

BYLAWS OF STONE SCHOOL COOPERATIVE NURSERY, INCORPORATED

These Bylaws were adopted by the Board of Directors of Stone School Cooperative Nursery, Inc. (the “nursery school”) on April 4, 1989, and were approved by the members of the nursery school on April 18, 1989. Section 4.01 and Section 4.05 were amended in April 2001. Sections 6.01, 6.08, 6.09, 7.01, and 7.04 were amended in April 2005. Sections 1.01, 1.03, 2.02, 2.04, 3.03, 4.01, 5.01, 5.02, 5.05, 6.01, 6.02, 6.09 and 7.04 were amended on April 30, 2009. The Bylaws were reformatted to improve readability on April 30, 2009. Sections 1.02, 6.01 were amended on April 24, 2013, and punctuation/ capitalization corrections were also made on this date.

Article I ADMISSION OF STUDENTS

- 1.01 **ADMISSION REQUIREMENTS.** In order to be admitted to the nursery school, the parent(s) or legal guardian(s) of the student (the “member(s)”) must:
- a) Submit a completed application form.
 - b) Submit such physical examination and inoculation reports as are required by regulations of the Michigan Department of Social Services or by the Board of Directors.
 - c) Remit payments of registration and tuition fees when due.
 - d) Read the Handbook of the nursery school, and attend one August parent orientation meeting.
 - e) Sign up for all necessary school jobs and complete and submit all necessary forms by seven days before the first day of classes, either by attending one August parent orientation meeting or by contacting the relevant Room Group Chairperson. No child shall be permitted to attend school until the requirements of this Section 1.01 (e) are met.
- 1.02 **AGE.** To be eligible for enrollment in the 3’s or 3¼’s class, a child must have reached the age of three (3) on or before December 1 of the school year of enrollment. To be eligible for enrollment in the 4’s class, a child must have reached the age of four (4) on or before December 1 of the school year of enrollment. To be eligible for the Young 5’s/ Pre-Kindergarten class, a child must turn 5 during the academic school year.
- 1.03 **WAITING LIST.** In the event a child is excluded under Section 1.04(c) below, a waiting list shall be established. On the waiting list, children of current members in good standing shall be given first priority and children of former members of good standing shall be given second priority, above all others, until the date of the Open House of the school year preceding enrollment. After the Open House, all children on the waiting list will be ranked on a first-come, first-served basis.
- 1.04 **REASONS FOR EXCLUSION.** A child may be excluded from enrollment in the nursery school, or may be required to withdraw from the nursery school by action of the Board of Directors, for the following reasons:
- a) If the child is not socially, emotionally or physically capable of participating in the nursery school’s program in an effective and beneficial manner.
 - b) If the child poses a serious threat to the health, safety or welfare of the other children.
 - c) If enrollment for the particular class has reached maximum size, so that additional students cannot be admitted.
 - d) If the requirements of Sections 1.01 and 2.03 are not met.

- e) If some other situation exists which, in reasonable determination of the Board of Directors, makes it necessary or desirable to exclude a child from enrollment.

In the event a child is excluded from participation, the Board of Directors shall advise the member concerned of the reasons for such exclusion.

Article II

MEMBERSHIP

- 2.01 **ESTABLISHING MEMBERSHIP.** When a student is enrolled in the nursery school, the parents or legal guardians of the student become members of the nursery school. As members, they shall be entitled to one (1) vote per child enrolled in the nursery school, in accordance with these Bylaws.

- 2.02 **DISCLOSURE TO NEW MEMBERS.** Prior to accepting any fees from a prospective member, the nursery school shall advise prospective members in writing of the following statements:
 - a) The nursery school is a Michigan Non-Profit Corporation organized under the Michigan Non-Profit Corporation Act, and is a cooperative subject to Chapter 11 of that Act.
 - b) The purpose of becoming a member of the nursery school is to obtain the educational services of the nursery school for the member's child or children, and not to gain profit.
 - c) As members of the nursery school, they will be entitled to vote on the election of directors for the nursery school, and on such other matters as provided by these Bylaws or by the Michigan Non-Profit Corporation Act.
 - d) A statement of the qualifications for admission of students, for the continued enrollment of students, and for the required withdrawal of students from the nursery school
 - e) Membership in the nursery school may not be transferred to any other party.
 - f) No fees paid to the nursery school are refundable, unless the Board of Directors determines otherwise under Section 3.03
 - g) A statement of the rights of members to call special membership meetings, to receive annual reports, and to secure other material information concerning the nursery school.
 - h) The nursery school does not discriminate in enrollment or employment on the basis of race, religion, creed, color, national origin, age, sex, family status, disability status, sexual or gender orientation, or membership in any labor organization.

- 2.03 **MAINTAINING MEMBERSHIP.** The Board of Directors may terminate membership in the nursery school upon failure of a member to comply with any of the following requirements:
 - a) Compliance with these Bylaws.
 - b) Attendance at all required meetings.
 - c) Assisting in the nursery school when scheduled, or securing a qualified substitute.
 - d) Serving on special committees, as required by the Board of Directors, and performing all assigned duties including fundraising obligations.
 - e) Payment of all fees when due.
 - f) Notification to the teacher of any communicable disease contracted by the member's child.
 - g) Notification to the teacher if the member's child will be absent from class for more than one week.
 - h) Interfering or causing interference with the operation of the nursery school.

- 2.04 **SUBSTITUTE WORKERS.** A member is responsible for securing a qualified substitute to perform any duties required of the member, if the member is unable for any reason to perform such duties himself or herself. With regard to assisting, the substitute obtained must be a member of the nursery school, unless advance approval of a different substitute is obtained from the teacher. The identity of any such assisting substitute shall be disclosed to the teacher in advance.

Article III **FEES**

- 3.01 **ESTABLISHMENT OF FEES.** The Board of Directors shall from time to time establish the fees which all members shall be required to pay. Such fees may include registration fees, deposits on tuition, tuition fees, late payment fees and special events fees.
- 3.02 **RESPONSIBILITY FOR FEES.** Once a child has been enrolled in the nursery school, the member shall be responsible for all fees of such child for the full semester of enrollment, unless provided otherwise in this Article III.
- 3.03 **WITHDRAWAL AND REFUND OF FEES.** Members must give oral notice to either the Membership Chairperson or the Room Group Parent two (2) weeks before withdrawal of any child. Members shall be entitled to a refund of their Membership Responsibility Deposit if they withdraw within the first thirty (30) days of their enrollment. Members who withdraw after thirty (30) days will have the choice to either pay the remainder of their tuition for the year or forfeit their Membership Responsibility Deposit.

If a child is required by the Board of Directors to withdraw from the nursery school pursuant to 1.04, the member shall be entitled to a refund of the family's Membership Responsibility Deposit if they have met their cooperative responsibilities. **IN ALL OTHER CASES, NO FEES SHALL BE REFUNDABLE**, except at the discretion of the Board of Directors.

- 3.04 **LATE ENROLLMENT.** If a child is accepted in the school and attends within the 1st 15 days of that month, a full month's tuition is due. If the child begins after the 15th of the month, then only half of that month's tuition is due.

ARTICLE IV **RECORDS AND FINANCIAL REPORTS**

- 4.01 **FISCAL YEAR.** The fiscal year shall run from July 1 to June 30 of the following calendar year.
- 4.02 **AUDIT.** Within sixty (60) days after the end of the fiscal year, an external Audit shall be conducted and the Auditor's report made available to the general membership. The Auditor shall be selected by the Board of Directors and shall have such qualifications as the Board determines appropriate.
- 4.03 **DETERMINATION OF NET SAVINGS.** Within sixty (60) days after the end of the fiscal year, the Treasurer of the nursery school shall determine the net saving of the nursery school by deducting from the total income of the nursery school for the year all operating costs and

expenses, and reasonable reserves for depreciation and obsolescence of property, doubtful accounts, and other valuation or operating reserves.

- 4.04 **ALLOCATION OF NET SAVINGS.** In the event that the nursery school enjoys a net savings for a given year, as calculated in Section 4.03 above, such sum shall not be refunded to the members, but shall be retained by the nursery school to continue its programs and operations.
- 4.05 **FINANCIAL RECORDS.** The nursery school shall keep a set of books for recording its operation. A written report, including a balance sheet and an income statement, shall be prepared monthly by the Treasurer. This report shall be presented at the monthly board meetings and at the October and April general meetings. It will be made available to members upon request.
- 4.06 **REPORT OF CONDITION.** Within sixty days (60) after the end of the fiscal year, a report of the condition of the nursery school shall be prepared by the Secretary and certified by the President, and shall contain the following information:
- a) The name and address of the nursery school.
 - b) The names, addresses and dates of expiration of terms of the members of the Board of Directors.
 - c) The number of memberships granted and terminated during the fiscal year.

A copy of this report shall be presented at the October general meeting of the nursery school or distributed to each member. A copy of the report shall be kept on file at the nursery school and shall be made available for inspection or copying by members or applicants for membership. A copy of the report shall be mailed to a member upon written request.

- 4.07 **MEMBERSHIP LIST.** The Membership Chairperson shall maintain records reflecting the membership of the nursery school, including addresses and telephone numbers, and shall keep an alumni file. The records shall be made available to members for inspection or copying.

Article V

MEMBERSHIP MEETINGS AND VOTING

- 5.01 **FALL GENERAL MEETING.** A general meeting of all members of the nursery school shall be held during the month of October, at the date, time and place determined by the Board of Directors at least one (1) month prior to the meeting. At the general meeting, the members shall act on matters presented to the membership. Attendance at the general meeting is required of all members.
- 5:02 **SPRING ANNUAL MEETING.** An annual meeting of all members of the nursery school shall be held during the month of April, at the date, time and place determined by the Board of Directors at least three (3) months prior to the meeting. At the annual meeting, the members shall elect a Board of Directors, review and approve a budget for the upcoming fiscal year, and act on other matters presented to the membership. Any budget adopted by the members may be amended by the Board of Directors as they deem appropriate. Attendance at the annual meeting is required of all members.

- 5.03 **SPECIAL MEETINGS.** A special meeting of the members of the nursery school shall be called by the Board of Directors, if requested to do so by the President or by written petition signed by ten percent (10%) of the members. Such a petition shall state the purposes for which the special meeting is to be held.
- 5.04 **NOTICE OF ANNUAL, GENERAL AND SPECIAL MEETINGS.** Written notice of these meetings shall be posted at the nursery school at least thirty (30) days prior to the date of the meeting, or fifteen (15) days in the case of a special meeting. Alternatively, the Board of Directors may direct that written notice of these meetings be distributed to each member at least fifteen (15) days prior to the date of these meetings.
- 5.05 **ADJOURNMENT OF MEETINGS.** If any meeting of members of the nursery school is adjourned, it shall not be necessary to give notice of the adjourned meeting if the time and place of the adjourned meeting are announced at the meeting at which the adjournment was taken, and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting.
- 5.06 **QUORUM.** A quorum of members of the nursery school, for purposes of transacting business at any annual, general or special meeting, shall consist of thirty percent (30%) of the members or fifty (50) members, whichever is less.
- 5.07 **PROXIES.** Members may vote only in person, and not by proxy.
- 5.08 **MAIL BALLOT.** The Board of Directors may submit any questions, other than the election of directors, to a ballot vote of the members of the nursery school, without a meeting. Written ballots shall be distributed to each member, stating clearly the question(s) upon which the membership is being requested to vote. Such ballots shall specify a date by which the ballot must be returned to the nursery school, and the address to which the ballot must be returned. Any ballot not received by the nursery school by such date shall be disregarded. The Board of Directors shall be bound by the results of such ballot.
- 5.09 **VOTE REQUIRED.** A majority vote of all members shall be required to approve any of the following specific matters:
- a) Amendment to the Articles of Incorporation of the nursery school
 - b) Amendment to these Bylaws which alters member voting rights.
 - c) Merger or Consolidation.
 - d) Disposition of all or substantially all of the assets of the nursery school
 - e) Dissolution of the nursery school.

All other matters may be approved by a majority vote of a quorum of the nursery school membership, except as provided in Article IX.

- 5.10 **CONTACT WITH INTERESTED MEMBER.** If a member makes a timely written request that the nursery school notify the membership of the member's desire to be contacted by other members regarding a proposal then pending for vote by the membership, the nursery school shall include in its next communication sent to all members, a brief notice of that member's request which shall identify the member and shall state whether the member is for or against the proposal and how to contact the member.

Article VI
BOARD OF DIRECTORS

- 6.01 **BOARD OF DIRECTORS.** The business and affairs of the nursery school shall be under the direction of a Board of Directors. The members of the Board of Directors shall consist of the President, Vice President, Secretary, Treasurer, Assistant Treasurer, Financial Processor, Stone Chips Editor, the Chairpersons of each standing committee as listed at Section 6.09, Publicity Chairman, the Room Group Chairpersons of each class, the Teachers, and other positions as deemed necessary by the executive council during the period in which they are employed by the nursery school.
- 6.02 **TERM OF OFFICE.** The members of the nursery school shall elect the directors at the spring annual meeting, pursuant to nominations presented by the Nominating Committee and those submitted from the floor at or before the spring annual meeting. The term of each director shall begin at the time of the May joint board meeting following the spring annual meeting, and shall continue until the next May joint board meeting, or until his or her successor is appointed.
- 6.03 **VACANCIES AND REMOVAL.** Any director may be removed from office for failure or inability to perform his or her duties (including repeated failure or inability to attend board meetings or for malfeasance or misfeasance), or if deemed necessary to protect the best interests of the nursery school. Removal of a director may be accomplished EITHER by a majority of the members present and voting at any meeting of the members, OR by two-thirds of the members of the Board of Directors, not counting the director to be removed. Any vacancy on the Board of Directors due to death, disability, removal or resignation of one or more directors, or through failure to have a candidate for a particular office by the time of the Spring General Meeting, shall be filled by appointment by the Board of Directors.
- 6.04 **DUTIES OF THE BOARD OF DIRECTORS.** The Board of Directors shall, by way of illustration and not of limitation, perform the following duties:
- a) Resolve disputes between the nursery school and its members.
 - b) Enter into contracts on behalf of the nursery school
 - c) Secure proper housing for the nursery school
 - d) Determine the requirements for admission to, and exclusion from, the nursery school.
 - e) Generally oversee and supervise the activities of the nursery school.
 - f) Each member of the Board of Directors shall perform the duties of his/her specific position as contained in the job descriptions on file at the nursery school.
- 6.05 **MEETINGS.** Regular meetings of the Board of Directors shall be held upon such schedule as the Board of Directors shall determine. Special meetings of the Board of Directors may be called by the president or any three (3) directors. All directors shall be given at least two (2) days advance notice, either orally or in writing, of any meeting. Attendance of a director at a meeting shall constitute waiver of notice of such meeting. All meetings of the Board of Directors are open to the members.
- 6.06 **QUORUM.** A quorum shall consist of fifty percent (50%) of the voting members of the Board of Directors. Action may be taken by a majority vote of the members of the Board of Directors at a meeting where a quorum is present. For purposes of 6.06 of these By-laws, and in order to avoid any conflict of interest, the Teachers will serve as non-voting members of the Board of Directors.

- 6.07 **ACTION BY WRITTEN CONSENT.** Any action required or permitted to be taken at a meeting of the Board of Directors or any committee thereof may be taken without a meeting if, before or after the action, all members of the Board of Directors or of the committee consent thereto in writing. The written consents shall be filed with the minutes of the proceedings of the Board of Directors or of the committee. The consent shall have the same effect as a vote for all purposes.
- 6.08 **EXECUTIVE COMMITTEE.** There shall be an Executive Committee of the Board of Directors, consisting of a President, the Vice President, the Secretary, the Treasurer, and the Financial Processor. The Executive Committee shall be empowered to take any and all action which could be taken by the full Board of Directors, except as otherwise provided.
- 6.09 **STANDING COMMITTEES.** The nursery school shall have five Standing Committees, in addition to the Executive Committee, as follows:
- Membership
 - Building and Maintenance
 - Fundraising
 - Teacher Hiring/Rehiring/Contract
 - Nominating
- b) The chairperson of each Standing Committee shall be elected by the members at the annual meeting, and election to chairperson of a Standing Committee shall constitute election to the Board of Directors. The Teacher Hiring/Rehiring/Contract Committee shall be chaired by the 4's Room Group Chairperson, and shall include the President or Vice President, the Treasurer and at least one representative from each class. The Nominating Committee shall be chaired by the 3's Room Group Chairperson, and shall include the President or Vice President and at least one representative from each class.
- c) The members of each Standing Committee shall be recruited and assigned by the Room Group Chairpersons.
- d) **BUILDING AND MAINTENANCE CHAIR.** The Building and Maintenance Chair shall determine, with the Treasurer, a schedule each year which outlines the deposit and distribution of funds for replacement and maintenance work according to the SSCN Reserve Study in the 5-Year Plan. This schedule should be determined at the beginning of the SSCN school tax year. At the end of the SSCN tax year, the budget for the following tax year should be determined based on the actual committee expenses of the current year. Additionally, actual expenses for the current year should be used to update the SSCN Reserve Study for use in the following tax year. Details for these changes are in the SSCN Reserve Study guide.
- 6.10 **OTHER COMMITTEES.** The President or Board of Directors may establish such other committees as they determine to be necessary or desirable from time to time. Such committees may include persons who are not members of the Board of Directors. A committee shall exercise such power and perform such duties as the Board of Directors determines, to the extent permitted by law.

- 6.11 **EMPLOYMENT CONTRACTS AND TERM OF TEACHER'S POSITION ON BOARD.** The Board of Directors may cause the nursery school to enter into such employment contracts with Teachers as it shall deem necessary or desirable, after review of recommendations provided by the Teacher Hiring/Rehiring/Contract Committee. However, the term of any employment contract, whether for teaching services or otherwise, shall not exceed one (1) year. Any Teacher may be dismissed by the Board of Directors, but not solely by the Executive Committee, for any reason or no reason, or as otherwise stated in such Teacher's employment contract. The termination of a Teacher's employment contract with the nursery school for any reason shall constitute removal of such Teacher from the Board of Directors.

Article VII **OFFICERS**

- 7.01 **ELECTION OF OFFICERS.** At the spring general meeting of the nursery school, the members shall elect the officers (the "Executive Committee") and other members of the Board of Directors of the nursery school. The officers shall consist of a President, a Vice-President, a Secretary and a Treasurer, and such other officers and assistant officers as the Board of Directors shall determine.
- 7.02 **TERM OF OFFICE.** Officers shall hold office until their successors are elected or appointed.
- 7.03 **REMOVAL OF OFFICERS.** Any officer of the Board of Directors may be removed from office in the same manner as specified in Section 6.03 regarding removal of directors. Removal from office shall constitute removal from the Board of Directors.
- 7.04 **DUTIES OF OFFICERS.** The officers of the nursery school shall perform the following duties, as well as such other duties as the Board of Directors shall determine:
- e) **PRESIDENT.** The President shall be responsible for overseeing the day-to-day operations of the nursery school, shall preside over meetings of the Board of Directors and of the members, shall have the power to cancel classes in an emergency situation, including adverse weather conditions, and shall perform such other duties as are necessary for the operation of the nursery school. In any given year, the President and Vice President may choose to function as Co-Presidents if they so desire.
 - f) **VICE PRESIDENT.** The Vice President shall work closely with, and assist, the President, and shall assume the duties of the President in the event of the President's absence, resignation, death, disability or removal.
 - g) **SECRETARY.** The Secretary shall prepare minutes of all meetings of the Board of Directors and of the members, and distribute copies of such minutes to the Board of Directors, the members and the Teachers; shall be responsible for all correspondence of the nursery school; and shall prepare the Report of Condition required by Section 4.06 of these Bylaws.
 - h) **TREASURER.** The Treasurer shall oversee the collection and receipt of all monies of the nursery school; shall oversee the payment of bills and charges as authorized by the Board of Directors; shall maintain the financial records of the nursery school and report thereon to the Board of Directors as often as directed; shall prepare such operating reports and budgets as the Board of Directors directs; shall prepare an annual financial statement for the nursery school within sixty (60) days after the end of the fiscal year; and shall oversee the preparation and filing of such tax and withholding returns as required by law, including Federal 990 returns (if required); federal state withholding returns; state sales tax and

MESC returns and filings; and any filings necessary to obtain or maintain the corporate existence of the nursery school or a charitable solicitation license issued to the nursery school by the State of Michigan. The Treasurer shall delegate the collection and receipt of monies to the Financial Processor, and the payment of bills and charges to the Assistant Treasurer, as is consistent with good business practices and prudent financial stewardship.

Article VIII **INDEMNIFICATION**

- 8.01 The nursery school shall extend indemnification to its officers, directors, employees and agents to the fullest extent permitted by the Michigan Non-Profit Corporation Act, Being MCL 450.2102 et seq. The nursery school may, but shall not be obligated to, maintain liability insurance protecting directors, officers and/or teachers of the nursery school.

Article IX **DISSOLUTION**

- 9.01 Upon dissolution, the nursery school shall, after paying or making provision for the payment of all the liabilities of the nursery school, dispose of all the assets of the nursery school exclusively for the purposes of the nursery school in such a manner, or to such organization or organizations organized, and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 C (3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or shall be distributed to the federal government, or to a state or local government, for a public purpose, as the nursery school's Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the nursery is then located, exclusively for such purposes or to such organization or organizations, which are organized and operated exclusively for such purposes, as said Court shall determine.

Article X **AMENDMENTS**

- 10.01 These Bylaws may be amended from time to time by a two-thirds majority vote of those present and voting at an annual or general meeting, except that any amendment to these Bylaws which alters the voting rights of members of the nursery school, as provided in Section 5.09(b), shall require a majority vote of all members of the nursery school.