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Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

2008

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2008, or tax year beginning **JUL 1, 2008**, and ending **MAR 31, 2009**G Check all that apply:  Initial return  Final return  Amended return  Address change  Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions	Name of foundation <b>THE CHELSEA HEALTH AND WELLNESS FOUNDATION</b> Number and street (or P O box number if mail is not delivered to street address) <b>310 N. MAIN STREET, SUITE 203</b> Room/suite City or town, state, and ZIP code <b>CHELSEA, MI 48118</b>	A Employer identification number <b>26-3040367</b>
	Number and street (or P O box number if mail is not delivered to street address) <b>310 N. MAIN STREET, SUITE 203</b> Room/suite City or town, state, and ZIP code <b>CHELSEA, MI 48118</b>	B Telephone number <b>734-433-4599</b>
H Check type of organization:	<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	C If exemption application is pending, check here ► <input type="checkbox"/> D 1 Foreign organizations, check here ► <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16)	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) <b>0.</b> (Part I, column (d) must be on cash basis.)	E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)	
Revenue	1 Contributions, gifts, grants, etc., received					
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
	3 Interest on savings and temporary cash investments					
	4 Dividends and interest from securities					
	5a Gross rents					
	b Net rental income or (loss)					
	6a Net gain or (loss) from sale of assets not on line 10					
	b Gross sales price for all assets on line 6a					
	7 Capital gain net income (from Part IV, line 2)			0.		
	8 Net short-term capital gain					
	9 Income modifications					
	10a Gross sales less returns and allowances	<b>FEB 16 2010</b>				
b Less Cost of goods sold						
c Gross profit or (loss)						
11 Other income						
12 Total. Add lines 1 through 11		0.	0.	0.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	<b>18,323.</b>	0.	0.	0.	
	14 Other employee salaries and wages	<b>839.</b>	0.	0.	0.	
	15 Pension plans, employee benefits					
	16a Legal fees	<b>STMT 1</b>	<b>63,728.</b>	0.	0.	0.
	b Accounting fees	<b>STMT 2</b>	<b>525.</b>	0.	0.	0.
	c Other professional fees					
	17 Interest					
	18 Taxes	<b>STMT 3</b>	<b>4,045.</b>	0.	0.	0.
	19 Depreciation and depletion					
	20 Occupancy					
	21 Travel, conferences, and meetings		<b>5,388.</b>	0.	0.	0.
	22 Printing and publications		<b>256.</b>	0.	0.	0.
	23 Other expenses	<b>STMT 4</b>	<b>710.</b>	0.	0.	0.
	24 Total operating and administrative expenses. Add lines 13 through 23		<b>93,814.</b>	0.	0.	0.
25 Contributions, gifts, grants paid						
26 Total expenses and disbursements. Add lines 24 and 25		<b>93,814.</b>	0.	0.	0.	
27 Subtract line 26 from line 12:		<b>-93,814.</b>				
a Excess of revenue over expenses and disbursements						
b Net investment income (if negative, enter -0-)			<b>0.</b>			
c Adjusted net income (if negative, enter -0-)				<b>0.</b>		

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<b>Part II</b> <b>Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1	1 Cash - non-interest-bearing			
	2	2 Savings and temporary cash investments			
	3	3 Accounts receivable ► Less: allowance for doubtful accounts ►			
	4	4 Pledges receivable ► Less: allowance for doubtful accounts ►			
	5	5 Grants receivable			
	6	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7	7 Other notes and loans receivable ► Less: allowance for doubtful accounts ►			
	8	8 Inventories for sale or use			
	9	9 Prepaid expenses and deferred charges			
	10a	10a Investments - U.S. and state government obligations			
	b	b Investments - corporate stock			
	c	c Investments - corporate bonds			
	11	11 Investments - land, buildings, and equipment basis ► Less accumulated depreciation ►			
	12	12 Investments - mortgage loans			
<b>Liabilities</b>	13	13 Investments - other			
	14	14 Land, buildings, and equipment: basis ► Less accumulated depreciation ►			
	15	15 Other assets (describe ► )			
	16	16 Total assets (to be completed by all filers)	0.	0.	0.
	17	17 Accounts payable and accrued expenses		93,814.	
	18	18 Grants payable			
<b>Net Assets or Fund Balances</b>	19	19 Deferred revenue			
	20	20 Loans from officers, directors, trustees, and other disqualified persons			
	21	21 Mortgages and other notes payable			
	22	22 Other liabilities (describe ► )			
	23	23 Total liabilities (add lines 17 through 22)	0.	93,814.	
<b>Net Assets or Fund Balances</b>		Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
		and complete lines 24 through 26 and lines 30 and 31			
	24	24 Unrestricted			
	25	25 Temporarily restricted			
	26	26 Permanently restricted			
		Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
		and complete lines 27 through 31.			
	27	27 Capital stock, trust principal, or current funds	0.	0.	
	28	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29	29 Retained earnings, accumulated income, endowment, or other funds	0.	-93,814.	
	30	30 Total net assets or fund balances	0.	-93,814.	
<b>31</b>	31	31 Total liabilities and net assets/fund balances	0.	0.	

**Part III Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	0.
2	Enter amount from Part I, line 27a	2	-93,814.
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	-93,814.
5	Decreases not included in line 2 (itemize) ►	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	-93,814.

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**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a					
b	NONE				
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)	$\begin{cases} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{cases}$		2		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8			3		

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

N/A

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

Yes  No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2007			
2006			
2005			
2004			
2003			

2 Total of line 1, column (d)

2

3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3

4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5

4

5 Multiply line 4 by line 3

5

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

7 Add lines 5 and 6

7

8 Enter qualifying distributions from Part XII, line 4

8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.  
See the Part VI instructions.

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**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)**

1a Exempt operating foundations described in section 4940(d)(2), check here ►  and enter "N/A" on line 1.

Date of ruling letter: \_\_\_\_\_ (attach copy of ruling letter if necessary-see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ►  and enter 1% of Part I, line 27b

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2008 estimated tax payments and 2007 overpayment credited to 2008

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here  if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be Credited to 2009 estimated tax ►

6a  
6b  
6c  
6d

1 0 .

2 0 .

3 0 .

4 0 .

5 0 .

7 0 .

8 0 .

9 0 .

10 0 .

Refunded ► 11

**Part VII-A Statements Regarding Activities**

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

Yes  No

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?

1a  1b

If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities

1c

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

1c

(1) On the foundation. ► \$ 0 . (2) On foundation managers. ► \$ 0 .

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ 0 .

2

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

2

If "Yes," attach a detailed description of the activities.

3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes

3

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

4a

b If "Yes," has it filed a tax return on Form 990-T for this year?

4b

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

5

If "Yes," attach the statement required by General Instruction T

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

N/A

• By language in the governing instrument, or

6

• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7

7 Did the foundation have at least \$5,000 in assets at any time during the year?

7

If "Yes," complete Part II, col. (c), and Part XV

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ►

8b

MI

b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? If "Yes" complete Part XIV

9

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

10

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**Part VII-A Statements Regarding Activities (continued)**

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) 11

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A 13

14 The books are in care of ► AMY HEYDLAUFF Telephone no. ► 734-433-4599  
Located at ► 310 N. MAIN STREET, SUITE 203, CHELSEA, MI ZIP+4 ► 48118

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 ► N/A ►

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

**File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.**

1a During the year did the foundation (either directly or indirectly):

(1) Engage in the sale or exchange, or leasing of property with a disqualified person?  Yes  No

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?  Yes  No

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?  Yes  No

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?  Yes  No

(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?  Yes  No

(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)  Yes  No

**Yes** **No**

Yes  No

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**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**

5a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
- (3) Provide a grant to an individual for travel, study, or other similar purposes?
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

Yes  No

Yes  No

Yes  No

Yes  No

Yes  No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

Yes  No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

Yes  No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If you answered "Yes" to 6b, also file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

Yes  No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 5		16,023.	2,300.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

► 0

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**Part VIII** **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**

**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
DICKINSON WRIGHT 301 E. LIBERTY STREET, SUITE 500, ANN ARBOR, MI	LEGAL	60,493.

**Total number of others receiving over \$50,000 for professional services**

► 0

**Part IX-A** **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1 N/A	
2	
3	
4	

**Part IX-B** **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1 N/A	
2	
3	
<b>Total. Add lines 1 through 3</b>	► 0.

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**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a Average monthly fair market value of securities	1a 0.
b Average of monthly cash balances	1b
c Fair market value of all other assets	1c
d Total (add lines 1a, b, and c)	1d 0.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.
2 Acquisition indebtedness applicable to line 1 assets	2 0.
3 Subtract line 2 from line 1d	3 0.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 0.
6 Minimum investment return. Enter 5% of line 5	6 0.

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ►  and do not complete this part.)

1 Minimum investment return from Part X, line 6	1 0.
2a Tax on investment income for 2008 from Part VI, line 5	2a
b Income tax for 2008. (This does not include the tax from Part VI.)	2b
c Add lines 2a and 2b	2c 0.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3 0.
4 Recoveries of amounts treated as qualifying distributions	4 0.
5 Add lines 3 and 4	5 0.
6 Deduction from distributable amount (see instructions)	6 0.
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7 0.

**Part XII Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a 0.
b Program-related investments - total from Part IX-B	1b 0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3 Amounts set aside for specific charitable projects that satisfy the:	
a Suitability test (prior IRS approval required)	3a
b Cash distribution test (attach the required schedule)	3b
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 0.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5 0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6 0.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

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**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2007				0.
a Enter amount for 2007 only				0.
b Total for prior years:			0.	
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004				
c From 2005				
d From 2006				
e From 2007				
f Total of lines 3a through e		0.		
4 Qualifying distributions for 2008 from Part XII, line 4: ► \$ 0.				
a Applied to 2007, but not more than line 2a				0.
b Applied to undistributed income of prior years (Election required - see instructions)			0.	
c Treated as distributions out of corpus (Election required - see instructions)		0.		
d Applied to 2008 distributable amount				0.
e Remaining amount distributed out of corpus		0.		
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))		0.		0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.	
d Subtract line 6c from line 6b. Taxable amount - see instructions			0.	
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount - see instr.				0.
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006				
d Excess from 2007				
e Excess from 2008				



## Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
NONE				
<b>Total</b>			► 3a	0.
b Approved for future payment				
NONE				
<b>Total</b>			► 3b	0.

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## Part XVI-A Analysis of Income-Producing Activities

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)	0.		0.	0.	
13 Total. Add line 12, columns (b), (d), and (e)	13				
(See worksheet in line 13 instructions to verify calculations.)					

## **Relationship of Activities to the Accomplishment of Exempt Purposes**

# THE CHELSEA HEALTH AND WELLNESS FOUNDATION

Form 990-PF (2008)

## FOUNDATION

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**Part XVII** Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

	<b>Yes</b>	<b>No</b>
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1) Cash	1a(1)	X
(2) Other assets	1a(2)	X
b Other transactions:		
(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
(3) Rental of facilities, equipment, or other assets	1b(3)	X
(4) Reimbursement arrangements	1b(4)	X
(5) Loans or loan guarantees	1b(5)	X
(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

**2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes  No

b. If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

12/9/2010

Date \_\_\_\_\_

Executive Director

Sign Here

Sign Here Preparer's signature		Preparer's signature	FEB 08 2010	Date	Check if self- employed	Preparer's identifying number
Paid Preparer's Use Only	Diane M. Schimana				<input type="checkbox"/>	700000018
Firm's name (or yours if self-employed), address and ZIP code		PLANTE & MORAN, PLLC P.O. BOX 307 SOUTHFIELD, MI 48037 0307		FIN		Phone no. (248) 352-2500

FORM 990-PF	LEGAL FEES	STATEMENT	1
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	63,728.	0.	0.	0.
TO FM 990-PF, PG 1, LN 16A	63,728.	0.	0.	0.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	2
-------------	-----------------	-----------	---

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	525.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 16B	525.	0.	0.	0.

FORM 990-PF	TAXES	STATEMENT	3
-------------	-------	-----------	---

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FICA	4,045.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 18	4,045.	0.	0.	0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE	70.	0.	0.	0.
SUPPLIES	572.	0.	0.	0.
OTHER	68.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 23	710.	0.	0.	0.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS  
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 5

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
AMY HEYDLAUFF 310 N. MAIN, STE 203 CHELSEA, MI 48118	EXECUTIVE DIRECTOR 40.00	16,023.	2,300.	0.
JUDY NOLD 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD CHAIR 1.00	0.	0.	0.
JEFF HARDCASTLE 310 N. MAIN, STE 203 CHELSEA, MI 48118	VICE CHAIR 1.00	0.	0.	0.
JOHN R. C. WHEELTER, PH.D. 310 N. MAIN, STE 203 CHELSEA, MI 48118	TREASURER 1.00	0.	0.	0.
PATRICK J. COLLIN, JR. 310 N. MAIN, STE 203 CHELSEA, MI 48118	SECRETARY 1.00	0.	0.	0.
DIANE HOWLIN, M.D. 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER 1.00	0.	0.	0.
ANN DAVIS 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER 1.00	0.	0.	0.
SHAWN LEWIS-LAKIN 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER 1.00	0.	0.	0.
GARRY FAJA 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER (EX OFFICIO) 1.00	0.	0.	0.
RANDY FORSCH, M.D., M.P.H. 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER 1.00	0.	0.	0.
KATHLEEN GRIFFITHS 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER (EX OFFICIO) 1.00	0.	0.	0.

## THE CHELSEA HEALTH AND WELLNESS FOUNDATI

26-3040367

KEN GIETZEN 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER 1.00	0.	0.	0.
JAMES F. WOODS 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER 1.00	0.	0.	0.
ALISON POLLARD 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER 1.00	0.	0.	0.
GWEN STUBBS 310 N. MAIN, STE 203 CHELSEA, MI 48118	BOARD MEMBER 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		16,023.	2,300.	0.



**ARTICLE III**

1. The corporation is organized on a nonstock basis.  
(stock or nonstock)
2. If organized on a stock basis, the aggregate number of shares which the corporation has authority to issue is \_\_\_\_\_ . If the shares are, or are to be divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences, and limitations of the shares of each class are as follows:

3. If organized on a nonstock basis, the description and value of its real property assets are: (if none, insert "none")

None

and the description and value of its personal property assets are: (if none, insert "none")

None.

(The valuation of the above assets was as of April 30, 2009)  
The corporation is to be financed under the following general plan:

The corporation will be funded with contributions from other nonprofit organizations and membership dues from the operation of a community health and wellness center.

The corporation is organized on a Directorship basis.  
(membership or directorship)

**ARTICLE IV**

1. The address of the registered office is:

775 S. Main Street Chelsea Michigan 48118  
(Street Address) (City) (State) (ZIP Code)

2. The mailing address of the registered office, if different than above:

Street Address or P.O. Box Michigan 48118  
(Street Address or P.O. Box) (City) (ZIP Code)

3. The name of the resident agent is Kathleen Griffiths

**COLD SEAL APPEARS ONLY ON ORIGINAL**

**ARTICLE V (Additional provisions, if any, may be inserted here; attach additional pages if needed.)**

See Attached.

**5 COMPLETE SECTION (a) IF THE RESTATED ARTICLES DO NOT FURTHER AMEND THE ARTICLES OF INCORPORATION; OTHERWISE, COMPLETE SECTION (b).**

a.  These Restated Articles of Incorporation were duly adopted on the \_\_\_\_\_ day of \_\_\_\_\_, in accordance with the provisions of Section 642 of the Act by the Board of Directors without a vote of the members or shareholders. These Restated Articles of Incorporation only restate and integrate and do not further amend the provisions of the Articles of Incorporation as heretofore amended and there is no material discrepancy between those provisions and the provisions of these Restated Articles.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

By \_\_\_\_\_  
(Signature of Authorized Officer or Agent)

\_\_\_\_\_  
(Type or Print Name)

b.  These Restated Articles of Incorporation were duly adopted on the 25th day of November, 2008 in accordance with the provisions of Section 642 of the Act. These Restated Articles of Incorporation restate, integrate, and do further amend the provisions of the Articles of Incorporation and: (check one of the following)

were duly adopted by the shareholders, the members, or the directors (if organized on a nonstock directorship basis). The necessary number of votes were cast in favor of these Restated Articles of Incorporation.

were duly adopted by the written consent of all the shareholders or members entitled to vote in accordance with Section 407(3) of the Act.

were duly adopted by the written consent of all the directors pursuant to Section 525 of the Act as the corporation is organized on a directorship basis.

were duly adopted by the written consent of the shareholders or members having not less than the minimum number of votes required by statute in accordance with Section 407(1) and (2) of the Act. Written notice to shareholders or members who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders or members is permitted only if such provision appears in the Articles of Incorporation)

Signed this 28th day of April, 2009

By Judith P. Nold  
(Signature of President, Vice-President, Chairperson, or Vice-Chairperson)

Judith P. Nold

Chairperson

(Type or Print Name)

(Type or Print Title)

THE CHELSEA HEALTH AND WELLNESS FOUNDATION  
ATTACHMENT TO ARTICLES OF INCORPORATION

ARTICLE II: The purposes for which The Chelsea Health and Wellness Foundation (the "Foundation") is organized are:

- (a) To operate exclusively for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code) (the "Code"), including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code;
- (b) To receive and administer funds, to acquire, to own, to invest, to dispose of, and to deal with real and personal property and interests therein, and to apply gifts, grants, contributions, bequests and devises, and the income and proceeds, generally, in furtherance of making significant, measurable, and sustainable improvements in the health and wellness of the residents of areas covered by the following zip codes: 48118 (Chelsea), 48158 (Manchester), 49285 (Stockbridge), 49240 (Grass Lake), 48130 (Dexter), 48137 (Gregory) and 49259 (Munith) in Michigan and surrounding areas (the "Service Area") and in furtherance of providing financial support for nonprofit health care providers and institutions serving residents in the Service Area and in furtherance of the development of strategies to ensure access to health services for the underinsured in the Service Area; and
- (c) To operate programs, develop community initiatives, and support community partnerships in furtherance of significant, measurable, and sustainable improvements in the health and wellness of the residents in the Service Area and in furtherance of providing support for nonprofit health care providers and institutions serving residents in the Service Area and in furtherance of the development of strategies to ensure access to health services for the underinsured in the Service Area.

ARTICLE V In the event of dissolution of the Foundation, the Board of Directors shall cause the assets of the Foundation to be distributed, as follows:

- (a) All liabilities of the Foundation shall be paid or adequate provision shall be made for payment of such liabilities;
- (b) Assets held by the Corporation upon a condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution shall be returned, transferred or conveyed in accordance with such requirements; and
- (c) All of the Foundation's remaining assets, real or personal, shall be distributed, as follows:
  - (i) First, in accordance with the non-binding terms and/or wishes of donors of any gifts, bequests, or devises to the Foundation not inconsistent with its purposes and not inconsistent with the determinations made by the Board of Directors of the Foundation;

(ii) Secondly, to such charitable organization or organizations as are qualified as tax exempt under Section 501(c)(3) of the Code (or corresponding provisions of any future federal income tax law) as the Board of Directors of the Foundation shall determine; and

(iii) Thirdly, to the extent not otherwise distributed for whatever reason, by an order of the Circuit Court for the County of Washtenaw Michigan to such organization or organizations as said Court shall determine which are organized and operated exclusively for charitable purposes.

ARTICLE V No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to, its directors, officers or other private persons, except that the Foundation shall be authorized to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth in Article II.

ARTICLE VII No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE VIII A volunteer director or volunteer officer shall have no personal liability to the Foundation for monetary damages for a breach of the director's or officer's fiduciary duty; provided, however, the foregoing shall not apply in the case of breach of the duty of loyalty, bad faith, intentional misconduct, knowing violation of the law, gross negligence, improper personal benefit, or any violation of M.C.L. Section 450.2551(1) or any successor of such provision.

ARTICLE IX: The Foundation hereby assumes all liability of a volunteer director, volunteer officer, or other volunteer for any acts or omissions arising out of their volunteer duties; provided, however, that in the case of a volunteer director's liability to any person other than the Foundation that such acts were performed in the good faith performance of the volunteer director's duties, and in all other cases, for any act or omissions arising out of their volunteer duties that the volunteer was acting in good faith, was or reasonably believed to be acting within the scope of his or her authority, and such conduct did not constitute gross negligence, willful or wanton misconduct, an intentional tort, or a tort arising out of the ownership, maintenance or operation of a motor vehicle.

ARTICLE X The operations of the Foundation shall be subject to the following conditions and limitations:

(a) The Foundation shall distribute its income at such time and in such a manner as to as to not become subject to the tax on undistributed income imposed by Section 4942 of the Code (or corresponding section of any future federal tax code);

(b) The Foundation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code (or corresponding section of any future federal tax code);

(c) The Foundation shall not retain any excess business holding as defined in Section 4943(c) of the Code (or corresponding section of any future federal tax code);

(d) The Foundation shall not make any investments in such a manner as to subject it to tax under Section 4944 of the Code (or corresponding section of any future federal tax code); and

(e) The Foundation shall not make any taxable expenditure as defined in Section 4945(d) of the Code (or corresponding section of any future federal tax code).

**ARTICLE XI** The Foundation will not hire health care personnel and fund and/or operate programs competitive with Chelsea Community Hospital and/or Saint Joseph Mercy Health System. The foregoing restrictions shall not (i) apply to Foundation programs or activities the purposes of which are health education, health promotion, disease prevention, general wellness or fitness, and research and planning related to such programs or activities, or (ii) preclude the Foundation from funding initiatives to facilitate access to healthcare for the uninsured and underinsured. Notwithstanding the foregoing, any Foundation programs or activities conducted on the campus of Chelsea Community Hospital, including without limitation, those described in the immediately preceding sentence, shall require the prior written consent of Saint Joseph Mercy Health System, which consent shall not be unreasonably withheld. For purposes of this provision, reference to "the campus of Chelsea Community Hospital" shall include: (a) the 17.43 acres of land, and improvements thereon, commonly known as "Silver Maples of Chelsea", (b) the 4.44 acres of land, and improvements thereon, commonly known as the "Wellness Center", (c) the 5.01 acres of land, and improvements thereon, commonly known as the "Professional Building at Chelsea Community Hospital", (d) the 2.93 acres of land, and improvements thereon, commonly known as the "University of Michigan Family Practice Building", and (e) the 98.45 acres of land, and improvements thereon, commonly known as "Chelsea Community Hospital".

**ARTICLE XII** The then presiding President and Chief Executive Officer of Saint Joseph Mercy Health System or his/her designee shall be appointed by the Foundation Board as a member of the Board of Trustees of the Foundation.

**ARTICLE XII** The provisions at Article XI and Article XII of these Articles of Incorporation may not be modified, amended or repealed without the prior written consent of Saint Joseph Mercy Health System.

THIS AMENDMENT SHALL BE EFFECTIVE AT 12:00:01 AM, MAY 1, 2009.

**THE CHELSEA HEALTH AND WELLNESS  
FOUNDATION**

**BYLAWS**

Adopted: June 17, 2008

Amended: Jan. 8, 2009

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**BYLAWS  
OF  
THE CHELSEA HEALTH AND WELLNESS FOUNDATION**

**DEFINITIONS:**

“Corporation” means The Chelsea Health and Wellness Foundation, a Michigan non-profit corporation.

“Board of Trustees” or “Board” means the governing body and board of Trustees of the Corporation for the purpose of the Michigan Nonprofit Corporation Act.

“Bylaws,” means these Bylaws of The Chelsea Health and Wellness Foundation.

“Board Chair” means the individual elected by the Trustees to serve as the principal corporate officer of the Corporation.

“Conflict of Interest” exists when there is an interest, direct or indirect, with any persons or firms that may adversely influence or appear to influence a Trustee’s ability to exercise judgment for the sole benefit of the Corporation (e.g., an interest with persons and firms supplying goods and services to the Corporation; persons and firms from whom the Corporation leases property and equipment; persons and firms with whom the Corporation is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities or other property, competing organizations, donors, agencies, organizations and associations which affect the operations of the Corporation or family members, friends and Corporation employees).

“Executive Director” means the individual appointed by the Board to act on behalf of the Corporation in the overall executive management of the Corporation.

“Ex Officio” means service as a member of a body by virtue of an office or position held and, unless otherwise expressly provided, means with voting rights.

“Service Area” means areas covered by the following zip codes: 48118 (Chelsea), 48158 (Manchester), 49285 (Stockbridge), 49240 (Grass Lake), 48130 (Dexter), 48137 (Gregory) and 49259 (Munith) and surrounding areas.

“Trustee(s)” or “Board Member(s),” means a voting member of the Board of Trustees of the Corporation.

Terms used in these Bylaws shall be read as the singular or plural, as the context requires. The captions or headings in these Bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision of these Bylaws.

## ARTICLE 1. OFFICES, PURPOSES, POWERS AND DISSOLUTION

### 1.1. OFFICES

The principal office of the Corporation shall be located in the County of Washtenaw, State of Michigan. The Corporation shall continuously maintain a registered office and a resident agent whose office shall be identical with the registered office. The Executive Director of the Corporation shall be the resident agent and may have such other offices as the Board may determine from time to time.

### 1.2. PURPOSES AND LIMITATIONS ON OPERATIONS

The purposes for which the Corporation is organized are:

- (a) To operate exclusively for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future tax code) (the "Code"), including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code;
- (b) To receive and administer funds, to acquire, to own, to invest, to dispose of, and to deal with real and personal property and interests therein, and to apply gifts, grants, contributions, bequests and devises, and the income and proceeds, generally, in furtherance of making significant, measurable, and sustainable improvements in the health and wellness of the residents of the Service Area and in furtherance of providing financial support for nonprofit health care providers and institutions serving residents in the Service Area and in furtherance of the development of strategies to ensure access to health services for the under-insured in the Service Area.
- (c) To operate programs, develop community initiatives, and support community partnerships in furtherance of significant, measurable, and sustainable improvements in the health and wellness of the residents in the Service Area and in furtherance of providing support for nonprofit health care providers, including Chelsea Community Hospital, and institutions serving residents in the Service Area and in furtherance of the development of strategies to ensure access to health services for the under-insured in the Service Area.
- (d) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers or other private persons, except that the Corporation shall be authorized to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth in Article II.

- (e) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.
- (f) The operations of the Corporation shall be subject to the following conditions and limitations.
  - (i) The Corporation shall distribute its income at such time and in such a manner as to not become subject to the tax on undistributed income imposed by Section 4942 of the Code (or corresponding section of any future federal tax code);
  - (ii) The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code (or corresponding section of any future federal tax code);
  - (iii) The Corporation shall not retain any excess business holding as defined in Section 4943(c) of the Code (or corresponding section of any future federal tax code);
  - (iv) The Corporation shall not make any investments in such a manner as to subject it to tax under Section 4944 of the Code (or corresponding section of any future federal tax code); and
  - (v) The Corporation shall not make any taxable expenditure as defined in Section 4945(d) of the Code (or corresponding section of any future federal tax code).

### 1.3. DISPOSITION OF ASSETS UPON DISSOLUTION.

In the event of dissolution of the Corporation, the Board of Trustees shall cause the assets of the Corporation to be distributed, as follows:

- (a) All liabilities of the Corporation shall be paid or adequate provision shall be made for payment of such liabilities;
- (b) Assets held by the Corporation upon a condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution shall be returned, transferred or conveyed in accordance with such requirements; and
- (c) All of the Corporation's remaining assets, real or personal, shall be distributed, as follows:
  - (i) First, in accordance with the non-binding terms and/or wishes of donors of any gifts, bequests, or devises to the Corporation not

inconsistent with its purposes and not inconsistent with the determinations made by the Board of Trustees of the Corporation;

- (ii) Secondly, to such charitable organization or organizations as are qualified as tax exempt under Section 501(c)(3) of the Code (or corresponding provisions of any future federal income tax law) as the Board of Trustees of the Corporation shall determine; and
- (iii) Thirdly, to the extent not otherwise distributed for whatever reason, by an order of the Circuit Court for the County of Washtenaw Michigan to such organization or organizations as said Court shall determine which are organized and operated exclusively for charitable purposes.

#### DIRECTORSHIP BASIS OF ORGANIZATION

The Corporation is organized on a directorship basis, without members, in accordance with Section 305 of the Michigan Nonprofit Corporation Act, with the Board of Trustees being and having the authority, powers, and responsibilities of the "board of directors" and "members" under said Act.

#### 1.4.

#### RESTRICTIONS ON CERTAIN ACTIVITIES

The Corporation shall not hire health care personnel and fund and/or operate programs competitive with Chelsea Community Hospital and/or Saint Joseph Mercy Health System. The foregoing restrictions shall not (i) apply to Corporation programs or activities the purposes of which are health education, health promotion, disease prevention, general wellness or fitness, and research and planning related to such programs or activities, or (ii) preclude the Corporation from funding initiatives to facilitate access to healthcare for the uninsured and underinsured. Notwithstanding the foregoing, any Corporation programs or activities conducted on the campus of Chelsea Community Hospital, including without limitation, those described in the immediately preceding sentence, shall require the prior written consent of Saint Joseph Mercy Health System, which consent shall not be unreasonably withheld. For purposes of this provision, reference to "the campus of Chelsea Community Hospital" shall include: (a) the [17.43] acres of land, and improvements thereon, commonly known as "Silver Maples of Chelsea", (b) the [ ] acres of land, and improvements thereon, commonly known as the "Wellness Center", (c) the [4.86] acres of land, and improvements thereon, commonly known as the "Professional Building at Chelsea Community Hospital", (d) the [2.82] acres of land, and improvements thereon, commonly known as the "University of Michigan Family Practice Building", and (e) the [ ] acres of land, and improvements thereon, commonly known as "Chelsea Community Hospital". This Section 1.5 of the Bylaws may not be amended, modified or repealed without the prior written consent of Saint Joseph Mercy Health System.

## ARTICLE 2. BOARD OF TRUSTEES

### 2.1. POWERS

Except as otherwise provided by law, the Articles of Incorporation, or the Bylaws, the Board shall exercise the powers, conduct the business affairs, and control the property, of the Corporation. The Board of Trustees shall be the governing body of the Corporation. The powers and authority of the Board shall include, but shall not be limited to, the following:

- (a) Establishing strategic directions and goals for the Corporation;
- (b) Appointing and removing Trustees and Officers;
- (c) Amending the Articles of Incorporation and the Bylaws of the Corporation;
- (d) Authorizing capital expenditures;
- (e) Authorizing borrowing, including authorization of appropriate rates, bonds or debentures to evidence such borrowing;
- (f) Authorizing appropriate dispositions, acquisitions, liens, pledges, security agreements, and mortgages of Corporation property, whether real, personal or mixed, to secure payment of borrowing;
- (g) Establishing appropriate Board committees;
- (h) Approving contracts outside the ordinary course of the Corporation's business and such other contracts as may be submitted to the Board by the Executive Director for approval;
- (i) Approving capital and operating budgets;
- (j) Approving the involvement of the Corporation in joint venture and shared service arrangements;
- (k) Authorizing the merger or consolidation of the Corporation into or with another corporation;
- (l) Handling any other matters submitted to the Board by the Executive Director or required by law to be submitted to the Board

Any authority of the Board of Trustees may, by its action, be delegated to the Executive Director of the Corporation, except for (b), (c), (j), and (l).

## 2.2. NUMBER AND QUALIFICATION

The incorporators shall perform the duties of the Board of Trustees until the date that the initial assets are received into the Corporation. Effective that date the incorporators shall elect a Board of Trustees in accordance with the following provisions.

The Board of Trustees shall consist of no less than nine (9) or more than fifteen (15) Trustees, including the Ex Officio Trustees. The following shall serve as Ex Officio Trustees: (a) the Executive Director of the Corporation; (b) the then presiding President and Chief Executive Officer of Saint Joseph Mercy Health System or his/her designee, and (c) the presiding Chief Executive Officer of Chelsea Community Hospital. Another Trustee shall be a practicing community physician who lives or works in the Service Area. All remaining Trustees shall be elected at large community Trustees who live or work in the Service Area, except that with the approval of the Board of Trustees, persons from outside of the Service Area may be elected as Trustees. All elected Trustees shall be of the age of majority and have an expressed interest in the continuing viability of the Corporation. The provision above appointing the then presiding President and Chief Executive Officer of Saint Joseph Mercy Health System or his/her designee as an Ex Officio Trustee may not be amended, modified or repealed without the prior written consent of Saint Joseph Mercy Health System.

Each elected Trustee shall participate in an orientation program conducted by the Board Chair and the Executive Director or their designee(s) within a reasonable time after election.

## 2.3. TENURE OF TRUSTEES

Except for Trustees elected to the initial Board of Trustees whose initial term is less than three (3) years and any Trustee appointed to fill a vacancy in a Trustee position as provided in Section 2.5, an elected Trustee shall serve a three (3) year term. The terms of the elected Trustees shall be staggered, as prescribed by the Board, so that the terms of approximately one-third of the elected Trustees shall expire on December 31 of each year. Trustees may succeed themselves up to one (1) three (3) year term, but shall serve for no more than six (6) consecutive years. The term of the Ex Officio Trustee shall be renewable and continuing during the term in the office which gives rise to Board membership.

#### 2.4. RESIGNATION AND REMOVAL

Any Trustee may resign at any time by giving written notice to the Board Chair. Resignation shall take effect on the date of receipt by the Board Chair or at any later date specified by the Board. Any elected Trustee may be removed for cause by a two-thirds majority vote of the full Board of Trustees, exclusive of the Executive Director and the member subject to removal, neither of whom shall have the right to vote on the matter. "Cause" for this purpose shall include, but not be limited to, failure to meet attendance requirements, unauthorized dissemination of confidential information, knowing violation of the conflict of interest requirements, recurrent disruption of Board proceedings, or loss of the affiliation upon which selection to the Board was based (e.g., departure from the community, if selected as a representative of the community). A Trustee subject to such removal shall have the right to be apprised in writing of the cause(s) for such removal and shall be afforded a reasonable opportunity to respond to the stated cause(s) both in writing and person, to the Board of Trustees. Such response shall be made prior to any final action of the Board to remove said Trustee. The decision of the Board, however, shall be final.

#### 2.5. VACANCIES

Vacancies in elected Trustee positions may be filled at a scheduled meeting via election by the remaining number of Trustees, even if the number so remaining is less than a quorum, from nominees submitted by the Governance Committee. Any Trustee(s) so elected shall hold office for the unexpired portion(s) of the term(s) vacated.

#### 2.6. CONSULTANTS

The Board Chair, or the Board, may invite individuals with expertise in a pertinent area, not otherwise Board Members, to meet with and assist the Board. Such consultants shall not vote or be counted in determining the existence of a quorum and may be excluded from any session of the Board by the Executive Director or Board Chair or a majority vote of the Trustees present.

#### 2.7. MEETINGS

##### 2.7.1 Regular Meetings

Regular meetings of the Board of Trustees shall be held on approximately a monthly basis at such place and time as the Board Chair shall designate in the minutes of a Board meeting or in a separate written notice to each member of the Board of Trustees. An agenda will be prepared and provided to the Trustees.

2.7.2      **Annual Meeting**

The regular meeting of the Board of Trustees held in November of each year shall be the annual meeting of the Board of Trustees. At the annual meeting, officers for the forthcoming year shall be elected.

2.7.3      **Special Meetings**

Special meetings of the Board may be called by, or at the direction of, the Board Chair, the Executive Director, or upon written request of three (3) Trustees. The Executive Director or Board Chair shall give notice of such meetings to all Trustees. No business shall be conducted at a special meeting other than that stated in the notice of the meeting.

2.7.4      **Place**

All meetings of the Board shall be held in place designated by the Board.

2.7.5      **Notice**

(a)      **Regular and Annual Meetings**

The Board will be provided with a schedule, including dates, times and locations of regular meetings, at least one month prior to the beginning of the next year. Notice of the postponement of any scheduled regular meeting shall be given by phone or in writing to each Trustee, personally, or by mail or other form of written communication previously approved by the Board, not less than one (1) day before the scheduled date of the meeting.

(b)      **Special Meetings**

Notice of the time and place of special meetings shall be given in writing to each Trustee personally, by regular mail or other form of written communication previously approved by the Board, not fewer than five (5) days nor more than sixty (60) days before the meeting. For a special meeting required by law or by these Bylaws, the notice shall also state the purpose, for which the meeting is called.

(c)      **Emergency Special Meetings**

An emergency special meeting may be called on less than five (5) days notice if all voting Trustees waive notice.

2.7.6 Quorum

Unless a greater or lesser number is required by law, by the Articles of Incorporation or the specific requirements of other provisions in these Bylaws, a simple majority of the Trustees shall constitute a quorum for the transaction of business at any meeting of the Board. Once a quorum is established, quorum status will be retained throughout the duration of the meeting. If a quorum is not present at any meeting, a majority of the Trustees present may adjourn the meeting to a later date without further notice.

2.7.7 Participation, Voting, Disqualification

Each Trustee (including Ex Officio Trustees) shall be authorized to participate and vote related to all aspects of any Board meeting in which participation is not limited by provisions in these Bylaws or corporate policies governing Conflict of Interest. Voting by proxy shall not be permitted.

2.7.8 Manner of Acting

Unless otherwise required by law, the Articles of Incorporation, or these Bylaws, the vote of a majority of the voting Trustees present at a meeting at which a quorum is present shall be the act of the Board. Any action required or permitted to be taken by the Board may be taken without a meeting by the individual or collective written and signed consent of all the voting Trustees. Such written consent(s) shall be filed with the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of the Trustees.

Any certificate or other document filed under law relating to action so taken shall state that the action was taken by unanimous written consent of the Board without a meeting and that the Bylaws authorize the Trustees so to act.

2.7.9 Attendance at Meetings

Within a calendar year Trustees shall attend at least 75% of all regular and special meetings of the Board and Committees of the Corporation of which the Trustee is a member. A Trustee who fails, without good cause, to satisfy these attendance requirements may be subject to removal.

2.7.10 Attendance by Telephonic Means

A Trustee with the consent of a majority of a quorum of Trustees physically present at the meeting, may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Authorized participation in a Board meeting pursuant to this provision, constitutes legal attendance of the Trustee at the meeting.

2.7.11 **Procedures**

Meetings of the members of the Board of Trustees and its committees shall be conducted in accord with procedures established by the Board in writing or through established practice acceptable to a majority of the Board which fairly allow each Trustee to review and consider relevant information, reasonably express views, vote, and have a vote or dissent recorded. Notwithstanding the foregoing, if any three or more Trustees believe the procedures utilized do not meet the foregoing requirements or are unfair with respect to one or more matters, they may, by placing their objection on the record for that meeting or by written notice signed by each of them, require that proceedings on such matter(s) be conducted in accord with the current edition of Robert's Rules of Order, Revised.

**2.8. OTHER BOARD RESPONSIBILITIES**

2.8.1 **Annual Report**

At the April meeting of the Board or at the first regularly scheduled meeting of the Board after completion of the annual audit, a report of the Corporation for the preceding fiscal year shall be made and distributed to each of the Trustees. The report shall include the Corporation's year-end statement of assets and liabilities, including trust funds, and the principal change in assets and liabilities during the year preceding the date of the report and, if prepared by the Corporation, its source and application of funds and other such information as may be provided by law.

2.8.2 **Continuing Education**

The Trustees shall participate in continuing education deemed appropriate by the Board.

**2.9. CONFIDENTIALITY**

The records and business of all Board proceedings shall be confidential and shall not be subject to disclosure, except as provided in the Corporation's policies or as directed by the Board.

## **ARTICLE 3. BOARD COMMITTEES**

### **3.1. ESTABLISHMENT OF BOARD COMMITTEES**

The Board may create one or more Board committees. If a committee is delegated any function, that function and any limitations of functions shall be specified. The Board Chair shall designate, in consultation with the Executive Director, the members of the Board who are to serve as Board Members, unless otherwise proscribed by these Bylaws. Any Board committee delegated authority to act without Board review, must have a majority of members who are elected Trustees or officers of the Corporation.

### **3.2. CREATION AND/OR RESTRUCTURING OF COMMITTEES**

If the Board determines that any one or more committees it establishes should not exist, it may assign the functions of such committee(s) to a new or existing committee of the Corporation, or to the Board acting as a committee of the whole.

### **3.3. TENURE**

Each member of a Board committee shall serve until December 31 of the year in which they are appointed, unless the member shall sooner resign or be removed from the committee, or if a Trustee, shall sooner cease to be a Trustee so as to also terminate participation on all committees. A Trustee who resigns from the Board may continue to serve on a Board committee if such exception is granted by the Board.

### **3.4. MEETINGS AND NOTICE**

Meetings of a Board committee may be called by the Board Chair, the Chairperson of the committee, or a majority of the committee's voting members. Each committee shall meet as often as is necessary to perform its duties. Notice, either in person or by electronic mail or other form of written communication, of the time and place of any meeting of a Board committee shall be given at least three days prior to the meeting, unless notice is waived in writing by the committee members or all committee members are present at the meeting without such notice.

### **3.5. QUORUM AND RECORD**

A simple majority of the voting members of a Board committee shall constitute a quorum for the transaction of business at any meeting of such committee. Each Board committee shall keep minutes of its proceedings and shall report periodically to the Board.

**3.6. CONFIDENTIALITY**

The records and business of all Board committees shall be confidential and shall not be subject to disclosure except as provided in the Corporation's policies or as directed by the Board.

**3.7. MANNER OF ACTING**

The act of a majority of the voting members of a Board committee present at a meeting at which a quorum is present shall be the act of the committee so meeting. Except as otherwise specifically provided herein, no action taken at a meeting, at which less than a quorum is present, shall be valid, unless approved in writing by the absent members. Action may be taken without a meeting by a writing setting forth the action so taken, signed by all members of the committee entitled to vote.

**3.8. RESIGNATION AND REMOVAL**

Any member of a Board committee may resign at any time by giving written notice to the Board Chair of the committee and the Executive Director. Such resignation shall take effect on the date of receipt or at any later time acceptable to the Board. Any member of a Board committee, except an Ex Officio member, may be removed at any time by a resolution adopted by a majority of the Trustees then in office. Any Ex Officio member of a Board committee shall cease to be such if he/she shall cease to hold the designated position which is the basis of Ex Officio membership.

**3.9. VACANCIES**

The Board Chair may appoint an individual to fill a vacancy on any Board committee for the unexpired portion of the term.

**3.10. STANDING COMMITTEES AT THE TIME OF THE ADOPTION OF THESE BYLAWS**

At the time of the adoption of these Bylaws, subject to the Board's retained power and authority to dissolve, combine or add committees by resolution without the need to amend these Bylaws, the following committees are or shall be established with the composition, authority and tenure as specified. Such resolution(s) shall be attached to these Bylaws.

**3.10.1 Executive Committee**

The Executive Committee shall consist of the Board Chair, Immediate Past Board Chair if currently a Trustee, Vice Board Chair, Executive Director, Secretary and Treasurer and shall be chaired by the Board Chair. The Executive Committee of the Board shall meet on an ad hoc basis and be convened by the Board Chair or by the Executive Director. The Committee shall be delegated the authority to:

- (a) Provide advice and counsel to the Executive Director;
- (b) Act on Board level matters which cannot reasonably await action by the full Board;
- (c) Provide leadership in resolving disputes between the Board and management;
- (d) At least annually coordinate an evaluation of the Executive Director;
- (e) Review and evaluate administrative succession planning;
- (f) Review and make recommendations regarding the Executive Director's compensation and contract;
- (g) Provide guidance to management regarding any significant personnel matters as may be appropriate.

In no case, however, shall the Executive Committee:

- (a) Act with respect to the election or appointment of the officers of the Corporation;
- (b) Exceed any specific limitations imposed by the Board of Trustees in the Bylaws, Policies, and Resolutions or otherwise.

Any actions taken by the Executive Committee shall be recorded and reported for full Board approval at the next regularly scheduled meeting of the Board.

### 3.10.2 Governance Committee

The Governance Committee shall consist of the Board Chair, Vice Board Chair, a Past Board Chair and at least one other elected Trustee who is not a current officer of the Board. The Committee shall be chaired by the Vice Board Chair. The Executive Director shall serve as an ex-officio member of the Committee without vote. The Governance Committee shall:

- (a) Select and nominate qualified persons to fill Board vacancies;
- (b) Nominate Trustees to serve as Board Chair, Vice Board Chair, Secretary and Treasurer;
- (c) Review activity of Board Members prior to re-election and provide, feedback to individual Board Members as indicated;
- (d) Conduct and review results of Board self-evaluation;
- (e) Confirm compliance with the Corporation's policy on conflicts of interest;

- (f) Periodically review and update Bylaws, Board Policies and Procedures;
- (g) Assist management in developing a plan for Board education, retreats, etc.;
- (h) Assist management in the development and periodic review of a Board Orientation Plan.

#### 3.10.3 Audit/Finance/Investment Committee

The Audit/Finance/Investment Committee shall consist of the Treasurer who shall serve as Chair, two or three other members of the Board of Trustees, up to two qualified public members, and the Executive Director. The Board Chair shall serve as an ex-officio non-voting member. The Audit/Finance/Investment Committee shall:

- (a) Review and recommend to the Board an annual capital and operating budget;
- (b) Recommend to the full Board the engagement of Corporation independent auditors;
- (c) Review and recommend to the Board acceptance of the annual independent audit and the auditor's management letter;
- (d) Monitor the Corporation's ongoing financial performance as compared with pre-established financial indicators;
- (e) Review the financial performance of the Corporation's individual programs/service lines and make recommendations to the Board as needed;
- (f) Review and approve and/or recommend approval of capital projects according to established guidelines;
- (g) Review and recommend to the Board the Corporation's investment policy;
- (h) Monitor the performance of the Corporation's investment managers; and
- (i) Review and recommend to the Board the appointment and removal of investment managers.

#### 3.10.4 Strategic Planning Committee

The Strategic Planning Committee shall consist of the Board Chair, Vice Board Chair, Executive Director and two or three additional members of the Board of Trustees appointed by the Board Chair, including one or more physician members of the Board of Trustees. The Board Chair will appoint the Chair. The Strategic Planning Committee shall have the following responsibilities:

- (a) Review the Corporation's strategic plan and recommend revisions to the Board;
- (b) Periodically review environmental assessment information and consider its implications for the strategic plan;
- (c) Review recommendations from management related to strategies and goals;
- (d) Ensure that concerns of the communities served are addressed.

**3.10.5 Grant Committee**

The Grant Committee shall consist of the Executive Director, a physician member of the Board, two or three additional members of the Board of Trustees appointed by the Board Chair, one of whom will serve as Chair, and up to four (4) community members with interest and knowledge of the mission of the Corporation who are not members of the Board. The Board Chair will appoint the Chair. The Grant Committee shall have the following responsibilities:

- (a) Review and approve grant criteria prepared by the Executive Director
- (b) Review each grant application or a summary thereof prepared by the Executive Director.
- (c) Compare each grant application to the Corporation's grant criteria.
- (d) Recommend approval of grant applications to the Board of Trustees.
- (e) Identify organizations whose work is consistent with the Corporation's strategic plan and invite these organizations to submit grant applications.
- (f) Review reports from the Executive Director regarding use of grant funds, monitoring of grant activities and post-completion reports submitted by grant recipients.

**ARTICLE 4. OFFICERS AND EXECUTIVES**

**4.1. OFFICERS**

The officers of the Corporation shall be the Board Chair, the Vice Board Chair, the Executive Director, the Secretary and the Treasurer. The Board may elect or appoint other officers.

**4.2. ELECTION AND TENURE**

**4.2.1 Board Chair. Vice Board Chair. Secretary and Treasurer**

The Board Chair, Vice Board Chair, Secretary and Treasurer shall:

- (a) Be elected from nominees submitted by the Governance Committee by a majority vote of the Board;
- (b) Except as otherwise provided in Section 4.3, officers shall hold office for a one-year term. The terms shall run from January 1 - December 31;
- (c) No officer shall serve longer than three consecutive terms.

#### 4.2.2 Executive Director

The Executive Director shall be appointed by the Board of Trustees and serve at the discretion of the Board of Trustees, consistent with the terms of any written contract between the Executive Director and the Corporation. The Executive Director is the principal executive and operating officer of the Corporation.

#### 4.2.3 Other Officers

Additional officers shall serve one-year terms unless removed.

### 4.3. RESIGNATION AND REMOVAL

Any officer may resign at any time by giving written notice to the Board Chair or to the Secretary. Such resignation shall take effect on the date of receipt or at a later date approved by the Board.

Any officer may be removed from office at any time by a two-thirds vote of the Board of Trustees (exclusive of the Executive Director and the subject officer, if a Trustee) but without prejudice to contract rights of the officer, if any. An officer subject to such removal shall have the right to be apprised in writing of the cause(s) for such removal and shall be afforded an opportunity to respond to the stated cause(s) both in writing and in person to the Board of Trustees. Opportunity to provide a response shall be given prior to any final action of the Board of Trustees to remove said officer.

### 4.4. DUTIES OF OFFICERS.

#### 4.4.1 Board Chair

The Board Chair shall be the principal corporate officer of the Corporation and shall preside at all meetings of the Board. Unless otherwise specified, the Board Chair shall be an Ex Officio member of all Board committees. The Board Chair shall also perform all duties incident to the office of Board Chair and such other duties as may be prescribed by the Board from time to time. The Board Chair shall serve as Chair of the Executive Committee.

4.4.2 Vice Board Chair

The Vice Board Chair shall perform such duties as may be assigned by the Board or the Board Chair. In the absence of the Board Chair or in the event of Board Chair disability, inability, or refusal to act, the Board Vice Chair shall perform the duties of the Board Chair with the full powers of, and subject to the restrictions upon, the Board Chair. The Vice Board Chair shall serve as Chair of the Governance Committee.

4.4.3 Secretary

The Secretary shall provide for the keeping of minutes of all meetings of the Board and Board committees of the Corporation, and shall assure that such minutes are filed with the records of the Corporation. The Secretary shall give or cause to be given appropriate notices and agendas, in accordance with these Bylaws or as required by law, and shall act as custodian of all Corporation records and reports, and of the Corporation seal, if any, assuring that it shall be affixed, when required by law, to documents executed on behalf of the Corporation. The Secretary shall perform all duties incident to the office and such other duties as may be assigned from time to time by the Board Chair or the Board.

4.4.4 Treasurer

The Treasurer shall serve as the Chair of the Audit/Finance Committee. The Treasurer shall keep or cause to be kept correct and accurate accounts of the properties and financial transactions of the Corporation and in general perform all duties incident to the office and such other duties as may be assigned from time to time by the Board Chair or the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety as the Board shall determine; the Corporation shall pay for such bond.

4.5. EXECUTIVE DIRECTOR

4.5.1 Selection and Qualifications

The Board shall select, appoint and employ or contractually retain a Executive Director to serve as Chief Executive Officer who, shall be delegated the responsibility for directing the overall executive and administrative management of the Corporation.

4.5.2 Duties

The Executive Director shall perform such duties as are prescribed in a position description or duties statement adopted by the Board and shall otherwise be expected to perform all of the duties incident to the office of Executive Director of the Corporation that are not inconsistent with the position description or duties, statement, these Bylaws, policies adopted by the Board and/or applicable law.

4.5.3 Fidelity Bond

The Board of Trustees may secure the fidelity of the Executive Director or any other Trustee or corporation employee by bond or otherwise with the expense of such obligation or obligations to be paid by the Corporation.

4.5.4 Compensation Recommendations

The Executive Director may make recommendations to the Board regarding compensation, including his or her own compensation, but shall be excused and shall not participate in deliberations or voting in any matter relating to his/her compensation, his/her continued employment or the contractual relationship of the Corporation with his/her employer, if not the Corporation.

4.6. EXECUTIVES OTHER THAN THE EXECUTIVE DIRECTOR

4.6.1 Administrative Officers

Administrative officers shall be those persons who hold the titles over an area or equivalent and hold such office until they are removed by action of the Executive Director or their employment by the Corporation in an officer capacity terminates by death, resignation or otherwise. An administrative office or position is to be distinguished from a corporate officer position with the Corporation and appointment to an administrative office shall neither constitute nor be interpreted as election to a corporate office, and vice versa, unless otherwise specified in these Bylaws (as with the Executive Director) or a policy approved by the Board. No person shall be ineligible to serve as a corporate officer because he or she holds an administrative office.

4.6.2 All Others

All others are those who assume administrative duties, such as executives, as may be appointed by the Executive Director.

**ARTICLE 5. NON-DISCRIMINATION**

Appointment, election, selection, nomination, or retention for position of Trustee, officer, committee member, or employee of the Corporation, as might be applicable, shall not be based on age, race, color, sex, creed, national origin, religion, sexual preference, marital status, physical or mental handicap, political affiliation or any criterion unrelated to the Corporation's purposes, needs and capabilities, or to the community's needs.

**ARTICLE 6. FISCAL YEAR**

Fiscal year of the Corporation shall be fixed by action of the Board.

## **ARTICLE 7. INDEMNIFICATION; LIABILITY INSURANCE; LIMITATION OF LIABILITY**

### **7.1. INDEMNIFICATION**

#### **7.1.1 Trustees and Officers**

The Corporation shall indemnify, to the fullest extent authorized or permitted by applicable law, any person, and such person's heirs and legal representatives, who is made or threatened to be made a party to any action, suit or proceeding (whether civil, criminal, administrative or investigative), whether brought by or in the right of the Corporation or otherwise, by reason of the fact that such person is or was at any time a Trustee or officer of the Corporation or such person served on any formally constituted advisory body or voluntary committee of the Corporation, or such person served at the request of the Corporation as a shareholder, member, officer, director, employee or agent of any other corporation, business corporation, partnership, joint venture, trust, association, or any other enterprise. In addition, the Board may by resolution, but is not required to, determine if an employee or agent of the Corporation is entitled to indemnity by the Corporation for activities within the scope of such employee's or agent's duties on behalf of the Corporation. A person entitled to indemnity shall be indemnified, to the fullest extent of either the Corporation's ability to indemnify under applicable law, or the scope of the Corporation's insurance coverage, whichever provides broader indemnity, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred or to be incurred by the person in connection with such action, suit or proceedings. Direct indemnity by the Corporation is subject to the requirements that the Board of Trustees determine that such person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe that the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendre or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal action or proceeding, did have reasonable cause to believe that the conduct was unlawful.

#### **7.1.2 Proportionate Indemnity**

If a person is entitled to indemnification under section 7.1 for a portion of expenses, including attorney fees, judgment, penalties, fines, and amounts paid in settlement, but not for the total amount, the Corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

#### **7.1.3 Indemnification of Employees and Agents of the Corporation**

The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this section with respect to the indemnification and advancement of expenses of Trustees and officers of the Corporation.

#### 7.2. APPROVAL OF INDEMNIFICATION

Any indemnification under Sections 7.1 of this Article shall be made by the Corporation only if authorized by a majority vote of a majority of the Board, but limited to those Trustees who are not parties to the action, suit or proceeding, or if ordered by a court of competent jurisdiction. If the quorum of a majority of the Trustees is not obtainable, then the decision may be made by a committee of at least 2 Trustees who are not parties to the action. Alternatively the decision may be made by independent legal counsel in a written opinion. The decision should be based upon a determination, under all of the facts and circumstances, that the person requesting indemnification has met all applicable standards of conduct for his or her position with the Corporation.

#### 7.3. LIABILITY INSURANCE

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Trustee, officer, employee or agent of the Corporation, who served on a formally constituted committee of the Corporation or who served at the request of the Corporation as a director, officer, employee or agent or another corporation, organization, partnership, joint venture or any other enterprise. This insurance may indemnify any person so insured against any liability asserted against, or incurred by, the indemnified party in any capacity or arising out of the status described above, whether or not the Corporation would otherwise have the power to so indemnify.

#### 7.4. CONTRACT RIGHTS

Nothing contained in this Article shall limit any rights to persons other than Trustees and officers, unless such indemnity is made subject to the terms of insurance policies acquired by the Corporation. The total amount of indemnification provided under a lawful contract shall be limited to the amount of actual expenses incurred by the individual being indemnified. With regard to this type of indemnification, expenses incurred in defending any action, suit or proceeding may be paid by the Corporation in advance of the final disposition of that action, suit or proceeding upon approval by a majority vote of the Board. If it is ultimately determined that the individual being indemnified is not entitled to indemnification by the Corporation, as determined by the final disposition of the action, suit or proceeding, the Corporation shall take the appropriate measures to recover the expenses advanced.

#### 7.5. PROTECTION FROM LIABILITY

The Corporation shall advance funds to pay expenses incurred or to be incurred by a Trustee or officer, and may, in the Board discretion, advance funds to pay expenses incurred or to be incurred by an employee or agent in defending a civil or criminal action, suit or proceeding in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the Trustee, officer, employee or agent to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the Corporation under applicable law. The ultimate determination of the person's entitlement to indemnification shall be made in accordance with the applicable standard of conduct under applicable law and this Article.

#### 7.6.

#### VOLUNTEER TRUSTEE AND OFFICER LIABILITY

As provided in the Articles of Incorporation, a volunteer Trustee or volunteer officer shall have no personal liability to the Corporation for monetary damages for a breach of the Trustee's or officer's fiduciary duty; provided, however, the foregoing shall not apply in the case of breach of the duty of loyalty, bad faith, intentional misconduct, knowing violation of the law, gross negligence, improper personal benefit, or any violation of M.C.L. Section 450.2551(1) or any successor of such provision.

#### 7.7.

#### ASSUMPTION OF LIABILITY OF VOLUNTEER TRUSTEE

As provided in the Articles of Incorporation, the Corporation assumes all liability to any person, other than the Corporation for all acts or omissions of a volunteer Trustee occurring on or after the effective date of these Bylaws and in the good faith performance of the volunteer Trustee's duties as such.

Notwithstanding the foregoing, a volunteer Trustee shall be personally liable to the Corporation for monetary damages for a breach of fiduciary duty as a Trustee to the extent set forth in this Article, and the Corporation shall not be precluded from bringing or maintaining a claim against a volunteer Trustee to the extent not inconsistent with this Article.

#### 7.8.

#### ASSUMPTION OF NON-TRUSTEE VOLUNTEER LIABILITY

As provided in the Articles of Incorporation, the Corporation assumes all liability to any person, for acts or omissions of a non-Trustee volunteer occurring on or after the effective date of these Bylaws, provided that all of the following conditions are met:

- (a) The non-Trustee volunteer was acting or reasonably believed that he or she was acting within the scope of his or her authority.
- (b) The non-Trustee volunteer was acting in good faith.
- (c) The non-Trustee volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.

- (d) The non-Trustee volunteer's conduct was not an intentional tort.
- (e) The non-Trustee volunteer's conduct was not a tort arising but of the ownership, maintenance or use of a motor vehicle for which tort liability may be imposed under the Michigan Insurance Code.

**7.9. AMENDMENT OF LIABILITY LAW**

If the Michigan Nonprofit Corporation Act is amended to authorize the further elimination or limitation of the liability of the director or non-director volunteers of nonprofit corporations, then the liability of the Trustee or non-Trustee volunteers, in addition to the limitation, elimination and assumption of personal liability contained in this Article, shall be assumed by the Corporation, eliminated or limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act as so amended, except to the extent such limitation, elimination or assumption or liability is inconsistent with the status of the Corporation as a nonprofit organization. No amendment or repeat of the Article shall apply to or have any effect on the liability or alleged liability of any non-volunteer of this Corporation for or with respect to any acts or omissions of such Trustee or non-Trustee volunteer occurring prior to the effective date of any such amendment or repeal.

**7.10. RELIANCE ON OPINIONS**

A Trustee or officer when acting in good faith, may rely upon the opinion of counsel for the Corporation, upon the report of an independent appraiser selected with reasonable care by the Board of Trustees or upon financial statements of the Corporation represented to the Trustee or officer to be correct by the Executive Director or other officer of the Corporation having charge of the books of account, or stated in a written report by an independent, public or certified public accountant or firm of such accountants fairly to reflect the financial conditions of the Corporation.

**ARTICLE 8. CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS**

**8.1. CONTRACTS**

The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the Corporation, and such authorization may be general or confined to specific instances. In the absence of other designation, all deeds, mortgages and instruments of assignment or pledge made by the Corporation shall be executed in the name of the Corporation by either the Board Chair or the Executive Director; and by either the Secretary or the Executive Director. The Secretary, when necessary or required, shall affix the corporate seal thereto and when so executed no other party to such instrument or any third party shall be required to make any inquiry into the authority of the signing officer or officers.

**8.2. LOANS**

No indebtedness for borrowed money shall be contracted on behalf of the Corporation and no evidence of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Trustees.

8.3. **CHECKS, DRAFTS, ETC.**

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Trustees.

8.4. **DEPOSITS**

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of Trustees

8.5. **VOTING OF SECURITIES BY THIS CORPORATION**

Subject always to the specific directions of the Board of Trustees, (a) any shares or other securities issued by any other corporation and owned or controlled by this Corporation may be voted at any meeting of security holders of such other corporation by the Executive Director of this Corporation if present or, in the absence of the Executive Director, by the Board Chair of this Corporation, and (b) whenever, in the judgment of the Executive Director or, in the absence of the Executive Director, the Board Chair, it is desirable for this Corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by this Corporation, such proxy or consent shall be executed in the name of this Corporation by the Executive Director or Board Chair of the Corporation, without necessity of any authorization by the Board of Trustees, or countersignature or attestation by another officer. Any person or persons designated in the manner above stated has the proxy and authority to vote, the shares of other securities issued by such other corporation and owned by this Corporation the same as such shares or other securities might be voted by this Corporation.

**ARTICLE 9. CONFLICT AND POTENTIAL CONFLICT OF INTEREST  
DISCLOSURE**

Any Trustee, officer or non-Trustee committee member ("Interested Person") having a conflict of interest or potential conflict of interest concerning a contract or other proposed action presented to the Board or committee of which they are a member shall make a prompt, full and frank disclosure of interest to the Board or committee, orally or in writing, prior to its acting on such contract or transaction. Such disclosure shall include any relevant material facts known to such Interested Person about the contract or transaction which might reasonably be construed to be a conflict of interest or potential conflict of interest. Such disclosure shall be deemed fulfilled if disclosure is made orally to a meeting of the Board or Board Committee, or in writing pursuant to a Board approved policy and forms.

#### 9.1. PARTICIPATION AND DISQUALIFICATION

An interested Person making a disclosure required under Section 9.1 may briefly state his or her position in the matter and answer questions of other Trustees or non-Trustee committee members. The Interested Person shall not, however, participate in deliberations, vote on the matter or use personal influence in the matter. Any dispute as to whether an Interested Person has a conflict of interest or potential conflict of interest, shall be exclusively determined by the Board, acting by a majority of the Trustees present, exclusive of the Interested Person who is the subject of the vote. If a conflict of interest or potential conflict of interest is disclosed or is found to exist, the minutes of the meeting shall reflect the situation, the abstention from voting, and the quorum status. For the purposes of this Article, a person shall not be deemed to have a conflict of interest or potential conflict as to any matter before the Board or committee, merely because the person is a Trustee, officer or employee of the Corporation or an affiliated entity, where the person has no personal financial interest, other than salary for service as an employee or officer, if applicable.

The Board may establish conflict of interest policies which either amplify the foregoing or define specific circumstances which are not deemed to be a conflict of interest or potential conflict of interest.

### ARTICLE 10. BYLAWS

These Bylaws shall take immediate effect when adopted, by a majority vote, of the Board of Trustees in office of the Corporation, in accordance with the provisions of the immediate prior bylaws of the Corporation and its Board of Trustees.

### ARTICLE 11. REVIEW AND AMENDMENT TO BYLAWS

#### 11.1. BYLAW REVIEW

These Bylaws shall be periodically reviewed by the Governance Committee. The Committee shall, with, the assistance and advice of consultants as necessary, submit a written report to the Board which includes an evaluation as to whether the Bylaws continue to comply with legal requirements, accreditation agency policies, and practical operational needs; designation of sections which are in need of amendment (if any) and proposed amendments (if any).

#### 11.2. AMENDMENT PROCESS

Subject to Sections 1.5 and 2.2 hereof, these Bylaws may be amended (a) by action of a majority of the Board, except for those provisions that require a super-majority approval, provided a full statement of any proposed amendment shall have been published in a notice of a regular meeting or calling for special meeting, or (b) by unanimous written consent of all Trustees as provided in Section 2.7.8, with or without prior notice.