meeting of the Board, remove any Board member before the expiration of his or her period of office if the Board member fails to carry out the responsibilities of elected or appointed office as so determined by the Board. A vacancy created by the removal of a Board member may be filled in accordance with the procedures described in Section 7.9.1

7.9.4 A vacancy created by the resignation, death, disability, or removal of a Trustee may be filled by a majority vote of the Board of Trustees or, if not so filled, by the Members at a Fully Noticed Meeting .

7.10 Duties of the Board of Trustees

- 7.10.1 The duties of the Board members shall be as specified in the Section Board policies and procedures.
- 7.10.2 The chair shall perform all duties that would ordinarily be incident to the office of president, subject to the authority granted by the Board of Trustees.
- 7.10.3 The chair-elect and/or vice-chair shall assist the chair in the performance of his/her duties and shall act in his/her stead when required. The chair-elect and/or vice-chair shall serve on such committees as he/she may be assigned.
- 7.10.4 The past-chair shall assist the chair and chair-elect and/or vice-chair in the performance of their duties and shall act in any of the other officer positions when assigned by the Board of Trustees. The past-chair shall serve as chair of the Nominating Committee.
- 7.10.5 The treasurer shall have or provide for the custody of the funds or other property of the Section and shall keep or see to the keeping of a separate book account of the same; shall collect and receive or provide for the collection and receipt of monies earned by or in any manner due to or received by the Section; and shall deposit or see to the deposit of all funds of the Section in such banks or other places of deposit as the Board of Trustees may from time to time direct and designate. In addition, the Treasurer shall, whenever so required by the Board of Trustees, render an account, showing all transactions as Treasurer, and the financial condition of the Section; and, in general, shall perform all duties incident to the office of treasurer of a corporation
- 7.10.6 The secretary shall see that notices are given and records and reports are kept properly and filed by the Section as required by law; and, in general, shall perform all duties incident to the office of secretary of a corporation.
- 7.10.7 The AWWA Director shall serve on the AWWA Board of Directors. The AWWA Director shall be bound to adhere to the obligations of AWWA and its Board of Directors as set forth in these Bylaws, and the AWWA Documents. The Section acknowledges that, in the course of their duties, the AWWA Director may be faced with decisions that benefit AWWA and its Sections but not necessarily the Section from which the AWWA Director comes. Whenever the interests of the Section and the Association are in conflict in a matter being considered by the AWWA Board, the AWWA Director is bound to disclose such conflict to the AWWA Board and may, in certain cases, be required to abstain from deliberations or voting on such matters by the AWWA Board of Directors.
- 7.10.8 The AWWA Director shall be a member of the Section Board.
- 7.10.9 The non-officer trustees shall assist the chair and the chair-elect in the performance of their duties and shall act in any other officer positions when delegated by the Board of Trustees. The trustees shall serve on committees as liaisons or full members, as they may be assigned by the Board of Trustees.
- 7.10.10 The Board shall have general supervision over all of the affairs of the Section and shall be its legal representative in all matters except as this duty may be specifically delegated to the Executive Director. The Board members shall prepare, as needed, and

enforce for the conduct of the business of the Section, guidelines not in conflict with these Bylaws or the AWWA Documents, and shall amend the Section policies and procedures, as required to resolve such conflicts.

ARTICLE VIII MEETINGS

- 8.1 The Board shall meet at least once each year to conduct the business of the Section.
- 8.2 The Section shall hold at least one Business Meeting in each calendar year to elect Board members and conduct other business, as may be necessary.
- 8.3 Quorum for an Annual Business Meeting or Fully Noticed Meeting of the Section shall normally be 20 Members, provided however that, in accordance with Section 5.3 of these Bylaws, the Board of Trustees may resolve, in its discretion, to require only the vote of a majority of the Members present, at a meeting of which notice was delivered to all such Members at least ten (10) days before the date of the Fully Noticed Meeting, and may establish and disseminate a specific voting process and procedure for other matters placed before the Members.
- 8.4 For the purpose of achieving the objectives of the Association and the Section, the Section is expected to hold an annual conference at which technical papers are presented and water supply industry issues are discussed. The location of such a conference is determined by the Section.
- 8.5 The Board shall call special meetings of the Board of Trustees or of the Members, as needed. Such meetings may be called by a request from at least five members of the Board of Trustees or by a signed petition from 20 Section Members, in good standing. The agenda of the meeting shall be limited to the purpose for which it was called. Special meetings of the Members shall be Fully Noticed Meetings, in accordance with Section 5.3 of these Bylaws.
- 8.6 All Board of Trustees, Council, and committee meetings shall convene in accordance with Section policies and procedures. Except as may be otherwise determined by the Board of Trustees, Council, or committee meetings should be conducted in accordance with the latest edition of "Roberts Rules of Order." The Chair shall run all Board of Trustees meetings. If the Chair is not present, the Chair will designate another member of the Executive Committee to run the meeting.
- 8.7 The times and places of all meetings of the Section shall be fixed by the Board members, or by a committee appointed by them, subject to the other provisions of these Bylaws.
- 8.8 Voting by Electronic and/or Telephonic Participation; Board of Trustees:
 - a. Though it is the responsibility of Board Officers and Trustees to participate in person at meetings, the Section recognizes that occasionally voting members of the Board are unable to attend meetings in person. Voting members who are unable to attend are permitted to participate in the meeting utilizing electronic or telephonic communications ("remote means").
 - b. A member who participates in a meeting via remote means may be considered

part of the quorum for a meeting, subject to adequate verification of their eligibility and identity. Procedures for facilitating participation by remote means, and verification of the member's eligibility and identity are contained in the Section's policies and guidelines.

8.9 Voting by Unanimous Written Consent; Board of Trustees:

a. Occasionally, urgent Board action is required yet it is not possible or practical to have the Board meet in person or through electronic or telephonic participation. In those cases, the Chair may elect to submit a question to the Board for a vote by unanimous written consent. The consent resolution shall be sent to each Board member, by mail or by electronic transmission, and shall permit counterpart signatures. Upon receipt of written consent documents from all Board members, the Secretary-Treasurer shall assemble them and they shall be considered collectively as a valid document, having the same effect as a unanimous vote of the Board of Trustees.

b. Procedures for initiating and conducting, and recording a vote by unanimous written consent are contained in the Section's policies and guidelines.

ARTICLE IX COUNCILS AND COMMITTEES

9.1 The Section Board may establish Councils and Board Committees to conduct Association programs and Section programs and business. The Section Chair will name Council Chairs and Committee Chairs.

9.2 Councils and Committees shall be established and shall convene in accordance with the Section Board policies and guidelines.

9.3 The Nominating Committee described in Section 7.6.1, the Executive Committee described in Section 7.2.3 and 7.4.1, and the Finance Committee described in Section 6.1 are standing committees.

9.4 Voting by Electronic and/or Telephonic Participation; Councils and Committees:

The Section recognizes that occasionally voting members of a Council or Committee are unable to attend meetings in person. Voting members who are unable to attend are permitted to participate in the meeting utilizing Electronic or Telephonic communications ("remote means").

A member who participates in a meeting via remote means may be considered part of the quorum for a meeting, if one is required, subject to adequate verification of their eligibility and identity. Procedures for facilitating participation by remote means, and verification of the member's eligibility and identity are contained in the Section's policies and guidelines.

ARTICLE X – ESTABLISHING SUBDIVISIONS

10.1 For ease of organization, the Board of Trustees may divide a geographic area within a Section's boundaries into subdivisions that are still governed by the Board of Trustees.

ARTICLE XI AMENDMENTS TO SECTION BYLAWS

- 11.1 Proposals for the amendment of these Bylaws may originate by an affirmative majority vote of the Board, or they may originate by submittal to the Secretary-Treasurer of a written petition signed by at least 20 members in good standing. The Secretary-Treasurer shall bring the proposal to the attention of the Board and notify all members of the proposed amendment through any means as directed by the Board.
- 11.2 These Bylaws may be amended at any Annual Business Meeting of the Section, or at a Fully Noticed Meeting, by a majority vote of eligible voting members present at the meeting, provided, however, that all members shall have written notice at least 30 days in advance in which to consider the proposed amendment(s) prior to voting upon it.
- 11.3 At the discretion of the Board, the Bylaws may also be amended by a mailed ballot or a ballot sent directly by other means, with an affirmative vote of two-thirds (2/3) of the ballots returned by eligible voting members. All eligible voting members shall be provided a copy of the proposed amendment(s) with the ballot or be given a website link to obtain the proposed amendment(s), and shall be given at least 30 days to return the ballot.
- 11.4 When the amendment(s) are approved by the Section membership, the Secretary-Treasurer shall submit the amendment(s) to the Chief Executive Officer of the Association, for approval by the Association Executive Committee.
- 11.5 Corrections deemed insubstantial (grammar, punctuation) may be made at the discretion of the Association Executive Committee. The Board will be advised of these corrections and may call for a vote of the Section.
- 11.6 Amendment(s) shall be effective only after receiving notice from the AWWA Chief Executive Officer that the amendment(s) have been approved by the AWWA Executive Committee.

ARTICLE XII DISSOLUTION

- 12.1 In case of dissolution of the Section, such portions of the funds or property thereof in the hands of the Secretary-Treasurer, as may have been derived from the general funds of the Association, shall be returned to the Association.
- 12.2 After paying or making provision for payment of all debts and other liabilities of the Section, any remaining balance of Section funds or property shall be disposed of, as determined by the Board, by transfer and distribution to: the Association, another Section of the Association, Water For People, The Water Research Foundation, or any one or more nonprofit or charitable organizations or foundations with like purposes or goals that is organized and operated in an area included in an AWWA Section (hereinafter referred to as the "receiving organization").
- 12.3 The receiving organization(s) shall be selected by vote of the majority of the Section Members present in person or by proxy at a meeting of the Section called for this purpose. If for any reasons such disposition cannot be effected, then such funds shall be so distributed pursuant to the order, judgment or decree of a court having jurisdiction over

the assets and property of the Section.

12.4 The following shall be characteristic of the receiving organization:

- a That it be operated exclusively for scientific or educational purposes;
- b That no part of the net earnings of which inures to the benefit of any private shareholders or individual;
- c That no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation; and
- d That it does not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

The receiving organization may then qualify under the provisions of Section 501(c)(3) of the United States Internal Revenue Code, as they now exist or as they may hereafter be amended.

12.5 Prior to dissolution of the Section, and in accordance with these Bylaws, the Raymond J. Faust endowment shall be assigned to a public college or university in the State of Michigan with the intent that such institution would continue the endowment for scholarship purposes.

ARTICLE XIII INDEMNIFICATION

- 13.1 Indemnification is provided by the Association, as described in the Association Bylaws, Article VI, Section 6.01.
- 13.2 All Board members and any other designated representatives of the Section shall be and are hereby indemnified for expenses and costs incurred (including attorney fees) by any of them in connection with any claim asserted against any of them by action in court or otherwise by reason of their service in such capacity.
- 13.3 Such indemnification will not apply for the aforementioned individuals in regard to matters to which they or any of them shall have been guilty of negligence or misconduct in respect to the matters in which indemnity is sought.