
AMENDED APRIL 29, 2006

RESTATED
BYLAWS
OF
THE FERRIS FOUNDATION

ARTICLE I
CORPORATE NAME, OFFICES AND SEAL

Section 1.01. **Corporate Name.** The name of this corporation is THE FERRIS FOUNDATION (the "corporation"), a non-profit corporation incorporated and organized under the laws of the State of Michigan, and exempt from Federal income tax under Sections 501 (c) (3) and 509 (a) (3) of the Internal Revenue Code.

Section 1.02. **Registered Office.** The registered office of the corporation in Michigan is that shown in the Articles of Incorporation, or in a resolution of the Directors filed with the Secretary of State changing the registered office.

Section 1.03. **Other Offices.** The corporation may have such other offices, as the Directors determine.

Section 1.04. **Corporate Seal.** The corporation may have a corporate seal of a design and form to be determined by the Board of Directors.

ARTICLE II

PURPOSE

Section 2.01. **Purpose.** The purpose of the corporation is to advance the mission and goals of Ferris State University (the "University") by generating and managing private support for the University.

Section 2.02. **Supporting Organization.** The corporation shall be operated in connection with the University.

ARTICLE III

RESTRICTIONS ON ACTIVITIES

Section 3.01. **General.** The corporation may engage in any activity in connection with the purposes set forth in Article II for which a non-profit corporation may be organized under the Michigan Nonprofit Corporation Act of 1982, as amended. However, this corporation shall not engage in or carry on any other activities not permitted to be engaged in or carried on (a) by a corporation exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code, or (b) by a corporation contributions to which are considered tax deductible under the Internal Revenue Code of 1986, or corresponding provisions of a future United States Internal Revenue law.

Section 3.02. **Private Inurement.** The corporation has not been formed for pecuniary profit or gain. All the assets and earnings of the corporation shall be used exclusively for the exempt purposes set forth above, including the payment of incidental expenses. No part of the assets, income or profit of the corporation shall inure to the benefit of, or be distributed to, Officers or Directors of the Corporation. However, the corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered to or for the corporation; to reimburse expenses incurred on its behalf; and to make payments and distributions in furtherance of the purposes set forth in Article II.

Section 3.03. **Political Activity.** No substantial part of the activities of the corporation shall be the carrying on of

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propaganda or otherwise attempting to influence legislation. The corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01 **Members.** The corporation will have no members. All corporation actions will be approved by the Board of Directors as provided in these bylaws. All rights which would otherwise rest with members will rest with the Directors.

Section 4.02. **General Powers.** The property, affairs and business of the corporation will be managed by the Directors.

Section 4.03. **Property.** No Director will have any right, title or interest in or to the property of the corporation.

Section 4.04. **Number, Qualification and Term of Office of Directors.** There will be a minimum of 13 and a maximum of 40 Board Directors. The President of Ferris State University and the Chairperson of the Board of Trustees of Ferris State University (or a designee from the Ferris State University Board of Trustees appointed by the Chairperson to serve on an annual basis), and the past President of the Alumni Association of Ferris State University will hold permanent official seats on the Board of Directors with full voting rights. The remaining Directors will be comprised of At-large directors either elected according to the process in Section 4.05 Election of Directors of these bylaws or appointed according to the process in Section 4.06 Appointed Directors of these bylaws. At-large directors (whether elected or appointed) shall serve three year terms or less if appointed or elected to fill a vacant term. Terms will be established in such a manner that approximately one third (1/3) of the Board directors' terms expire each year. Elected Board directors may be elected to successive terms. Appointed directors are eligible at any time to stand for election according to the provisions in Section 4.05 of these bylaws.

Section 4.05. **Election of Directors.** Directors of the Board shall be elected according to the process outlined below:

- (a) The Committee on Directors of the corporation will develop a slate of names of potential Directors.
- (b) The slate of names will be submitted to the corporation's Board of Directors which will cast a ballot for the number of seats to be filled. The candidate(s) receiving the highest number of votes will be presented to the Ferris State University Trustees for acceptance.
- (c) Upon acceptance by the Ferris State University Trustees, the successful candidates will be elected.

Section 4.06. **Appointed Directors**. The President of Ferris State University shall have the authority to appoint directors to the Board of the corporation. Each appointed director shall have full voting rights and shall be appointed to one three-year term or less if appointed to fill a vacant position. The number of appointed directors shall not exceed five directors or fifteen percent (15%) of the total number of directors whichever is less. Appointed directors shall serve until the annual meeting following the term of office to which they were appointed. Appointed Directors shall have all the rights and privileges associated with serving on the Board of Directors, including being elected as an officer of the corporation. Appointed Directors shall be subject to all the restrictions and requirements of serving on the Board of Directors including removal from the Board of Directors as specified in Section 4.17 **Removal of Directors** of these bylaws.

Section 4.07. **Resignation**. Any Director may resign at any time by giving written notice to the Chairperson of the Board or to the Secretary. The resignation takes effect at the time specified by the Director, and the acceptance of the resignation is not necessary to make it effective.

Section 4.08 **Vacancies**. Any vacancy on the Board of Directors will be filled by vote of the remaining Directors according to the process outlined in Section 4.05 of these bylaws.

Section 4.09 **Place of meeting**. The Board of Directors may hold its meetings at any location it chooses.

Section 4.10 **Annual Meeting**. As soon as practical and not more than one hundred and twenty (120) days after the beginning of a new fiscal year, an annual meeting shall be held to elect officers and conduct any other business. Notice of the annual

meeting will be given in writing not less than thirty (30) days prior to the meeting date.

Section 4.11 **Regular Meetings.** Regular meetings of the Board of Directors will be held at a time and place determined by a resolution adopted by a majority of the whole Board of Directors. Verbal or written notice of regular meetings shall be given thirty (30) days prior to the meeting.

Section 4.12 **Special Meetings; Notice.** Special meetings may be called by the Chairperson of the Board or, if requested, in writing signed by at least twenty-five (25) percent of all Directors. Notice of special meetings will be mailed to each Director's residence or place of business, at least fifteen (15) days before the day of the meeting, or delivered personally or by telephone, no later than seven (7) days before the meeting. The notice must include the time, place and purposes of the meeting. Any meeting of the Board will be a legal meeting without any notice having been given, if all of the Directors of the corporation then in office are present at the meeting or waive such notice in writing before, at, or after the meeting.

Section 4.13 **Electronic Meetings.** Electronic meetings may be held using a variety of electronic and telecommunication means, including telephone, fax, or mail, if provided for in applicable law. Any electronic meeting will be considered a bona fide meeting as long as all parties, whether in person or attending by electronic means, are privy to all discussion and communications regarding the issues. A minimum of one-third (1/3) of all Directors must be physically present for the meeting to be considered official. A written record shall be made of all actions taken at any meeting conducted by electronic and/or telecommunication means.

Section 4.14 **Action by Consent.** Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting and/or without prior notice if a written consent in lieu of such meeting, which sets forth the action so taken, is signed either before or after such action by all Directors. All written consents shall be filed with the minutes of the Board's proceedings.

Section 4.15 **Waiver and Effect of Attendance.** Whenever any notice is required to be given by law, the Articles of Incorporation, these bylaws, or any writing governing the corporation, a written waiver thereof, signed by the person(s) entitled to such notice, whether before or after the time for the
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meeting stated therein, shall be the equivalent of the giving of such notice. In addition, any Director who attends a meeting of Directors in person or by telephone conference (or similar communications) shall be deemed to have had timely and proper notice of the meeting, unless such Director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

Section 4.16 **Quorum and Manner of Voting.** Except as otherwise provided by statute or these bylaws, a minimum of fifty-one (51) percent of the Directors is required to constitute a quorum to transact business at any meeting, and the act of a majority of the Directors present at such a meeting will be the act of the Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn the meeting. Notice of any adjourned meeting need not be given.

Section 4.17 **Removal of Directors.** Any Director may be removed, with the exception of the seats held by the President of Ferris State University, and the Chairperson of the Ferris State University Board of Trustees (or designee) and its Treasurer, as described in Section 5.09, with or without cause at any time. Removal requires a vote of two-thirds (2/3) of all the Directors at a regular or special meeting. Proper notice stating the purpose of the meeting must be given in writing thirty (30) days prior to the meeting. The resulting vacancy will be filled in the manner specified in Section 4.05 and 4.07.

Section 4.18 **Proxies.** Proxies shall not be allowed.

ARTICLE V

OFFICERS

Section 5.01. **Number.** The officers of the corporation will be a Chairperson of the Board, one (1) or more Chair-Elect(s), a Treasurer, and a Secretary, and other officers as approved by the Board of Directors.

Section 5.02. **Election, Term of Office and Qualifications.** Officers, with the exception of the ex officio officers, shall be elected by majority vote of Directors at the annual meeting from a slate, and/or individual names, presented by the Committee on Directors. The term of office for the officers of the corporation, with the exception of ex officio officers, shall be two (2) years

or until a successor is duly elected and qualified or until resignation or removal. Officers, with the exception of ex officio officers, shall not serve more than three (3) consecutive terms in the same office.

Section 5.03. **Resignations.** Any officer may resign his or her office by giving written notice to the Board of Directors. Any resignation will take effect at the time specified by the officer, and the acceptance of the resignation shall not be necessary to make it effective.

Section 5.04 **Removal.** Any officer of the corporation, with the exception of the Treasurer, who holds office ex officio, may be removed, with or without cause, by the affirmative vote and resolution of not less than two-thirds (2/3) vote of the whole number of Directors. The Treasurer of the corporation may be removed from office, with or without cause, by the affirmative vote and resolution of not less than eighty (80) percent of the whole number of Directors. (If the Treasurer is so removed as an officer of the corporation by such action, he/she shall still serve as a Director of the corporation pursuant to Section 4.16 Removal of Directors of these bylaws.) Any resolution and vote to remove any officer must occur at a regular or special meeting, proper notice having been given, called for that purpose, and such purpose shall be stated in the notice.

Section 5.05. **Vacancies.** With the exception of ex officio officers, a vacancy in any office will be filled for the unexpired portion of the term in the manner prescribed in these bylaws for election or appointment to such office. A vacancy in any ex officio office will be filled when such position resulting in the ex officio post is filled.

Section 5.06. **Chairperson of the Board.** The Chairperson of the Board shall be elected from the At-large Directors and presides at and conducts the meetings of the corporation, and upon approval of the Board of Directors, has general operational responsibilities for the corporation. He or she sees that all orders and resolutions of the Board of Directors are carried out. With the authority of Board action and the proper signature of one other duly qualified officer of the corporation, the Chairperson (or a designated signatory from the At-large Directors appointed by the Chairperson to serve on an annual basis), with the signature of another qualified officer, may execute and deliver any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the corporation, including without limitation, any instruments necessary or appropriate to enable the corporation to donate income or principal of the corporation to or for the account of such organizations, causes, and projects described in the

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Articles of Incorporation that the corporation was organized to support. The Chairperson shall have all other such duties as are normally associated with that office.

Section 5.07. **Chair-Elect(s)**. The Chair-Elect(s) will have such powers and duties as may be specified in the bylaws or prescribed by the Board of Directors or the Chairperson of the Board. In the event of absence or disability of the Chairperson, Chair-Elect(s) shall succeed to his or her power and duties in the order designated by the Board of Directors.

Section 5.08. **The Executive Director**. The Office of the Executive Director shall be held ex officio, without voting rights, by the Vice President of University Advancement and Marketing for Ferris State University. The Executive Director of the corporation shall provide general leadership for the corporation and interact with its leadership and volunteer directors and assume the duties and responsibilities normally associated with those of a president of a non-profit corporation. The Executive Director may be signatory on behalf of the corporation on all matters, as determined by policy, including but not limited to the co-signing of checks for payment up to and including limits approved by policy.

Section 5.09. **Treasurer**. The office of Treasurer shall be held ex officio, without voting rights, by a member of The Ferris State University, Administration and Finance Staff. The treasurer will be appointed by the President of Ferris State University. The Treasurer will serve on any investment and/or audit committee(s) established by the corporation and will keep accurate accounts of all moneys of the corporation. The Treasurer will receive or disburse and deposit moneys, drafts and checks to the credit of the corporation in banks and depositories designated by a majority of the whole Board of Directors. He or she may endorse, for deposit, all notes, checks, and drafts received by the corporation and renders, as required, an account of all transactions and of the financial condition of the corporation. Other duties may be prescribed by the Board of Directors and, in general, the Treasurer shall perform all duties incident to the office. The Treasurer may be a signatory on behalf of the corporation on all matters, as determined by policy, including but not limited to the co-signing of checks for payment up to and including limits approved by policy.

Section 5.10. **Secretary**. The Secretary records the proceedings of the meetings of the Board of Directors or causes them to be recorded, notifies or causes notification of the Directors of all meetings, and performs such other duties as required by the Board of Directors or by the Chairperson and in C:\Documents and Settings\maciverm\My Documents\Web Development\Foundation Website\Foundation Bylaws.doc

general, performs all duties incident to the office of the Secretary.

Section 5.11. **Other Officers.** The corporation may have other officers and agents as may be deemed necessary. Their appointment, duties and terms will be determined by resolution of the Board of Directors.

ARTICLE VI

COMMITTEES

Section 6.01. **Formation, Duties and Responsibilities.** The Board of Directors may act by and through the standing committees described in Sections 6.02-6.04, as well as by and through ad hoc committees appointed as needed by the Chairperson of the Board of Directors or specified in resolutions adopted by a majority of the whole number of Directors, provided they act upon written resolution of the Board of Directors. The duties and responsibilities of each such committee will be designated by the Chairperson of the Board or the Board of Directors, and each such committee will be subject to the direction of the Chairperson of the Board of Directors.

Section 6.02. **Executive Committee.** There shall be an Executive Committee consisting of the Chairperson, Chair-Elect, Executive Director, Treasurer and Secretary of the Corporation, and the President of Ferris State University. All directors shall have full voting rights on the Executive Committee. The Executive Committee shall function between Board meetings with power to act on behalf of the Board, subject only to such limitations as may be imposed by these bylaws and or specific Board policies and/or resolutions.

Section 6.03. **Committee on Directors.** The Committee on Directors shall consist of the President of Ferris State University and three (3) At-large directors of the Board, who shall be elected by the Board of Directors at the annual meeting.

Section 6.04. **Other Standing Committees.** Each year at the annual meeting the Chairperson will appoint the Chairs of the following standing committees from a slate of proposed Chairs, recommended by the Committee on Directors. The Chair of each standing committee shall be a Foundation Board Director. The chair of each standing committee shall appoint such directors or

volunteers to his/her committee as he/she deems appropriate. Volunteering on standing committees is not restricted to Directors; however, no less than two (2) Directors shall serve on each standing committee.

- (a) Development Committee
- (b) Investment Committee
- (c) Audit Committee
- (d) Gifts and Grants Committee

ARTICLE VII

FISCAL AGENTS

Section 7.01. This corporation may designate such fiscal agents, investment advisors and custodians as the Board of Directors may select by resolution. The Board may at any time, with or without cause, discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

ARTICLE VIII

POLICIES WITH RESPECT TO DISTRIBUTION OF PRINCIPAL AND INCOME AND RELATED MATTERS

Section 8.01. **Annual Distributions.** As deemed appropriate, and at least once annually, the corporation may make distributions for one or more of the purposes for which it is organized in an amount determined by the Board of Directors. This includes administrative expenses, reimbursement of expenses incurred by directors of the Board of Directors in the carrying out of their responsibilities, and amounts paid to acquire an asset used (or held for use) directly in carrying out one or more of its purposes. The corporation may also hold funds in endowment or other instruments in any manner deemed appropriate up to and including any amount permitted by an organization described as "supporting" under the Internal Revenue Service Section 509 (a) (3) of 1986 or future codes. In any such distribution of funds there will be no discrimination on account of the age, sex, race, color, creed or religious affiliation, national origin, marital status, height, weight, sexual preference, veteran status or handicapping condition of the individuals or programs to be benefited thereby.

Section 8.02. **No Self-Dealing.** This corporation will not engage in any act which would constitute "self-dealing" as defined in Section 4941 (d) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended.

Section 8.03. **No Jeopardy Investments.** To the extent proscribed by Section 4944 of the Internal Revenue Code of 1986, as now enacted or as hereafter amended, this corporation will assure that no funds, whether owned by the corporation or vested in a trust for the benefit of the corporation, are invested or reinvested in such a manner that jeopardizes the carrying out of any purposes for which this corporation is organized.

Section 8.04. **Expenditure Responsibility.** Through its Board of Directors this corporation will exercise "expenditure responsibility", as defined in Section 4945 (h) (1) and (2) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended, with respect to all grants and distributions.

Section 8.05 **Dual Signatures.** Except where otherwise provided by these bylaws or superseded by other policy, there shall be required two (2) signatures to transact official financial business of the corporation. The co-signatories may be the Chairperson (or his/her designated signatory) and Treasurer of the corporation; or the Chairperson (or his/her designated signatory) and Executive Director of the Corporation; or others so designated by action of the Board of Directors.

ARTICLE IX

BOOKS OF RECORD, AUDIT, FISCAL YEAR, BOND

Section 9.01 **Books and Records.** The Board of Directors of this corporation will keep:

- (1) records of all proceedings of the Board of Directors, and committees; and
- (2) all financial statements of this corporation; and
- (3) Articles of Incorporation and bylaws of this corporation and all amendments and restatements; and
- (4) other records and books of account necessary and appropriate to conduct the corporation's business.

Section 9.02 **Audit and Publication.** The records and books of account of this corporation will be audited at least once in each fiscal year in such a manner as may be deemed necessary or appropriate, and also shall make such inquiry as the Board of Directors deems necessary or advisable into the condition of all trusts and funds held by any Director, agent, or custodian for the benefit of this corporation, and shall retain such person or firm for such purposes as it may deem appropriate. Not later than six months after the close of each fiscal year of this corporation, the Board of Directors of this corporation shall furnish to the Ferris State University Board of Trustees, pursuant to the terms of a confidentiality agreement, copies of the corporation's financial statements for its immediately preceding fiscal year and may, if determined necessary or appropriate by the Board of Directors, cause such financial statement to be published in one or more local newspapers or other publication having general circulation and distribution, as may be selected.

Section 9.03. **Fiscal Year.** The fiscal year of the corporation will be from July 1 to June 30 of each year.

Section 9.04. **Bond.** The corporation will obtain bond on such people and in such amounts as may from time to time be deemed necessary by the Board of Directors.

ARTICLE X

INDEMNIFICATION

Unless otherwise provided by law or the corporation's Articles of Incorporation, and subject to the limitations, conditions and procedural requirements established in these bylaws, the corporation shall indemnify any of its present or former Directors, officers, employees or committee volunteers appointed under Article VI, to the fullest extent possible against expenses, including reasonable attorneys' fees, judgments, penalties, fines, settlements and reasonable expenses, actually incurred by any such person relating to his or her conduct as a Director, officer, employee, or committee volunteer of the corporation, except that the mandatory indemnification required by this sentence shall not apply (i) to a breach of the duty of loyalty to the corporation; (ii) to acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law; (iii) to acts or omissions which are grossly negligent or constitute willful and wanton misconduct; (iv) to a transaction from which such person derived an improper personal benefit; (v) against judgments, penalties, fines and settlements arising from any proceeding by or

in the right of the corporation, or against expenses, including attorney's fees, in any such case, where such person shall be adjudged liable to the corporation; or (vi) to acts or omissions inconsistent with the status of the corporation as an organization described in Section 501 (c) (3) of the Internal Revenue Code.

Service on the Board of the corporation, or as an officer, employee or committee volunteer thereof, is deemed by this corporation to have been undertaken and carried on in reliance by such persons on the full exercise by the corporation of all powers of indemnification which are granted to it under this Article and the Michigan Nonprofit Corporation Act as amended from time to time. Accordingly, the corporation shall exercise all of its powers whenever, as often as necessary and to the fullest extent possible, to indemnify such persons. Such indemnification shall be limited or denied only when and to the extent provided above unless the Michigan Nonprofit Corporation Act or other applicable legal principles limit or deny the corporation's authority to so act. This Article and the indemnification provisions of the Michigan Nonprofit Corporation Act (to the extent not otherwise governed by controlling precedent) shall be construed liberally in favor of the indemnification of such persons. In addition, nothing in this Article shall be deemed to prevent the Board from extending this indemnification provision to persons and/or situations where it is determined by affirmative vote and resolution of the Board that it is proper to do so.

ARTICLE XI

DURATION/DISSOLUTION

The period of duration of the corporation shall be perpetual, subject to dissolution only upon approval and adoption by the Board of Directors of the corporation, at an annual or special meeting, with notice to the Attorney General under Michigan's Dissolution of Charitable Purpose Corporations Act, MCL Sections 450.251, et seq.; MSA Sections 21.290(1), et seq. (as now enacted or as hereafter amended) and/or as otherwise required under state or federal law. If the corporation is dissolved, the Board of Directors shall direct the distribution of all funds and assets, remaining after payment of all obligations and liabilities of the corporation, to Ferris State University, or if not then existent, to one or more educational organizations that are qualified as tax-exempt under Section 501 (c)(3) of the Internal Revenue Code, or other corresponding provisions of a future United States Internal Revenue Code. Any remaining funds and assets not so disposed of by the Board of Directors shall escheat to the State of Michigan.

ARTICLE XII

AMENDMENTS

The Board of Directors may amend this corporation's Articles of Incorporation and these bylaws to include or omit any provision that could be lawfully included or omitted. Any number of amendments, or an entire revision or restatement of the Articles of Incorporation or bylaws, may be submitted and voted upon at a single meeting of the Board of Directors and adopted at such meeting, a quorum being present, upon receiving the affirmative vote of not less than two-thirds (2/3) of the number of Directors present and voting. However, amendment of Article II and Sections 4.04 and 4.05 of these bylaws may be made only with the affirmative vote and resolution of not less than sixty (60) percent of the whole number of Directors. No bylaw may be amended, repealed, or adopted in contravention or derogation of the Articles of Incorporation of the corporation.

AMENDED BY A VOTE OF THE BOARD OF DIRECTORS ON APRIL 16, 2006

Secretary, The Ferris Foundation