

ESCANABA SPEEDWAY, INC

2401 12th Ave N, Escanaba, MI 49829

CLUB BYLAWS

Article I Name:

Name:

The name of this organization shall be: Escanaba Speedway.

Article II Purpose

Purpose:

The purpose or purposes for which the corporation is organized are: The betterment of auto racing conditions in the Upper Peninsula of Michigan; the encouragement of international auto racing in the Upper Peninsula of Michigan; the formation and enforcement of auto racing standards; the creation of a social and recreational club for members; the dissemination of information about auto racing to members and to the general public; the assistance in scheduling auto racing events; and the advancement of the mutual interests of members for their betterment, and for the betterment of Michigan's Upper Peninsula.

Article III Membership:

Membership:

Anyone who pays the annual fee, which amount will be determined by the Board of Directors, can and will become a member of said Club. A membership card entitles you to 1 vote at the meetings the General Membership is called to vote and a discount on passes which the General Membership will be privileged to. Membership is from Nov. 1 to Oct. 31 of each year (Starting on November 1st of 2023). Memberships MUST be purchased before last race weekend of season has started. At that point no more memberships will be sold. Escanaba Speedway officials reserve the right to refuse or revoke membership. Voting age is 16 years of age and older. You will not get championship points if you have not purchased a track membership card. Points will not be retroactive if you buy a membership after racing. Memberships are automatic for the 9 board members. They do not need to pay and will be given a member number and voting rights during their term. The Board is also exempt from paying the weekly pit fee for their service. Volunteers MUST purchase a membership for voting rights but do not need to pay to attend the 2 races as volunteers. No Member or Volunteer of Escanaba Speedway, INC shall sue or press charges against another member, official, volunteer, property owner, or benefactor of Escanaba Speedway, INC unless criminal. Denial of certified mail is grounds for revoking membership. As a part of the annual membership application all members shall be required to acknowledge that they have read, understand, and will uphold the bylaws of Escanaba Speedway, INC. We Highly Recommend for all members to volunteer for one committee, function or project for one day before or during the race season.

Article IV Board Of Directors (Officers):

President:

The President shall:

1. Preside at all Board of Directors meeting, General meetings, and/or functions of the Escanaba Speedway, INC.
2. Be one of three signatures on the signature card at the financial institution, of the club's choice, where all income is deposited and expenses are disbursed.
3. Appoint positions Safety, Technician, Maintenance and any other positions needed to develop better racing at the track during the season.
4. Select Technicians, Starters, Scorers, Pit Stewards, and any other volunteers needed to perform the necessary duties at the track during race nights.
5. Interpret the track rules and all class rules to benefit the safety of racing.
6. Confirm and incorporate outside track race schedules into Escanaba Speedway, INC race schedule.
7. In general, perform the obligations usually pertaining to the office of President and under the Roberts Rule of Order.
8. At end of term or resignation turn in ALL Escanaba Speedway, INC property, monies, equipment, information, and records.
9. Be held accountable by and uphold the Escanaba Speedway, INC bylaws.
10. Hold meetings according to Relaxed Roberts Rules of Order.

Vice President:

The Vice President Shall:

1. Attend all meetings of the Board of Directors, General meetings, and/or functions of Escanaba Speedway INC.
2. In the absence of the President, perform the duties of the President.
3. Assist the President in the duties of this administration.
4. Be one of three signatures on the signature card at the financial institution, of the club's choice, where all income is deposited and expenses are paid.
5. Be responsible for making sure voting is organized, meeting space is obtained, and notification sent 14 days prior to meeting if needed in accordance with voting bylaws.
6. At end of term or resignation turn in ALL Escanaba Speedway, INC property, monies, equipment, information, and records.
7. Be held accountable by and uphold the Escanaba Speedway, INC bylaws.

Secretary:

The Secretary shall:

1. Attend all meeting of the Board of Directors and General meetings.
2. Keep a record of all proceedings.
3. Keep a list of all Board Members, Committee Members, and General members including up to date addresses and phone numbers.
4. Notify of Officers, Directors and General Members of meetings.
5. At the expiration of term, deliver all records to successor.
6. Assist the President, Vice President, and Directors as needed.
7. At end of term or resignation turn in ALL Escanaba Speedway, INC property, monies, equipment, information, and records.
8. Be held accountable by and uphold the Escanaba Speedway, INC bylaws.

Treasurer:

The Treasurer shall:

1. Attend all meetings of the Board of Directors and General meetings.
2. Keep records of all monies received and disbursed. These books shall at all times be subject to inspection by the officers and general members of the club.
3. Be one of three signatures on the signature card at the financial institution, of the clubs choice, where all income is deposited and expenses are disbursed.
4. Deposit all funds received and pay all expenses before any late fees are assessed.
5. Make a Treasurers report at each regular Board of Directors meeting and weekly post said Treasurers Report for all general members to review.
6. At the expiration of term, deliver all monies and records to successor
7. Our fiscal year of operation will be from November 1st thru October 31st of each year (Starting November 1st of 2023)
8. In general, perform the obligations usually pertaining to the Office of Treasurer.
9. At end of term or resignation turn in ALL Escanaba Speedway, INC property, monies, equipment, information, and records.
10. Be held accountable by and uphold the Escanaba Speedway, INC bylaws.

Members at Large

The Members at Large shall:

1. Assist the President, Vice president, Secretary, and Treasurer in their duties.
2. Attend all meetings of the board of directors and general membership.
3. In general, represent Escanaba Speedway, INC and assist with making sure all duties to perform a race are met.
4. At end of term or resignation turn in ALL Escanaba Speedway, INC property, monies, equipment, information, and records.
5. Be held accountable by and uphold the Escanaba Speedway, INC bylaws. Board of Directors: 6.

The Board of Directors will consist of: President Vice President Secretary Treasurer Members at large (5):

Term of Office:

1. The term of each Officer shall be one (2) years. Vice President and Treasurer on 1 year to stagger in first election only.
2. The term of each Member at Large shall be one (2) years.
3. Officers may be re-elected.
4. President and Treasurer cannot be of the same house
5. All Board positions are obligated to hand down information to their successor including all notes and paperwork, contacts etc.

Article V Meetings**Meetings:**

General Membership meetings will be the first Tuesday of each month during the off season of the racing schedule at 7:00 p.m., location to be determined and announced in a reasonable time before the meeting. October thru March of each year will be the “off season”. During the racing season meetings will take place at Escanaba Speedway events.

Article VI Committees Committees:

All Committees shall have approval of the Board of Directors.

Rules committees: Class rules will be decided at a meeting with the class but final say for all rules go to the Board of Directors. Only car owners and drivers may attend their own class rules meetings.

Article VII Amendments

Amending Procedure:

These by-laws may be amended at any regular or special meeting of The Board of Directors, at which a quorum is present, by the affirmative vote of two-thirds (2/3) of The Board of Directors present in person and voting, provided that the Board has previously considered the merits of the amendments.

Article IX Voting Procedure

1. Notifications of Annual Election:
The First Tuesday in OCTOBER starting in 2019. Notification will be via the Bylaws in print, website (www.escanabaspeedway.com), Facebook, other electronic services, or by mail if requested. The election will be at 7 pm. Eastern time at the Escanaba Chamber of Commerce. Any Change in time or day will require a notification to the membership to properly inform with 14-day notice as in special election.
2. All eligible voters must sign in as entering room, that signature count will be used to determine number of ballots for vote, if the number of ballots received does not meet number of people signed in then we will re-vote until they are correct. If you leave the room, you must check out. If voting takes place while you are checked out you forfeit, your voting privileges.
3. The Vice President will call open nominations starting at the highest position; persons eligible for nomination may be nominated up to the announcement at voting meeting for closing of nominations. If only one person is nominated and no opposition, they are automatically elected election night, if two or more are nominated we will cast one vote per Member. Votes will be counted and the total number will be compared with the sign in sheet to verify total. Once the vote has been verified it will be announced and the winner assumes the role, they won the next board meeting. The process then moves on to the next position and so on. For the 5 Director positions we will nominate for all positions at once, people will vote on the 5 people they want and the top 5 in voting will take the 5 positions.
4. Elections will take place in 1 meeting, nominations and voting starting October 2019. Elected Members start their role immediately.
5. Eligible people to be elected are incumbent Board Members and the previous year's General Members only. If they were not an incumbent or member in that year's season, they are not eligible to be nominated. Must be 18 years old upon nomination.
6. Proxy voting will not be used at Escanaba Speedway, INC. If you are not present you will not be eligible to vote.
7. All votes will be on a paper ballot (simple as sticky note) so that all votes will be anonymous.

Article X Board Impeachment/Replacement

Officers Positions shall be for (2) years and Directors (2) years unless position is resigned or changed by majority vote of the Board or impeachment procedures.

Impeachment by Board of Directors: The Board may take action if it can get a $\frac{3}{4}$ decision by the Board to decide on the impeachment of a Board member for conduct detrimental to Escanaba Speedway, INC.

Board Members who resign or are impeached will not be eligible to run for a board position for 5 years from date of resignation or impeachment.

Board Member Replacement:

President: If the President is impeached or resigns part way through a term, the Vice President will fill in for that position. If the Vice President is not available, there will be a 14-day notice for a meeting where AT the meeting of the Membership, nominations will be taken off the floor and voted on by the majority of the General Membership in the room who must sign in on a "sign in sheet". The number of votes must equal the number who signed in. There shall be no Proxy voting on a midterm replacement election. The process is to be done in one sitting.

All other Positions: The President will replace any officer positions that are impeached or resign midterm by appointing a member off the (5) director positions. The directors may decline and then the process will go back to replacing by a vote from the General Membership; during the months April to October during the operating season at the Board of Directors Discretion a member at large may not be immediately replaced until the elections unless board drops below 7 member's total. Then a special election will take place.

The board is to stay at 9 members unless changed by a $\frac{2}{3}$ vote by the General Membership. There will be a 14-day notice for a meeting where AT the meeting of the membership nominations will be taken off the floor and voted on by the majority of the General Membership in the room who must sign in on a "sign in sheet". The number of votes must equal the number who signed in. There shall be no Proxy voting on a midterm replacement election. The process is to be done in one meeting.

Article XI Expenditure Cap

The expenditure cap is to help the General Membership stay informed on items that are not day to day operating expenses; these items that are not day to day must follow special procedures in order to be approved for purchase. The board is expected to operate under a spending budget that keeps the track on a long-term operating plan.

1. Bills over \$500: All bills over \$500 must be approved by a simple majority of the Board of Directors before purchase in order to be paid. Bills that will not follow this guideline are the purchase of liquor for weekly sales, food, and fuel for weekly operations. Those bills must be brought up and seconded at the Board Meetings.
2. All other bills such as equipment improvement, track improvement or repair must be voted on by entire Board of Directors if under \$1,000 but over \$500. 3. Purchases over \$1,000: Must have at least 3 bids if possible. If three bids cannot be obtained then the process may continue with those that are available. The purchase must be approved by the Board of Directors in a simple majority vote.
3. Purchases over 20% of track account: a) Purchases over 20% of track account must have 3 bids if possible and have a project plan. A simple outline on what work or equipment is being purchased and why. b) Club members must be informed at a general membership meeting about the project. c) If project deemed controversial at the meeting the membership may move to vote on the project which would be done at that meeting by a simple majority of raising hands. Note: All bills MUST have an itemized receipt for multiple purchases (a Wal-Mart receipt is itemized). If a single item such as a repair for work, the bill must outline what work was done ("repaired truck" not ok, "Repaired trucks differential bad gear" ok). If this is not followed, individuals will not be reimbursed if they paid with their own monies. Reimbursements are not to exceed \$250.00. If the bill is over \$250.00, the Board needs to oversee and cut the check for the purchase. The Board is also expected to follow these guidelines in operating.

Article XII Bylaw Storage:

These bylaws are to be kept by each officer and in the pit shack at Escanaba Speedway.

Article XIII Dissolving of Race Club:

- 1) Only the Board of Directors may bring forth recommendation to dissolve the club. Upon the motion there must be a 2/3 majority vote of the general membership Escanaba Speedway, INC may be dissolved. Voting must be announced 14 days in advance in a local newspaper.
- 2) All assets will be sold upon decision to dissolve
- 3) Cash from assets and left over in funds will be used to pay off any outstanding debt.
- 4) Cash left over from outstanding debt will go to the non-profit racing organization of Board of Directors' choice or succeeding racing organization on site. On site racing organization to take precedence.

Volunteer Directors and Officers: The Directors and Officers shall be "volunteer directors" and "volunteer officers" as defined by the Michigan Nonprofit Corporation Act. The Directors and Officers shall not receive anything of more than nominal value from the Corporation for serving as a Director and Officer other than reasonable per diem compensation and reimbursement for actual, reasonable, and necessary expenses incurred by a Director and Officer in his or her capacity as a Director and Officer.

ARTICLE XIV PROTECTION AGAINST LIABILITY

No member of the Board of Directors of the corporation who is a volunteer director, as that term is defined in the Michigan Nonprofit Corporation Act (the "Act"), or a volunteer Officer shall be personally liable to this corporation or its members for monetary damages for a breach of the Director's or Officer's fiduciary duty; provided, however, that this provision shall not eliminate or limit the liability of a Director or Officer for any of the following:

1. A breach of the Directors or officer's duty of loyalty to the corporation or its members;
2. Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
3. A violation of section 551(1) of the Michigan Nonprofit Corporation Act, MCL 450.2551(1);
4. A transaction from which the Director or Officer derived an improper personal benefit.
5. An act or omission occurring before the filing of these articles of incorporation; or
6. An act or omission that is grossly negligent.

The corporation assumes all liability to any person, other than the corporation or its members, for all acts or omissions of a director who is a volunteer Director, as defined in Michigan Nonprofit Corporation Act, or a volunteer Officer's duties. However, the corporation shall not be considered to have assumed any liability to the extent that such assumption is inconsistent with the status of the corporation as an organization described in IRC 501(c) (7) or corresponding section of any future federal tax code.

If the Michigan Nonprofit Corporation Act is amended after the filing of these articles of incorporation to authorize the further elimination or limitation of the liability of Directors or Officers of nonprofit corporations, then the liability of members of the Board of Directors or 10 Officers, in addition to that described in these Articles shall be assumed by the corporation or eliminated or limited to the fullest extent permitted by the Act as so amended. Such an elimination, limitation, or assumption of liability is not effective to the extent that it is inconsistent with the status of the corporation as an organization described in IRC 501(c) (7) or corresponding section of any future federal tax code. No amendment or repeal of these Articles shall apply to or have any effect on this liability or alleged liability of any member of the Board of Directors or Officer of this corporation for or with respect to any acts or omissions occurring before the effective date of any such amendment or repeal.

The corporation assumes the liability for all acts or omissions of a volunteer if all of the following conditions are met:

1. The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
2. The volunteer was acting in good faith.
3. The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
4. The volunteer's conduct was not an intentional tort.

5. The volunteer 's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws.

ARTICLE XV INDEMNIFICATION

The Corporation may indemnify any Director, Officer, employee, non-director volunteer, or agent of the Corporation who is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, other than an action by or in the right of the Corporation, but reason of the fact that he or she is or was a Director, Officer, employee, no director volunteer, or agent of the Corporation, or is serving at the request of the corporation as a Director, Officer, partner, no director volunteer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including reasonable attorney's fees, judgment, fines and amounts paid in settlement, actually reasonably incurred by him or her in connection with such action, suit, or the Corporation acted in good faith and in a manner he or she 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 his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, ordered settlement, conviction, or upon a plea of nolo contendere or is equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to, the best interests of the Corporation and, with respect to any criminal action or proceedings, had reasonable cause to believe that his or her conduct was unlawful. The Corporation may indemnify such person against expenses, including reasonable attorney's fees, actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit as provided for in this section, except that no indemnification shall be made in respect to any claim, issue, or matter, in which such person has been found liable to the Corporation unless and only to the extent that the Court in which the action or suit was brought has determined, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such Court shall deem proper. To the extent that a Director, Officer, non-director volunteer, employee, or agent of the Corporation has been successful on the merits or otherwise, in defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, he may be indemnified against expenses, including actual and reasonable attorney's fees, incurred by him or her in connection with such action, suit or proceeding, and an action, suit or proceeding brought to enforce the mandatory indemnification provision provided by Section 563 of the Nonprofit Corporation Act.

Any indemnification made hereunder shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, Officer, non-director volunteer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct herein set forth and as set forth in the Nonprofit Corporation Act. Such determination shall be made either by a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to the action, suit or proceeding; or if such quorum is not obtainable, then by a majority vote of a committee of Directors who are parties to the action, the committee shall consist of not less than two disinterested Directors; or by independent legal counsel.

Expenses incurred in defending a civil or criminal action, suit or proceeding as described in this section may be paid by the Corporation in advance of the final disposition of such action, suit or proceedings, upon receipt of an undertaking by or on behalf of the Director, Officer, non-director volunteer, employee or agent, but the Corporation shall not repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation. The undertaking shall be by unlimited general obligation of the person whose behalf advances are made but need not be secured. The indemnification provided in this section continues as to a person who ceases to be a Director, Officer, non-director volunteer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of the person. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, non-director volunteer, employee or agent of the Corporation or is serving at the request of the Corporation as a Director, Officer, non-director volunteer, employee or agent of another foreign or domestic Corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him against such liability as specified in this section.

1400115 Bylaws (pws)

NOTES: These Bylaws were updated and amended on 12/06/2022 after being adopted by the Board of Directors.