

**BYLAWS**

of

The Detroit Blockchain Center, INC

(a Michigan non-profit corporation)

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## ARTICLE I - OFFICES

**Section 1.1** Principal Office: The Corporation's principal office shall at all times be located within the borders of what is commonly referred to as the Metro-Detroit area, which for the purposes of the Corporation, shall include the City of Detroit, Highland Park, Hamtramck, and any municipality or area which falls within a 30 mile radius from the outermost border of the City of Detroit. The definition of Metro-Detroit may be changed by an Affirmative Vote in the Majority by the members. The Board of Directors shall have full power and authority to change the location of the Corporation's principal office.

**Section 1.2** Other Offices: The Board of Directors shall have full power and authority to establish branch, subordinate, or other offices at any place or places where the Corporation may legally conduct business.

**Section 1.3** Definitions.

1. "Member" may be used to refer generically to any membership class.
2. "Voting member" shall refer to all eligible members in a membership class entitled to a vote.
3. "Affirmative Vote in the Majority" means a vote in which each voting member or director shall have one vote and the number of affirmative votes for any resolution before the members or directors has a majority of all eligible votes casted. The minimum number of votes casted must be greater than 50% of all eligible votes available. A quorum is required for any vote being held at a meeting in which a quorum is called for.
4. "Supermajority Vote" means a vote in which each voting member or director shall have one vote and the number of affirmative votes for any resolution before the members or directors shall be more than two-thirds  $\frac{2}{3}$  of the total eligible voting members. For example, if there are 11 directors on the Board of Directors, 8 affirmative votes are required to achieve a Supermajority vote. A quorum is required for any vote being held at a meeting in which a quorum is called for.

## ARTICLE II - PURPOSES

**Section 2.1** Purposes: The Corporation is organized exclusively for charitable, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. More specifically, the purpose of the corporation include, but are not limited to, conducting public services, public education, research, community training, and standardization of cryptocurrencies and distributed ledger systems, including blockchains, direct acyclic graph systems, and similar or related technologies (hereinafter referred to as the Blockchain), as well as provide grants to qualifying businesses starting or relocating within the Metro-Detroit Area, and scholarships to students in the areas of technology, computer science, and finance.

**Section 2.2** The Corporation shall promote and protect the decentralized, distributed and public nature of the Blockchain as well as systems incorporating limited private and/or permissioned Blockchains.

### **ARTICLE III - MEMBERSHIP**

**Section 3.1** Membership Classes: The Corporation shall have at least three classes of members:

1. Board Voting Members - Allowed all privileges of Voting Members along with the right to nominate and vote for Board of Directors
2. Voting Members - Allowed all privileges of Non Voting Members, along with the right to vote on initiatives
3. Non Voting Members - No voting privileges allowed. Granted free or discounted rates to Corporation events, programs, services, and products.

Additionally, other such members and voting members may be added as the Board of Directors shall determine from time to time. The Board of Directors may determine names or labels for each additional class of membership as well as the rights and benefits of each such class in a manner consistent with these bylaws.

**Section 3.2** Membership Qualifications: The requirements for membership shall be determined by the Board of Directors.

Board Voting Members are members that have been Voting Members for not less than six consecutive months, and held a minimum status as Non Voting Member for a minimum of 9 non-consecutive months, and have paid the required Membership Dues, as defined herein, within the qualifying term for such membership.

Voting Members are members who have made the required Voting Contribution, as defined herein.

Non Voting Members are members who have made a Contribution, as defined herein, within the qualifying term for such membership.

**Section 3.3** Affiliates, Additional Rights & Limitations on Voting Rights of Members:

(a) Affiliates. The Board of Directors may establish one or more classes of natural or non-natural persons associated with the Corporation. Such natural or non-natural persons shall be referred to as "Advisors," "Affiliates," "Associates," "Contributors," or any other title that the Board of Directors may deem appropriate (collectively, the "Affiliates"). No class or classes of Affiliates shall have the right or be entitled to vote: (i) in the election of any directors; (ii) on a sale, lease, exchange, or other disposition of all or substantially all of the assets of the Corporation; (iii) on a merger of the Corporation; (iv) on a dissolution or reorganization of the Corporation; (v) on

amendments to the Corporation's Articles of Incorporation (the "Articles") or Bylaws; or (vi) on any other action otherwise requiring the vote of members. Further, Affiliates shall not be or have any of the rights and privileges of voting members.

(b) Additional Rights and Privileges. Upon an Affirmative Vote In The Majority by Voting Members, the Board of Directors may issue resolutions establishing additional rights, privileges, and duties corresponding to each class of membership and Affiliates. However, any such rights, privileges, and duties shall be consistent with the Articles and these Bylaws.

(c) Limitations on Voting Rights of Members. Except as otherwise provided for by any Board of Directors resolution, no member shall have the right or be entitled to vote: (i) on a sale, lease, exchange, or other disposition of all or substantially all of the Corporation's assets; (ii) on a merger of the Corporation; (iii) on a dissolution or reorganization of the Corporation; or (iv) on amendments to the Corporation's Articles or Bylaws.

**Section 3.4** Admission: Except as otherwise provided for by any Board of Directors resolution, admission of members shall be made by the Executive Director upon a determination by the Executive Director that the member seeking admission meets the qualifications established for membership set forth in these Bylaws.

**Section 3.5** Dues, Fees, & Assessments: The Corporation may require a payment of dues by the members. Any amendment or revision to the Membership Dues may be proposed by the Board of Directors, and requires an affirmative Vote In The Majority of the Members. However, any such revision shall not have retroactive applicability, nor shall any increase be effective until a then-current member becomes obligated to pay the next scheduled membership dues. The Board of Directors may establish a policy for acceptance of in-kind contributions. Failure to pay dues as required shall result in termination of membership.

(a) Membership Dues. To obtain membership status within the Corporation, a recurring minimum contribution must be made on a monthly or yearly basis. Minimum contribution amounts shall be posted publicly, which may include an online community page, website maintained by the corporation, freely distributed newsletters, postings in a public space, or other public manner approved by Executive Director.

- (i) Non Voting Member Membership Dues are hereby set at a monthly rate of \$25 USD.
- (ii) Voting Member Membership Dues shall be priced at a base rate of the current Non Voting Membership Membership Dues plus 125% of the current Non Voting Member Membership Dues, rounded up to the nearest whole dollar denomination.
- (iii) Board Voting Members shall be priced at a base rate of the current Voting Membership Membership Dues plus 150% of the current Voting Membership Membership Dues, rounded up to the nearest whole dollar denomination.

- (iv) Except as otherwise provided for by any Board of Directors resolution, the Executive Director may approve a discount applicable to the Membership Dues of any membership class for members purchasing or renewing a membership with a full 12 month advance payment, or through the offer of discounts applied to the Membership Dues for a specified membership class in which such discounts shall not be offered for more than any consecutive thirty (30) day period, nor shall it exceed any cumulative 120 day period in any fiscal year.

**Section 3.6** Termination of Membership: Any member's membership shall terminate upon the occurrence of any one or more of the following:

(a) Resignation. A member may resign from the Corporation by submitting such resignation in writing (for which email shall suffice) delivered to the Corporation's Secretary. However, resignation from the Corporation shall not relieve the member from any pre-resignation obligations incurred or commitments made, including without limitation, membership dues, fees, or assessments that are due and owing prior to the member's notice of resignation. Any member who resigns is not entitled to and shall not receive any refund, pro rata or otherwise, of any membership dues, fees, or assessments for the balance of the calendar year in which the resignation is effective.

(b) Expulsion, Termination or Suspension. Upon a Supermajority Vote of the Directors then in office, any membership may be terminated after giving the member at least 30 days' written notice (for which email shall suffice) of the termination and the reasons for the termination, provided that (except in the case of termination for non-payment of membership dues, fees, or assessments in a timely fashion) the member has an opportunity to be heard by the Board, either orally or in writing, no less than five (5) days before the effective date of the termination. The Board's decision shall be final and not reviewable by any court. Notwithstanding the foregoing, a member's membership shall terminate automatically if such member's membership dues are in arrears by more than 90 days, and any member's voting rights shall be instantly suspended while in a state of arrears.

**Section 3.7** Reinstatement: Members that are suspended, terminated, or expelled under Section 3.6(b) for reasons other than a simple failure to pay dues may be reinstated only upon a Supermajority Vote of the Board of Directors then in office.

**Section 3.8** Property Rights: No member shall have any right or interest in any of the Corporation's property or assets, except for intellectual property rights retained in any work contributed to the Corporation by the member, but even then, only to the extent permitted by any intellectual property rights policy approved by the Board of Directors and then in force.

**Section 3.9** Nonliability: No member shall be liable for the Corporation's debts, liabilities, or obligations merely by reason of being a member.

**Section 3.10** Nontransferability: No member may transfer, for value or otherwise, his or her membership in the Corporation, or any right arising therefrom. All rights of membership shall cease upon a member's death, resignation, expulsion, termination, or dissolution.

Notwithstanding the foregoing:

(a) The Board of Directors, in its discretion, may allow a Board Voting Member to transfer its membership to another natural or non-natural person if the transferee qualifies for membership, as set forth in these Bylaws. However, the transferor and transferee shall be and remain jointly and severally liable for any unpaid membership dues, fees, or assessments of the transferring member.

(b) The Board of Directors, in its sole discretion, may grant a waiver of any provision of this Section 3.10.

**Section 3.11** Distribution of Assets Upon Dissolution: Upon dissolution of the Corporation, and after all known Corporation debts and liabilities have been paid or adequately provided for, any remaining net assets of the Corporation shall be distributed by the Board of Directors to any one or more non-profit organizations selected by the Board of Directors that will help to further the purposes of the Corporation or similar purposes.

#### **ARTICLE IV - MEMBERSHIP MEETINGS**

**Section 4.1** Place of Meetings: All meetings of members shall be held at times and places determined by the Board of Directors pursuant to the authority herein granted to it and may be held electronically in such manner as participants can hear and speak with each other contemporaneously.

**Section 4.2** Annual Meetings: The annual meeting of corporation members shall be held in each calendar year, on such date and at such time and place as determined by the Board of Directors. Annual meetings may be held in any manner permitted by law.

**Section 4.3** Special Meetings: Special meetings of members shall be held upon call of any of the following:

(a) At least one-third of the Board of Directors; or

(b) The Executive Director.

Notice of a special meeting shall be given within thirty (30) days following the date written demand is delivered to the Secretary, in accordance with Section 4.4 below. Special meetings may be held in any manner permitted by law.

**Section 4.4** Notice of Meetings: Notice of each annual and special meeting, and ballot for nominations of Directors or otherwise, if any, shall be given to each member of the Corporation who, on the record date for notice of the meeting, is entitled to vote thereat. Written notice (for which email shall suffice) shall be sent to the last address of record for each member at least seven days before the meeting. The notice shall contain the date, time, and place of the meeting, or the date on which the ballot must be returned by or submitted, as applicable. Notice of each annual and special meeting shall also include a description of any matter or matters that these Bylaws or applicable law require approval by members.

**Section 4.5** Adjourned Meetings: Any annual or special members' meeting, whether or not a quorum is present, may be adjourned by an affirmative Vote In The Majority of the members either present in person or represented by proxy. No additional notice of the time and place of an adjourned meeting, or the business to be transacted thereat, is required other than by an announcement at the meeting at which such adjournment is taken. If a new record date is fixed for notice or voting after the adjournment, notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting.

**Section 4.6** Proxies: Every member entitled to vote shall have the right to do so in person, or by one or more agents authorized by a written proxy executed by such person or their duly authorized agent and filed with the Corporation's Secretary. However, no such proxy shall be valid after eleven (11) months from the date of its execution, unless the person executing it specifies therein a length of time for which the proxy shall continue in force. A proxy is effective upon receipt by the Secretary or other officer or agent authorized to tabulate votes. A proxy must be received prior to the closing of a vote in order to be effective.

**Section 4.7** Quorum: The votes represented in person or by proxy at a meeting of members shall constitute a quorum for the transaction of business if the total is greater than one half of all possible member votes. Unless provided herein, if a quorum is present in person or by proxy, then any action approved by a majority of the members so present shall be the act of the members.

**Section 4.8** Voting: Voting may be by voice vote, written vote, or through electronic means as directed by the Executive Director. Cumulative voting shall not be authorized.

**Section 4.9** Action by Written Ballot: Any action that may be taken at an annual, regular, or special meeting may be taken without a meeting if the Corporation makes a good faith attempt to deliver a written ballot (for which email or other electronic means of delivery shall suffice) to every member entitled to vote on the matter. Such written ballot shall:

(a) Set forth the proposed action;

(b) Provide an opportunity to specify approval or disapproval of each proposed action; and

(c) Specify a reasonable time within and means by which the member must return the ballot to the Corporation.

Approval by written ballot shall only be valid when the number of votes cast by ballot within the specified time frame equals or exceeds the quorum required to be present at a meeting authorizing such action and the number of approvals equals or exceeds the amount of votes that would be required to approve the matter at a meeting where the number attendees entitled to vote matches the number of votes cast by ballot. Ballots shall be sent by first class mail, email or other electronic means to the member's last address of record. Any ballot distributed under this section shall indicate the number of responses necessary to reach all quorum requirements and, with respect to all matters, indicate the approval percentage necessary for the matter to pass. All written ballots distributed under this section shall specify a reasonable time by which the ballot must be received by the Corporation in order to be counted.

**Section 4.10** Conduct of Meetings: The Chairman of the Board of the Corporation shall preside over member meetings. In his or her absence, the Vice Chairman shall preside over the member meeting. In the Vice Chairman's absence, the Executive Director shall preside over the member meeting. In the absence of the above three, a chair chosen by the majority of members present shall preside over the member meeting. The Corporation's Secretary shall act as the secretary of all member meetings. In the Secretary's absence, the presiding officer shall appoint another member to act as Acting Secretary of the meeting.

## **ARTICLE V - BOARD OF DIRECTORS**

**Section 5.1** Powers: Subject to the limitations of the Articles, the Bylaws, and applicable law, and subject to the duties of directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of this corporation shall be controlled by, the Board of Directors. The Board of Directors shall have the power to:

- (a) Select and remove all officers, agents, employees and contractors, and to fix reasonable compensation therefor;
- (b) To authorize and empower officers or agents to enter into contracts and other commitments on behalf of the Corporation; and
- (c) To appoint and delegate responsibilities and authority to action teams, officers, and agents.

**Section 5.2** Number of Directors: Until the first election of a Board of Directors by Board Voting Members, the minimum authorized number of directors is three (3). After the first election of a Board of Directors by Board Voting Members, the minimum number is five (5). The maximum number of directors is eleven (11). The number of directors may be changed by a Supermajority Vote of the directors then in office.



**Section 5.3** Composition of Board of Directors Terms: All directors serving on the Board of Directors shall be selected in the manner set forth in this Section 5.3.

(a) Directors: Board Voting Members of the Corporation shall elect Directors. Each Board Voting Member of the Corporation shall be entitled to nominate a single candidate in any election of a Director and such Directors shall be elected (i) at a meeting of the Board Voting Members; (ii) by written ballot delivered to the those members; or (iii) in some other manner authorized by law or these Bylaws. The initial interim Directors shall be those listed as incorporators on the Corporation's Articles of Incorporation.

(b) Observers: Each director shall have the right to designate a single observer to attend Board of Directors meetings when such director is unable to be present. However, the director shall provide prior notice to the Chairman of the Board. An observer attending in place of a director shall have the right to fully participate in the general session, but may not vote on or put forth any motion. Notwithstanding the foregoing, an Observer may vote by proxy if approved by the Board in advance.

(c) Terms and Election Dates: The terms of the interim Directors shall expire on February 1, 2020, and upon election and seating of their successors. Their successors shall be seated on February 1, 2020. Unless otherwise disqualified as provided herein, all Directors, including interim Directors, may stand for re-election and may succeed themselves if so elected.

All directors shall hold office until their successor is elected. Except for interim Directors and adjustments that may be made by the Board from time-to-time to maintain or create staggered terms upon any increase or decrease in the authorized number of directors, the term of office for Directors shall be two (2) years and shall run from February 1 to January 31 of the second calendar year after election. Elections of directors whose terms are expiring in any calendar year shall be held as soon as practical following the commencement of the membership year. Unless re-elected by written ballot pursuant to Section 4.9, the positions of directors will then expire. The Board of Directors may issue resolutions establishing procedures governing elections of directors, provided that those resolutions are consistent with these Bylaws and the Articles.

(d) Interim Directors are hereby granted permanent status as Board Voting Members without any requirements to pay Membership Dues or take any other actions for such rights. Notwithstanding the foregoing, such permanent status shall not be exempt from removal as a member under Section 3.6(b) herein and shall be explicitly excluded from any transferability of membership under Section 3.10 herein.

(e) Directors must be permanent residents of, with primary residence in, the Metro-Detroit Area as defined in Section 1.1, or poses a minimum ten-percent (10%) ownership share in any business or organization with at least one staffed office within the Metro-Detroit Area.

**Section 5.4** Vacancies: Board of Directors vacancies shall be handled in the following ways:

Vacancies resulting from the expiration of a director's term, the resignation of a Director, or the removal of a Director may be filled by an election by the majority of a quorum of Board Voting Members.

If the number of remaining directors is equal to or greater than the minimum required in Section 5.2 of these bylaws, the Corporation is not required to fill the vacancy. If the number of remaining directors is less than the minimum required in Section 5.2 of these bylaws, the Corporation is required to elect a Director to fill the vacancy.

Each director shall hold office until his or her successor is elected. A vacancy shall be deemed to exist in the following situations:

- (a) Death, resignation, or removal of any director;
- (b) An increase in the minimum number of directors without election of the additional directors so required; or
- (c) Failure to elect the full number of required directors.

If the Board authorizes a reduction in the maximum amount of directors, such a reduction shall not remove any director prior to the expiration or other termination of his or her term.

**Section 5.5** Place and Manner of Meeting: All Board of Directors meetings may be held within or without the state of Michigan at any place designated from time to time by resolution of the Board or by written notice of the Chairman of the Board. So far as administratively feasible without violating attorney-client or accountant-client privilege, all meetings of the Board of Directors at which business of the Corporation is to be conducted shall be broadcast in real time or near-real time to the public over the Internet.

**Section 5.6** Regular Meetings: Regular meetings of the Board of Directors shall be held at regular intervals that may from time to time be approved by the Board of Directors.

**Section 5.7** Special Meetings: Special meetings of the Board of Directors may be called for any purpose(s) at any time by the Chairman of the Board or by twenty-five percent (25%) or more of the directors then in office.

**Section 5.8** Notice of Meetings & Attendance: Regular Board of Directors meetings may be held without notice of the date, time, or purpose. At least two (2) days notice of the time and place of each meeting of the Board of Directors not fixed by an express provision of the Bylaws or by a standing Board of Directors resolution shall be given to each director by personal delivery, telephone, telegraph, facsimile, electronic mail, or first class mail.

**Section 5.9** Action Without Meeting: Any Board of Directors action required or permitted to be taken by applicable law may be taken without a meeting if all members of the Board individually or collectively consent in writing to such action. The action shall be evidenced by one or more written consents that:

(a) Describe the action taken;

(b) Are signed by each director; and

(c) Are included in the minutes or filed with the corporate records reflecting the action taken.

Action taken in accordance with this section is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date. Any consent signed hereunder has the effect of a meeting vote and may be described as such in any document.

**Section 5.10** Meetings Held via Electronic Communications Technology: The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through, use of any means of communication by which all participating directors may simultaneously read or hear each substantially concurrently with their occurrence, vote on matters submitted to the members, pose questions, and make comments. A director participating in a meeting by this means is deemed to be present in person at the meeting.

**Section 5.11** Quorum: Unless otherwise provided herein, two-thirds (2/3) of the directors then in office shall be necessary to constitute a quorum for the transaction of business, except to adjourn. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law, the Articles, or these Bylaws.

**Section 5.12** Member-Vote Proposals: The Board of Directors may, for any reason, present a topic or issue to all voting members of the Corporation for an advisory vote. Member voting will take place according to the guidelines of Section 4.8 and all other relevant bylaws. If at least twenty-five percent (25%) of the then-current directors elect to propose a topic to the members, the Board must temporarily suspend their ability to vote on that topic or issue until the members have voted.

**Section 5.13** Fees and Compensation: The Board of Directors shall not receive compensation for their services hereunder unless approved by an Supermajority Vote of all voting members. The Board of Directors, by resolution, may provide for reimbursement to directors for expenses incurred while performing duties hereunder, and compensation and reimbursement to members of action teams for their services and expenses. However, such compensation must be reasonable and comparable to compensation paid by unaffiliated entities for a similar position. Nothing herein shall preclude any director from serving the Corporation in any other capacity,

including as an officer, agent, employee, consultant, or otherwise, and receiving reasonable compensation for such service.

**Section 5.14** Indemnity: The Corporation shall indemnify and defend its directors to the fullest extent allowed by law.

**Section 5.15** Standard of Conduct: In accordance with Michigan state law, a director shall discharge the duties of a director, including duties as a member of any action team on which the director may serve, in good faith, in a manner the director reasonably believes to be in the best interests of the Corporation, and with the care a person in a like position would reasonably believe appropriate under similar circumstances. In discharging the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case if prepared or presented by:

- (a) One or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- (b) Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence and as to which the particular person merits confidence; or
- (c) A Board action team which the director is not a member, as to matters within the action team's jurisdiction, if the director reasonably believes the action team merits confidence.

A director is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted in this Section 5.15 unwarranted. A director is not liable to the Corporation, any member, or any other person for any action taken or not taken as a director, if the director acted in compliance with this Section 5.15. The liability of a director for monetary damages to the Corporation and its members shall be eliminated to the fullest extent provided by Michigan state law.

**Section 5.16** Resignation and Removal:

(a) Resignation. A director may resign at any time by giving written notice to: (i) the Board of Directors; (ii) the Chairman of the Board; or (iii) the Secretary of the Corporation. Such resignation is effective when notice is effective. Notice of resignation is irrevocable once delivered, unless the Board of Directors permits withdrawal prior to its effectiveness.

(b) Removal for Cause. The Board of Directors may remove any director elected by the members for cause at a meeting called for that purpose, if the director has been: (i) declared of unsound mind by a final order of court; (ii) convicted of a felony; or (iii) found by a final order or judgment to have breached any duty arising under these Bylaws, the Articles, or applicable law.

Only the Board of Directors may vote to remove such director by an affirmative Vote In The Majority of the remaining directors.

(c) Removal Without Cause. Any director may be removed without cause at a meeting called for that purpose by the Board of Directors. The director may be removed without cause by a Supermajority Vote of the directors then in office.

**Section 5.17** Advisory Board: The Board of Directors may, by resolution, establish a board of advisors (the "Advisory Board") to be comprised of one or more individuals chosen by the Board of Directors at its sole discretion. The Board shall not be bound by any of the Advisory Board's advice or decision. Advisory Board members shall not have the rights or privileges of directors or members, nor the power or authority over operations of the Corporation. An Advisory Board member may be removed at any time by the Board of Directors with or without cause.

## **ARTICLE VI - OFFICERS**

**Section 6.1** Officers: The officers of the Corporation shall be:

- (a) Executive Director;
- (b) Policy Director;
- (c) Treasurer;
- (d) Secretary; and
- (e) any other officers as the Board of Directors may appoint.

One Director may hold multiple offices.

**Section 6.2** Nomination and Election: The Corporation's officers shall be elected by the Board of Directors in accordance with this Article VI. Each officer serves at the will of the Board and shall hold office until he or she resigns, is removed, or replaced. All officers must be current members of the Corporation at the time of taking office. The Executive Director and the Policy Director must be members for six consecutive months before taking office. Any director may nominate a member to be a candidate for any officer position in the Corporation. All directors then in office may vote on candidates for such offices. Officer positions shall be filled in an election upon an affirmative Vote In The Majority of directors then in office. Officers shall serve until their replacements take office. The Board of Directors may issue resolutions establishing procedures governing the nomination, election, and term of officers, provided that those resolutions are consistent with these Bylaws and the Articles.

**Section 6.3** Removal and Resignation:

(a) Removal. The Board of Directors may remove any officer with or without cause at any regular or special meeting upon an affirmative Vote In The Majority of the directors.

(b) Resignation. Any officer may resign at any time by giving written notice to the Board of Directors or any officer of the Corporation. Any such resignation is effective the date notice is received, or later if so specified therein. Unless otherwise specified, acceptance of the resignation is not necessary for such resignation to be effective. Resignation of an officer shall not prejudice the Corporation's rights under any contract to which the officer is a party. Notice of resignation is irrevocable once delivered, unless the Board of Directors permits withdrawal prior to its effectiveness.

**Section 6.4** Vacancies: Office vacancies arising out of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed herein these Bylaws for regular appointments to such office.

**Section 6.5** Executive Director: The Executive Director shall be the Corporation's chief officer. The Executive Director shall be responsible to ensure day-to-day operations are completed, guide the overall direction of the Corporation as dictated by the Board of Directors and Members, and serve as an ex-officio voting member of all action teams, and shall have such other powers and duties as may be designated by the Board from time to time. Any candidate for Executive Director must be a member of the Corporation in order to qualify for office.

**Section 6.6** Policy Director: The Policy Director shall have overall responsibility for directing and managing the policy affairs of the Corporation and working with the Board of Directors to establish a public policy strategy. It shall be the responsibility of the Policy Director to communicate and advocate for the Corporation's public policy strategy in such a manner to the public, as to further the goals of the Corporation. The Policy Director shall work directly with the Corporation's legal council, if any, to ensure the Corporation's policy affairs are inline with all state and federal laws. Any candidate for Policy Director must be a member of the Corporation in order to run for election. The Policy Director shall have such other powers and duties as may be designated by the Board from time to time.

Any candidate for Policy Director must be a member of the Corporation in order to qualify for office

**Section 6.7** Treasurer: The Treasurer shall have overall responsibility for all corporate funds, and shall perform, or cause to be performed, the following:

(a) Keeping full and accurate accounts of all the Corporation's financial records;

(b) Deposit of all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors;

(c) Disbursement of all funds when proper to do so;

(d) Making financial reports as to the financial condition of the Corporation to the Board of Directors; and

(e) Any such other powers and duties as may the Board of Directors may designate from time to time.

**Section 6.8** Secretary: The Secretary shall have overall responsibility for all record-keeping and perform, or cause to be performed, the following:

(a) Official recording of the minutes of all Board of Directors proceedings, including the action teams thereof, and members' meetings and actions;

(b) Providing notice of all Board of Directors meetings and members' meetings;

(c) Authentication of the Corporation's records;

(d) Maintaining current and accurate membership lists; and

(e) Any such other powers and duties as may the Board of Directors may designate from time to time.

**Section 6.9** Standards of Conduct for Officers: In accordance with Michigan state law, an officer shall discharge the duties of an officer in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the officer reasonably believes to be in the best interests of the Corporation. An officer also shall inform a superior officer, the Board of Directors, relevant action team thereof, or other appropriate person of:

(a) Any affairs of the Corporation known to the officer, within the officer's scope of functions, that the officer knows to be material;

(b) Any actual or probable material violation of law involving the Corporation; and

(c) Any material breach of duty to the corporation by an officer, employee, or agent that the officer believes has occurred or is likely to occur.

In discharging the duties of an officer, an officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case if prepared or presented by:

(a) One or more officers or employees of the Corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or

(b) Legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence and as to which the particular person merits confidence.

An officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted in this Section 6.9 unwarranted. An officer is not liable to the Corporation, any member, or any other person for any action taken or not taken as an officer, if the officer acted in compliance with this Section 6.9. The liability of an officer for monetary damages to the Corporation and its members shall be eliminated to the fullest extent provided by Michigan state law.

**Section 6.10** Indemnification: The Corporation shall indemnify its officers to the fullest extent allowed by Michigan state law.

## **ARTICLE VII - ACTION TEAMS**

**Section 7.1** Appointment of Action Teams: The Board of Directors may, from time to time, appoint action teams that it deems necessary or appropriate to conduct the business and further the objectives of the Corporation. The Board's appointment of any action team having the authority of the Board shall be by resolution adopted by a majority of directors then in office. Any action team having authority of the Board shall include at least one Director who serves at the pleasure of the Board. The Board of Directors shall retain in its sole discretion both the right to limit or change the powers and duties of any action team that it creates, and to disband any such action team.

**Section 7.2** Powers and Authority of Action Teams: The Board of Directors may delegate to any Action Team having the Board's authority, any of the Board's powers and authority in the management of the business and affairs of the Corporation. However, notwithstanding the foregoing, no action team may:

(a) Authorize distributions;

(b) Approve or recommend to members the dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Corporation's assets;



(c) Elect, appoint, or remove directors, or fill vacancies on the Board or on any of its action teams; or

(d) Adopt, amend, or repeal the Articles, Bylaws, or any Board of Directors resolution.

## **ARTICLE VIII - CONFLICT OF INTEREST**

**Section 8.1** Purpose: The purpose of this section is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might 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 nonprofit and charitable organizations.

### **Section 8.2** Definitions:

- (1) 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 below, is an interested person.
- (2) 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.

Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial. A financial interest isn't necessarily a conflict of interest. Under Section 8.3(b), 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 8.3** Procedures:

- (a) Duty to Disclose. 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.
- (b) 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 governing 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.

(c) Procedures for Addressing the Conflict of Interest.

- (i) 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.
- (ii) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (iii) After exercising due diligence, the governing 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.
- (iv) If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the governing 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.

(d) Violations of the Conflicts of Interest Policy.

- (i) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Section 8.4** Records of Proceedings: The minutes of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**Section 8.5** Compensation:

- (a) A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Section 8.6** Annual Statements: Each director, principal officer and member of a committee with governing board delegated powers shall annually 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 8.7** Periodic Reviews: To ensure the Corporation operates in a manner consistent with charitable purposes and doesn't 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 Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't result in inurement, impermissible private benefit, or in an excess benefit transaction.

**Section 8.8** Use of Outside Experts: When conducting the periodic reviews as provided for in Section 8.7, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**ARTICLE IX - MISCELLANEOUS**

**Section 9.1** Fiscal Year: The Corporation's fiscal year shall end on the last day of December of each year.

**Section 9.2** Inspection of Corporate Records: Members' rights to inspect and copy records of the Corporation shall be as provided in and subject to the terms and conditions of Michigan state law.

**Section 9.3** Representation of Shares of Other Corporations: The Board of Directors may vote, represent, and exercise on behalf of the Corporation all rights incident to any and all shares or other membership interests of any other corporation or organizations standing in the name of the Corporation. The Board of Directors may issue resolutions delegating this authority to one or more officers of the Corporation and such officer, or other persons authorized to do so by proxy duly executed by such officer, may exercise those powers in person.

**Section 9.4** Checks, Drafts & Payments: The Board of Directors shall determine, from time to time, a person or persons to sign or endorse all checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of or payable to the Corporation, and any and all securities owned by, or held by, the Corporation requiring signature for transfer.

**Section 9.5** Execution of Contracts: The Board of Directors may authorize any officer, employee, or agent to enter into any contract, or execute any contract or instrument, in the name of and on behalf of the Corporation. Such authority may be general or limited to specific instances. Unless so authorized by the Board of Directors, no officer, agent, employee, or other person shall have any power or authority to:

- (a) Bind this corporation by any contract or engagement;
- (b) Pledge its credit; or
- (c) Render it liable for any purpose or in any amount.

However, any such contract or instrument between the Corporation and any third person, when signed by either the Chairman of the Board or Vice Chairman, and either the Secretary or Treasurer, shall be valid and binding upon the Corporation in the absence of actual knowledge on the part of said third person that the signing officers had no authority to execute the same, except when both offices are held by the same person.

**Section 9.6** Corporate Loans, Guarantees, and Advances: The Corporation shall not make any advances or loan of money or property to any director or officer, nor shall the Corporation guarantee the obligation of any director or officer.

**Section 9.7** Maintenance of Records: The Corporation shall maintain corporate records as required by Michigan state law.

**Section 9.8** Political Activities: The Corporation shall not make any political expenditure or lobbying expenditure that will result in the loss of, or otherwise adversely affect, its status as a tax-exempt organization under the Internal Revenue Code.

**Section 9.9** Form of Written Ballots: Ballots submitted in facsimile or electronic form (such as email) shall be considered acceptable substitutes for printed ballots for all purposes.

**Section 9.10** Blockchain Usage: For the purposes of this Corporation, the Blockchain may be used as a system to document and maintain records, including contracts written as smart-contracts, and any such records shall be deemed by the Corporation as valid, just as if they were maintained on paper or by other means as required or accepted under Michigan state law. Any blockchain, distributed ledger, decentralized application, or smart contract used to document such records must first be approved by a Vote in the Majority by the Board of Directors.

**Section 9.11** Cryptocurrencies: For the purpose of these bylaws, any so-called “cryptocurrencies” issued on any open, decentralized, public blockchain shall be deemed a legitimate source of payment to distribute payments or collect debt. Such payments shall follow the same requirements as those mentioned in Section 9.4.

Notwithstanding the foregoing, the Treasurer shall ensure that not less than 80% of any cryptocurrency accepted as payment for debt or membership dues which is valued over \$100USD at the time of payment, shall be converted to USD or other fiat currency, and deposited into a Corporation bank account within 30 business days of confirmation of receipt of such payment.

## **ARTICLE X - EFFECTIVE DATE, AMENDMENTS, AND DISSOLUTION**

**Section 10.1** Effective Date: These Bylaws shall become effective immediately upon their adoption. Unless the adopting Board of Directors provide for a later date, any amendments to these Bylaws shall become effective immediately upon their adoption.

**Section 10.2** Bylaw Amendments: To the fullest extent permitted by law, the authority to make, alter, amend, or repeal these Bylaws is vested exclusively in the members, and may be exercised upon a Supermajority Vote of members then in good standing without the consent of any third parties except for Section 10.3.

**Section 10.3** Dissolution: The Corporation may be dissolved upon the unanimous approval of all directors then in office without the vote or consent of any member(s) or third parties. Any distribution of the assets of this corporation shall be made in a manner consistent with the tax status of the Corporation at the time of such dissolution.

ADOPTED THIS 5 DAY OF SEPTEMBER, 2018.

THE SECRETARY OF THE CORPORATION HEREBY CERTIFIES THAT THESE BYLAWS WERE ADOPTED BY THE BOARD OF DIRECTORS ON THE ABOVE DATE:

A handwritten signature in black ink that reads "Nathan Talbot". The signature is written in a cursive style with a long horizontal stroke at the end of the word "Talbot".

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Nathan Talbot, Executive Director, acting Secretary