



# Michigan Institute of Laundering and Drycleaning

## By-Laws

## ARTICLE I

### Name and Objectives

Section 1-Name: The name of this Association shall be Michigan Institute of Laundering & Drycleaning, Inc.

Section 2-Objectives: The objectives of this Association shall be:

1. To establish and maintain excellence and uniformity in commercial Dry Cleaning and Laundering usages in accordance with which the public interest shall be fully protected (and appreciated) and the prosperity of the Trade lawfully promoted.
2. To encourage just and equitable principles of trade whereby the joint and individual rights of the membership in the pursuit of their lawful business are practiced.
3. To adjust differences and settle disputes between members, or between members and others, and to advance the social, moral, and material interests of all concerned.
4. To achieve any and all purposes and objectives whatsoever lawfully conducive to the interests of this Association, its members, and their employees not involving direct pecuniary profit.

## ARTICLE II

### Membership

Section 1-Eligibility: Any person, firm, or corporation actively, openly, and lawfully engaged in rendering dry cleaning or laundering service in the State of Michigan is eligible for membership in this Association.

Section 1a-Allied Membership: Any person, firm, or corporation actively involved in the manufacture, distribution, or marketing of products or services to the laundering and dry cleaning industry may apply for membership at the annual rate established by the Board of Directors. Two Allied members may serve concurrently as voting members of the Board of Directors, but may not serve as Officers.

Section 1b- Associate Membership: Associated industries where members are physically located in the State of Michigan may apply for the Associate membership for purposes of participating in the MILD Self Insured Workers Compensation Fund. Associate members will be assessed an annual membership fee as established by the Board of Directors. Associate members are not eligible to vote in elections or serve on the MILD Board of Directors or The Board of Trustees of the Self Insured Workers Compensation Fund.

Section 2-Dues: A Member in arrears in payment of dues for more than 90 days after written notice of payment due, shall not be considered a member in good standing. The billing and collection of dues shall be in a manner prescribed by the Board of Directors.

Section 3-Membership: Any person eligible for membership may become a member by paying in advance such dues as shall be prescribed by the Board of Directors.

## ARTICLE III

### Officers

Section 1-Officers: The officers of this Association shall consist of a Chairman of the Board, President, President Elect, Secretary/Treasurer, and Past President. These officers shall comprise the Executive Committee and shall be elected by the Board of Directors from their own members at the time of the Annual Meeting. The immediate Past President shall automatically succeed to the office of Chairman of the Board at that election. Board members must serve at least one full year as a member of the Board of Directors before becoming eligible to serve as an officer.

Section 2-Term of Office: Each elected officer shall take office immediately upon installation and shall serve a term of one (1) year or until a successor is duly elected and installed. Each elected officer shall serve concurrently as a member of the Board of Directors and as a member of the Executive Committee.

## ARTICLE IV

### Duties of Officers

Section 1-President: The President shall preside as chairman at all meetings of the Board of Directors and shall appoint all standing or special committees s necessary or required. The President shall also serve as an ex-officio member of all committees, and shall in the absence of other regulations, preside as chairman at all meetings of the membership. The President, with the Secretary/Treasurer, shall sign any written contract or instrument that the Board may lawfully authorize and direct.

Section 2-President Elect: The President Elect shall assume the duties of the President in the event of death, disability, incapacity, or ineligibility of the President.

Section 3-Secretary/Treasurer: The Secretary/Treasurer shall oversee the proper recording of meetings of the Association and Board of Directors and shall examine and sign the minutes of such meetings or designate the Executive Director to do so. The Secretary/Treasurer shall be the custodian of all money received by the Association. The Secretary/Treasurer shall oversee the performance of an annual audit or financial review by a certified public accountant and give an account of the finances of the association to the Board and shall perform such other duties as the Board shall direct. The Secretary/Treasurer does not automatically ascend to President Elect.

Section 4-Chairman: The Chairman of the Board is the Immediate Past President, and shall assist the President in preserving order at all official functions, and shall serve as the Chairman of Nominating Committee.

Section 5-Past Presidents: The Board shall elect at each annual election a Past President other than the Immediate Past President to serve as an Officer and voting member of the Executive Committee. The Past President will serve as one of the three eligible voters at Board meeting as authorized in Article V, Section 5.

Section 6-Ambassadors at Large: The President shall have the power to appoint Ambassadors-at-Large who shall be subject to the President's call at all times, but who shall not be vested with the powers of a member of the Board of Directors.

## ARTICLE V

### Board of Directors

Section 1-Directors: The activities of this Association shall be governed by the Board of Directors, who shall consist of the Officers (named in Article III) and the one Director from each of the recognized voting areas in the State of Michigan. A Director may or may not be any one of the Officers of this Association. The power to establish additional Board positions shall repose in the Board of Directors. This action will require two-thirds vote of the Board of Directors.

Section 2-Election of Directors: On or before thirty days prior to the date of the Annual Meeting of this Association, each voting area shall elect a member of this Association for the office of Director. In the event of a tie between an incumbent and another candidate, the incumbent shall be designated the winner of the election.

Section 3-Voting: Each member of the Board of Directors shall have one vote at any duly called Board meeting where a quorum is present. Voting rights of a Board member shall not be delegated to another not exercised by proxy. A majority vote of those Board Members present and constituting a quorum shall govern.

Section 4-Mail Ballot: If requested by a majority of the Executive Committee, action by a mail ballot of the members of the Board of Directors shall be a valid action of the Boards and shall be reported at the next regular meeting of such Board.

Section 5-Past Presidents' Voting: The Past Presidents of the Association shall have one vote each, but not more than three (3) votes collectively, at any duly called Board Meeting. The Past Presidents shall convene before the Board meeting and determine which of them shall exercise the right to vote and inform the Secretary of the names of those individuals.

Section 6-Duties of the Board: During the interim between annual meetings, the government of the Association shall repose in the Board of Directors. Said Board of Directors shall cause the By-Laws of this Association to be faithfully executed and administered; shall have and exercise all executive authority whatsoever through itself or a properly delegated committee or person over the activities of the Association and the members thereof, and in like manner have full management and control of matters relating the activities, property, and rules, except when otherwise provided for in these By-Laws.

Section 7-Meetings: A regular meeting of the Board of Directors shall be held no less than three (3) times during each year at such time and place as the Board may prescribe. Notice of a Board Meeting shall be sent by mail to all members of the Board of Directors no less than five (5) days prior to the date of the meeting of the Board of Directors. The meeting of the Board of Directors for the nomination and election of officers of this Association shall be held at the Annual Meeting. Special meetings of the Board

of Directors shall be held whenever called by the President, or a majority of the Board of Directors. Notice of a special meeting shall be sent by mail to all members of the Board of Directors not less than five days prior to the date of the meeting of the Board of Directors.

Section 8-Quorum: A majority of the voting members of the Board of Directors shall constitute a quorum at any duly called meeting of the Board.

Section 9-Vacancies: A vacancy on the Board of Directors shall be filled by the President. Such member of the Board as appointed by the President shall serve the unexpired term of the vacant office.

## ARTICLE VI

### Executive Committee

Section 1-Members: The Executive Committee shall consist of the officers of the Association (named in Article III).

Section 2-Duties: The Executive Committee may act on matters referred to it by the Board of Directors, except those matters specifically reserved to the Board by these By-Laws. Actions of the Executive Committee shall be reported to the Board by mail or at the next Board meeting.

Section 3-Quorum: A majority of the Executive Committee shall constitute a quorum at any duly called meeting of the Committee.

## ARTICLE VII

### Executive and Staff

Section 1-Executive Director: The Board of Directors shall employ a salaried chief executive who shall have the title of Executive Director and whose terms and conditions of employment shall be specified by the Board.

Section 2-Duties of the Executive Director: The Executive Director, as chief paid executive, shall manage and direct all activities of the Association subject to the policies of the Board of Directors and in accordance with these By-Laws. The Executive Director may employ and terminate the employment of the staff. The Executive Director may fix compensation, define duties, and delegate those responsibilities of management as shall be in the best interest of the Association, to members of the staff.

## ARTICLE VIII

### Meetings of Members and Voting

Section 1-Annual Meeting: There shall be held, once a year at such time and place as the Board of Directors shall determine, an annual meeting of all members, at which time such business shall be transacted as may properly come before such meeting. Each member shall be notified by mail of such

meetings not less than ten (10) days prior to the date of the Annual Meeting. Such notice shall be sent to the last known address of the member.

Section 2-Special Meetings: The President, or a majority of the Board of Directors, shall have the power to call special meetings of this Association at such time and place as deemed advisable provided, however, that a written or printed notice of the special meeting shall be sent by mail to the last known address of all members of this Association not less than ten (10) days prior to the date of the special meeting.

Section 3- Quorum: Thirteen (13) members in attendance at any Annual or Special Meeting constitute a quorum for the transaction of business of this Association. At any annual or Special Meeting each member shall have one (1) vote, and may take part and vote in person only. A majority vote of those members present and constituting a quorum shall govern.

## ARTICLE IX

### Local Organization

Section 1- Local or District Associations may be organized at the discretion of the Board of Directors of this Association. Such local organizations shall be considered as Chapters of this Association and shall operate under the supervision and direction of the Board of Directors of this Association consistent with the By-Laws of this Association.

## ARTICLE XI

### Amendments

Section 1- Amendment: These By-Laws may be amended by a two-thirds vote of the members attending any Annual or Special Meeting called for the purpose of amending these By-Laws, provided, however, that a written notice shall be sent by mail to the last known address of all members of this Association thirty (30) days prior to the date of said meeting; said notice to contain the proposed amendments to these By-Laws.

Section 2- Effective Date: These By-Laws shall take effect immediately upon passage and shall remain in force and effect until repealed or amended.

## ARTICLE XII

### Dissolution

Section 1: in the event of dissolution of the Corporation, any property, including cash, bonds, etc. possessed by the Corporation, if not previously disposed of to the purpose and intentions of Article V hereof, shall be used in either or both of the following ways:

1. Undergraduate or graduate scholarships shall be arranged for either at the University of Michigan, or Michigan State University for students desiring to follow a course of studies designed to make them skilled in technical problems of the cleaning and dyeing business, and/or

2. Grants to universities for the study and improvement of cleaning and dyeing methods with particular attention to the chemical and engineering problems of said business; no part of the net earnings of the Corporation during its life or of its assets upon dissolution shall inure to the benefits of any member.

## ARTICLE XIII

### Indemnification

Section 1-Non-Derivative Actions: Subject to all of the other provisions of this Article, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal (other than an action by or in the right of the Association) by reason of the fact that the person is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, or employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses (including attorneys' fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if the person acted in good faith, within the scope of their duties, and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful.

Section 2-Derivative Actions: Subject to all of the provisions of this Article, the Association shall indemnify any person who was or is a party to or is threatened to be made a part to any threatened, pending, or completed action or suit by in or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorneys' fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith, within the scope of their duties, and in a manner that person reasonably believed to be in or not opposed to the best interests of the Association or its members. However, indemnification shall not be made for any claim, issue or matter in which such person has been found liable to the Association unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication or liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expense which the court considers proper.

Section 3-Expenses of Successful Defense: To the extent that person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2 of this Article, or in defense or any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorneys' fees) incurred by such person

in connection with the action, suit, or proceeding and in any action, suit or proceeding brought to enforce the mandatory indemnification provided by this Article

Section 4-Definition: For the purposes of Sections 1 and 2, “other enterprises” shall include employee benefit plans; “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and “serving at the request of the Association” shall include any services as director, officer, employee, or agent of the Association which imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith, within the scope of their duties, and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner “not opposed to the best interests of the Association to its members” as referred to in Sections 1 and 2.

Section 5-Contract Right: Limitation on indemnity: The right to indemnification conferred in this Article shall be a contract right, and shall apply to services of a director or officer as an employee or agent of the Association as well as in such person’s capacity as a director or officer. Except as provided in Section 3 of this Article, the Association shall have no obligations under this Article to indemnify any person in connection with any proceedings, or part thereof, initiated by such person without authorization of the Board of Directors.

Section 6- Determination That Indemnification is Proper: Any indemnification under Sections 1 or 2 of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2, whichever is applicable. Such determination shall be made in any of the following ways:

1. By a majority of a quorum of the Board consisting of Board Members who were not parties to such action, suit or proceeding.
2. If the quorum described in clause (1) above is not obtainable, then by a committee of Board Members who are not parties to the action. The committee shall consist of not less than two disinterested Board Members.
3. By independent legal counsel in a written opinion.
4. By the Members

Section 7-Proportionate Indemnity: If a person is entitled to indemnification under Sections 1 or 2 of this Article for a portion of expenses, including attorneys’ fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Association shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement of which the person is entitled to be indemnified.

Section 8-Expense Advance: Expenses incurred in defending a civil or criminal action, suit or proceeding in Sections 1 or 2 of this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon receipt of a undertaking by or on behalf of the person involved to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the

Association. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made by need not be secured.

Section 9- Non-Exclusivity of Rights: The indemnification or advancement of expenses provided under this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Association. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

Section 10- Indemnification of Employees and Agents of the Association: The Association may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Association to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Association.

Section 11-Former Directors and Officers: The indemnification provided in this Article continues as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 12-Changes in Michigan Law: In the event of any changes of the Michigan statutory provisions applicable to the Association relating to the subject matter of this Article, then the indemnification to which any person shall be entitled hereunder shall be determined by such changed provisions, but only to the extent that any such changes permits the Association to provide broader indemnification rights than such provisions permitted the Association to provide to any such change.

Section 13-Insurance: The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under this article or the laws of the State of Michigan.

## RESOLUTION

Adopted on the 25<sup>th</sup> Day of July, 2008

Be It Now Resolved That:

The Michigan Institute of Laundering and Drycleaning is a nonprofit organization which provides benefits to its members,

That the power to govern the organization shall be vested in its board of directors,

That a strong and viable board of directors is desirable and must be maintained at all times,

That changing industry demographics require adjustments in the process by which board members are nominated,

Therefore, it is resolved by the MILD board of directors that the current fifteen geographic Areas (Areas) be combined into newly aligned five geographic regions (Regions), each of which will be represented by two board members. Each regional board member will serve a two-year term and be elected in opposing years.

A minimum of two, and maximums of eight, At-Large seats will be available for store owners in good standing to be nominated, elected or appointed, and serve a one-year term. Members appointed to At-Large seats will serve until the next election when they will stand for reelection. There is no limit on the number of terms either At-Large or Regional directors may serve.

Notice will be sent to all members no earlier than 120 nor less than 30 days before the annual membership meeting, requesting nominations for the board and conducting the regional and At-Large elections by mail ballot. Nothing in this resolution precludes the Nominating Committee from performing its rightful functions.

The geographic regions shall be aligned as follows:

Region I Consists of current Areas 1,6 & 7

Region II Consists of current Areas 11 & 12

Region III Consists of current Areas 5,8,9 & 10

Region IV Consists of current Areas 4, 13, &14

Region V Consists of current Areas 2, 3, & 15