

Form 1023 Checklist

(Revised December 2017)

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

Note: Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

- Assemble the application and materials in this order.
 - Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.

- User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.

- Employer Identification Number (EIN)

- Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
 - You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.

- Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.

Schedule A	Yes	___	No	<input checked="" type="checkbox"/>	Schedule E	Yes	___	No	<input checked="" type="checkbox"/>
Schedule B	Yes	___	No	<input checked="" type="checkbox"/>	Schedule F	Yes	___	No	<input checked="" type="checkbox"/>
Schedule C	Yes	___	No	<input checked="" type="checkbox"/>	Schedule G	Yes	___	No	<input checked="" type="checkbox"/>
Schedule D	Yes	___	No	<input checked="" type="checkbox"/>	Schedule H	Yes	___	No	<input checked="" type="checkbox"/>

- An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.
 - Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) PAGE 1, ARTICLE II
 - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law PAGE 2, ARTICLE VII

- Signature of an officer, director, trustee, or other official who is authorized to sign the application.
 - Signature at Part XI of Form 1023.

- Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
Attention: EO Determination Letters
Stop 31
P.O. Box 12192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
Attention: EO Determination Letters
Stop 31
201 West Rivercenter Boulevard
Covington, KY 41011

**Application for Recognition of Exemption
 Under Section 501(c)(3) of the Internal Revenue Code**

▶ **Do not enter social security numbers on this form as it may be made public.**
 ▶ **Go to www.irs.gov/Form1023 for instructions and the latest information.**

OMB No. 1545-0056
Note: If exempt status is approved, this application will be open for public inspection.

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I – XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document) BAY COMMUNITY THEATRE ORGANIZATION		2 c/o Name (if applicable)	
3 Mailing address (Number and street) (see instructions) PO BOX 847		Room/Suite	4 Employer Identification Number (EIN) 83-2865086
City or town, state or country, and ZIP + 4 SUTTONS BAY, MI 49682		5 Month the annual accounting period ends (01 12) DECEMBER	
6 Primary contact (officer, director, trustee, or authorized representative) a Name: RICHARD B. ANDREWS		717-602-9291	
		b Phone:	
		c Fax: (optional)	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a Organization's website: thebaytheater.com			
b Organization's email: (optional) info@baycommunitytheatre.org			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) 12 / 17 / 18			
12 Were you formed under the laws of a foreign country ? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. See instructions. **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1** Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. **Yes** **No**
- 2** Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. **Yes** **No**
- 3** Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. **Yes** **No**
- 4a** Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. **Yes** **No**
- b** Have you been funded? If "No," explain how you are formed without anything of value placed in trust. **Yes** **No**
- 5** Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. **Yes** **No**

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1** Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language.
Location of Purpose Clause (Page, Article, and Paragraph): Page 1, Article II
- 2a** Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- b** If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Page 2, Article VII
- c** See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state: MICHIGAN

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past, present, and planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a** List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
RICHARD B ANDREWS	PRESIDENT	PO BOX 425 SUTTONS BAY, MI 49682	ZERO
KATE THORNHILL	TREASURER	PO BOX 628 SUTTONS BAY, MI 49682	ZERO
JEFFREY SLOCOMBE	SECRETARY	236 1/2 EAST FRONT ST TRAVERSE CITY, MI 49684	ZERO
GARY HOENSHEID	VICE PRESIDENT	1114 S PECK RD SUTTONS BAY, MI 49682	ZERO

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
NONE			

c List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
NONE			

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

2a Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship. Yes No

b Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. Yes No

c Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. Yes No

3a For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

b Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. Yes No

4 In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

a Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? Yes No

b Do you or will you approve compensation arrangements in advance of paying compensation? Yes No

c Do you or will you document in writing the date and terms of approved compensation arrangements? Yes No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d** Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? **Yes** **No**
- e** Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. **Yes** **No**
- f** Do you or will you record in writing both the information on which you relied to base your decision and its source? **Yes** **No**
- g** If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.

- 5a** Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. **Yes** **No**
- b** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
Note: A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.

- 6a** Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. **Yes** **No**
- b** Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. **Yes** **No**

- 7a** Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. **Yes** **No**
- b** Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. **Yes** **No**

- 8a** Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. **Yes** **No**
- b** Describe any written or oral arrangements that you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.
- e** Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f** Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.

- 9a** Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. **Yes** **No**

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past, present, and planned* activities. See instructions.

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. Yes No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. Yes No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. See instructions.

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to nonprofit status. If "Yes," complete Schedule G. Yes No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past, present, and planned* activities. See instructions.

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. Yes No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

4a Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. See instructions. **Yes** **No**

- mail solicitations
- email solicitations
- personal solicitations
- vehicle, boat, plane, or similar donations
- foundation grant solicitations
- phone solicitations
- accept donations on your website
- receive donations from another organization's website
- government grant solicitations
- Other

Attach a description of each fundraising program.

b Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. **Yes** **No**

c Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. **Yes** **No**

d List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

e Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. **Yes** **No**

5 Are you **affiliated** with a governmental unit? If "Yes," explain. **Yes** **No**

6a Do you or will you engage in **economic development**? If "Yes," describe your program. **Yes** **No**

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. **Yes** **No**

b Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. **Yes** **No**

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. **Yes** **No**

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. **Yes** **No**

b Do you provide childcare so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

c Of the children for whom you provide childcare, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. **Yes** **No**
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- 12a** Do you or will you operate in a **foreign country** or **countries**? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. **Yes** **No**
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. **Yes** **No**
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. **Yes** **No**
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following.
- (i)** Do you require an application form? If "Yes," attach a copy of the form. **Yes** **No**
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. **Yes** **No**
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
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- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. **Yes** **No**
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. **Yes** **No**
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. **Yes** **No**
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. **Yes** **No**
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 15 Do you have a **close connection** with any organizations? If "Yes," explain. Yes No
- 16 Are you applying for exemption as a **cooperative hospital service organization** under section 501(e)? If "Yes," explain. Yes No
- 17 Are you applying for exemption as a **cooperative service organization of operating educational organizations** under section 501(f)? If "Yes," explain. Yes No
- 18 Are you applying for exemption as a **charitable risk pool** under section 501(n)? If "Yes," explain. Yes No
- 19 Do you or will you operate a **school**? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. Yes No
- 20 Is your main function to provide **hospital or medical care**? If "Yes," complete Schedule C. Yes No
- 21 Do you or will you provide **low-income housing** or housing for the **elderly or handicapped**? If "Yes," complete Schedule F. Yes No
- 22 Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. Yes No
- Note: Private foundations** may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years.

1. If in existence less than 5 years, complete the statement for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of:
 - a. Three years of financial information if you have not completed one tax year, or
 - b. Four years of financial information if you have completed one tax year. See instructions.
2. If in existence 5 or more years, complete the schedule for the most recent 5 tax years. You will need to provide a separate statement that includes information about the most recent 5 tax years because the data table in Part IX has not been updated to provide for a 5th year. See instructions.

A. Statement of Revenues and Expenses

	Type of revenue or expense	Current tax year	3 prior tax years or 2 succeeding tax years			(e) Provide Total for (a) through (d)
		(a) From 12/20/2018 To 12/31/2018	(b) From 1/1/2019 To 12/31/2019	(c) From 1/1/2020 To 12/31/2020	(d) From To	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	10000	26000	20000		56000
	2 Membership fees received					
	3 Gross investment income					
	4 Net unrelated business income					
	5 Taxes levied for your benefit					
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)					
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)					
	8 Total of lines 1 through 7	10000	26000	20000		56000
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)	0	231900	267500		499400
	10 Total of lines 8 and 9	10000	257900	287500		546400
11 Net gain or loss on sale of capital assets (attach schedule and see instructions)						
12 Unusual grants						
13 Total Revenue Add lines 10 through 12	10000	257900	287500		546400	
Expenses	14 Fundraising expenses	0	1000	2000		
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)					
	16 Disbursements to or for the benefit of members (attach an itemized list)					
	17 Compensation of officers, directors, and trustees					
	18 Other salaries and wages	0	70000	75000		
	19 Interest expense					
	20 Occupancy (rent, utilities, etc.)	60	16500	18000		
	21 Depreciation and depletion					
	22 Professional fees					
	23 Any expense not otherwise classified, such as program services (attach itemized list)	600	169900	180682		
	24 Total Expenses Add lines 14 through 23	660	257400	275682		

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

		Year End:
		(Whole dollars)
Assets		
1	Cash	1 0
2	Accounts receivable, net	2
3	Inventories	3
4	Bonds and notes receivable (attach an itemized list)	4
5	Corporate stocks (attach an itemized list)	5
6	Loans receivable (attach an itemized list)	6
7	Other investments (attach an itemized list)	7
8	Depreciable and depletable assets (attach an itemized list)	8
9	Land	9
10	Other assets (attach an itemized list)	10
11	Total Assets (add lines 1 through 10)	11 0
Liabilities		
12	Accounts payable	12 0
13	Contributions, gifts, grants, etc. payable	13
14	Mortgages and notes payable (attach an itemized list)	14
15	Other liabilities (attach an itemized list)	15
16	Total Liabilities (add lines 12 through 15)	16 0
Fund Balances or Net Assets		
17	Total fund balances or net assets	17 0
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	18 0
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. See instructions.

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. Yes No
- b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.
- 2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No
- 3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No
- 4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No
- 5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
The organization is not a private foundation because it is:
 - a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
 - b 509(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B.
 - c 509(a)(1) and 170(b)(1)(A)(iii)—a hospital, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
 - d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, h, or i or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

Part X Public Charity Status (Continued)

- e 509(a)(4) – an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv) – an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(ix) – an agricultural research organization directly engaged in the continuous active conduct of agricultural research in conjunction with a college or university.
- h 509(a)(1) and 170(b)(1)(A)(vi) – an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- i 509(a)(2) – an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- j A publicly supported organization, but unsure if it is described in 5h or 5i. You would like the IRS to decide the correct status.

6 If you checked box h, i, or j in question 5 above, and you have been in existence more than 5 years, you must confirm your public support status. Answer line 6a if you checked box h in line 5 above. Answer line 6b if you checked box i in line 5 above. If you checked box j in line 5 above, answer both lines 6a and 6b.

- a (i) Enter 2% of line 8, column (e) on Part IX-A Statement of Revenues and Expenses _____
- (ii) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," state this.
- b (i) For each year amounts are included on lines 1, 2, and 9 of Part IX-A Statement of Revenues and Expenses, attach a list showing the name and amount received from each **disqualified person**. If the answer is "None," state this.
- (ii) For each year amounts were included on line 9 of Part IX-A Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of Line 10, Part IX-A Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," state this.

7 Did you receive any unusual grants during any of the years shown on Part IX-A Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No

Part XI User Fee Information and Signature

You must include the correct user fee payment with this application. If you do not submit the correct user fee, we will not process the application and we will return it to you. Your check or money order must be made payable to the United States Treasury. User fees are subject to change. Check our website at www.irs.gov and type "Exempt Organizations User Fee" in the search box, or call Customer Account Services at 1-877-829-5500 for current information.

Enter the amount of the user fee paid: _____ \$600

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here

(Signature of Officer, Director, Trustee, or other authorized official)

RICHARD B ANDREWS

(Type or print name of signer)

(Date)

PRESIDENT

(Type or print title or authority of signer)

Bay Community Theatre
Mission Statement

The mission of Bay Community Theatre is to provide for the public a local, community supported venue for film, performing and literary arts; to provide a space for cultural, intellectual, and educational programs, and to maintain and protect the historic Bay Theater building.

BAY COMMUNITY THEATRE
FORM 1023
ATTACHMENT

PART IV Narrative Description of Activities

The Bay Theatre has been at the heart of our community – physically and culturally – for over 70 years. The theatre has been owned and operated by the Bahle family since the 1970s. It is a small-town theater that offers popular and indie films, an annual foreign film series, and occasionally hosts a music concerts and performing arts shows.

The Bahle family announced recently they can no longer operate the theatre. The theatre has not operated profitably for many years and the active family members are all at or approaching retirement age. They do not have the energy or resources to continue operations. They planned to end operations December 31, 2018.

This theatre is literally in the center of our small downtown area. People in our community have attended shows here as long as they can remember. Countless young people had their first jobs here selling tickets and popcorn. When the closing announcement was made a community meeting was called to discuss options to keep it open. That meeting was standing room only. No one in our community wants to lose this local treasure.

An organizing committee to make this a community theater was quickly established. Contributions were pledged. Volunteers have signed on. The Bay Community Theater was launched. The Bahle family will lease the theater and all the equipment/furniture/contents to the new community group for a very reasonable rent of \$1500 per month and will give Bay Community Theater an offer to purchase the historic building.

Going forward, the Bay Community Theater will save an important source of culture for our community and further enhance the appreciation of film, live performance and literary arts in our area. The Bay Community Theater will not only be a venue for viewing cinema but a cultural hub of our community. In addition to offering a wide variety of cinema experiences – new releases, educational programming, documentaries, foreign films, films made by local filmmakers – we will showcase people in our community and their artistic work (literary, musical, dramatic). We are particularly keen on developing programs for our youth and have a number of people with a variety of

expertise/experience in the film industry willing to teach and mentor aspiring young filmmakers. We plan to host story telling events, poetry readings, dance. We aim to keep our programs very affordable and have a calendar of free and nominal cost events.

PART VI, 1b.

The Bay Community Theatre may allow other community not for profit organizations like the Suttons Bay Public School, Leelanau Christian Neighbors, Inland Seas Association, Suttons Bay LIFT (a nonprofit teen program) use the theater to host events that support their organizations. Use will be limited to nonprofit organizations that support our community.

BAY COMMUNITY THEATRE
 FORM 1023
 ATTACHMENT

	2019	2020
Article IX Line 9		
Theatre program admissions	231900	267500
Article IX Line 23		
Cost of Goods Sold		
Film Rental	77,500.00	87,500.00
Film Booking fees	2,400.00	2,400.00
Food & Beverage	12,400.00	14,000.00
Alcohol	0.00	0.00
Live Performance Fees	<u>5,000.00</u>	<u>7,500.00</u>
Total COGS	97,300.00	111,400.00
Expenses		
Fica Taxes	5,355.00	5,737.00
MUI	490.00	490.00
FUTA	280.00	280.00
Workers Comp	800.00	800.00
Payroll Fees	2,500.00	2,500.00
Employer IRA Match	0.00	0.00
Building Repairs	2,000.00	2,000.00
Equipment Repairs	2,500.00	2,500.00
Projection Equipment Repairs	2,000.00	4,000.00
Janitorial Expense	225.00	225.00
Depreciation	0.00	0.00
Advertising	17,000.00	16,000.00
Web Site	3,000.00	1,000.00
Freight	2,800.00	2,800.00
Postage	500.00	500.00
Property Taxes	0.00	0.00
Trash Disposal	600.00	600.00
Supplies	7,000.00	7,000.00
Stationary, Logo, Brochures, etc	3,000.00	500.00
Bank Service Charges	300.00	300.00
Credit Card Fees	3,500.00	3,800.00
Dues and Subscriptions	2,000.00	2,000.00
Electric	6,000.00	6,000.00
Heat	1,400.00	1,400.00
Telephone	900.00	900.00
Water and Sewer	1,600.00	1,600.00
Insurance	2,000.00	2,000.00
Software (Quickbooks)	500.00	0.00
Accounting (prepare Form 990)	600.00	600.00
Dinner Movie	0.00	0.00
Film Series	750.00	750.00
Overhead/Other/Unexpected	<u>3,000.00</u>	<u>3,000.00</u>
Total	169,900.00	180,682.00

NON-PROFIT BYLAWS OF

BAY THEATRE COMMUNITY ORGANIZATION

Preamble

The following Bylaws shall be subject to, and governed by, the laws of the State of Michigan and the Article of Incorporation of Corporation/Organization. In the event of a direct conflict between the herein contained provisions of these Bylaws and the mandatory provisions of the Non-Profit Corporation Act, Act 162 of 1982 shall be the prevailing controlling law. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of Corporation/Organization, it shall then be these Bylaws which shall be controlling.

ARTICLE 1 – NAME

The legal name of the Non-Profit Corporation/Organization shall be known as Bay Community Theatre, and shall herein be referred to as the “Bay Community Theatre.”

ARTICLE 2 – PURPOSE

The general purposes for which the Bay Community Theatre has been established are as follows:

The purpose for which the Non-Profit Corporation is formed as set forth in the attached Articles of Incorporation of Exhibit “A.”

The Bay Community Theatre is established and shall be operated exclusively for charitable purposes within the meaning of IRA Publication 557 Section 501(c) (3) Organization of the Internal Revenue Code of 1986, as amended (the “Code”) or the corresponding section of any future federal tax code.

In addition, the Bay Community Theatre has been formed for the purpose of performing all things incidental to, or appropriate in, the foregoing specific and primary purposes. However, the Bay Community Theatre shall not, except to an insubstantial degree, engage in any activity or the exercise of any powers which are not in furtherance of its primary non-profit purposes.

The Bay Community Theatre shall hold and may exercise all such powers as may be conferred upon any nonprofit organization by the laws of the State of Michigan and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Bay Community Theatre. At no time and in no event shall the Bay Community Theatre participate in any activities that have not been permitted to be carried on by a Corporation/Organization exempt under Section 501(c) of the Internal Revenue Code of 1986.

ARTICLE 3 – OFFICES

The principal office of the Foundation shall be located at 425 South Shore Dr, Suttons Bay, Michigan.

The Bay Community Theatre may have other such offices, as the Board of Directors may determine or deem necessary, or as the affairs of the Foundation may find a need for from time to time.

ARTICLE 4 – DEDICATION OF ASSETS

The properties and assets of the Corporation/Organization are irrevocably dedicated to and for non-profit purposes only. No part of the net earnings, properties, or assets of the Bay Community Theatre, on dissolution or otherwise, shall inure to the benefit of any person or any member, director or officer of the Bay Community Theatre. On liquidation or dissolution, all remaining properties and assets of the Bay Community Theatre shall be distributed and paid over to an organization dedicated to non-profit purposes which has established its tax-exempt status pursuant to Section 501(c) of the Internal Revenue Code.

ARTICLE 5 – BOARD OF DIRECTORS

General Powers and Responsibilities

The Bay Community Theatre shall be governed by a Board of Directors (the “Board”), which shall have all the rights, powers, privileges and limitations of liability of directors of a non-profit corporation organized under the State of Michigan. The Board shall establish policies and directives governing business and programs of Foundation.

Number and Qualifications

The Board shall have up to maximum of 15, but no fewer than 3, Board members. The number of Board members may be increased beyond 15 members or decreased to less than 3 members by the affirmative vote of a majority of the then serving Board of Directors. A Board member need not be a resident of the State of Michigan.

In addition to the regular membership of the Board, representative of such other organizations or individuals, as the Board may deem advisable to elect shall be *Ex-Officio Board Members*, but shall not have voting power, shall not count as one of the regular Board members, and shall not be eligible for office.

Board Compensation

The Board shall receive no compensation other than reasonable expenses. However, provided the compensation structure complies with Sections relating to “Contracts Involving Board Members and/or Officers” as stipulated under these Bylaws, and nothing in these Bylaws shall be construed to preclude any Board Member from serving the Foundation in any other capacity and receiving compensation for services rendered.

Board Elections

The Governance Committee shall present nomination for new and renewing Board members at the Board meeting immediately preceding the beginning of the next fiscal year.

Recommendations from the Governance Committee shall be made know to the Board in writing before nominations are made and voted on. New and renewing Board members shall be approved by a majority of those Board members at a Board meeting at which a quorum is present.

Term of Board

All appointments to the Board shall be for a term of 3 year term. No person shall serve more than 5 consecutive terms unless a majority of the Board, during the course of a Board meeting at which a quorum is present, votes to appoint a Board member to 15 additional years. No person shall serve more than 30 consecutive years. After serving a total of two terms or two terms and one year, a Board member may be eligible for reconsideration as a Board member after 2 years have passed since the conclusion of such Board member's service.

Vacancies

A vacancy on the Board of Directors may exist at the occurrence of the following conditions:

- a) The death, resignation, or removal of any director;
- b) The declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty pursuant to the Corporation Code and/or Act of the law dealing with the standards of conduct for a director, or has missed three (3) consecutive meetings of the Board of Directors, or a total of four (4) meetings of the Board during any one calendar year;
- c) An increase in the authorized number of directors; or
- d) The failure of the directors, at any annual or other meeting of directors at which director(s) are to be elected, to elect the full authorized number of directors.

The Board of Directors, by way of affirmative vote of a majority of the directors then currently in office, may remove any director without cause at any regular or special meeting; provided that the director to be removed has been notified in writing in the manner set for Article 5 – Meetings, that such action would be considered at the meeting.

Except as provided in this paragraph, any director may resign effective upon giving written notice to the chairperson of the Board, the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be designated to take office when the resignation becomes effective. Unless the Attorney General is first notified, no director may resign when the Corporation/Organization would then be left without a duly elected director in charge of its affairs.

Any vacancy on the Board may be filled by vote of a majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

A Board member elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Resignation

Each Board member shall have the right to resign at any time upon written notice thereof to the Board Chair, Secretary of the Board, or the Executive Director. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

Removal

A Board member may be removed, with or without cause, at any duly constituted meeting of the Board, by the affirmative vote of a majority of then-serving Board members.

Meetings

The Board's regular meetings may be held at such time and place as such time and place as shall be determined by the Board. The Chair or any four regular Board members may call a special meeting of the Board with 10 days' written notice provided to each member of the Board. The notice shall be served upon each Board member via hand delivery, regular mail, email or by fax. The person(s) authorized to call such special meetings of the Board may also establish the place the meeting is to be conducted, so long as it is a reasonable place in which to hold any special meeting of the Board.

Minutes

The Secretary shall be responsible for the recording of all minutes of each and every meeting of the Board in which business shall be transacted in such order as the Board may determine from time to time. However, in the event that the Secretary is unavailable, the Board Chair shall appoint an individual to act as Secretary at the meeting. The Secretary, or the individual appointed to act as Secretary, shall prepare the minutes of the meetings which shall be delivered to the Corporation/Organization to be placed in the minute books of the Corporation/Organization and a copy of which is to be delivered to each Board member via either regular mail, hand delivered, emailed or faxed within 15 business days after close of each Board meeting.

Action by Written Consent

Any action required by law to be taken at a meeting of the Board, or any action that may be taken at a meeting of the Board, may be taken without a meeting if consent in writing setting for the action so taken shall be signed by all Board members. Such consent shall be placed in the minute book of the Foundation and shall have the same force and effect as a unanimous vote of the Board taken at an actual meeting. The Board members' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.

Quorum

At each meeting of the Board of Directors or Board Committees, the presence of the lesser of (a) 4 members or (b) one-third (1/3) of the members currently serving on the Board, but in no case less than 3 shall constitute a quorum for the transaction of business. If at any time the Board consists of an even number of members and a vote results in a tie, then the vote of the Board Chair shall be the deciding vote. The act of the majority of the Board members servicing on the Board or Board Committees and present at a meeting in which there is a quorum shall be the act of the Board or Board Committees, unless otherwise provided by the Articles of Incorporation, these Bylaws, or a law specifically requiring otherwise. If a quorum is not present at a meeting, the Board members present may adjourn the meeting from time to time without further notice until a quorum shall be present. However, a Board member shall be considered present at any meeting of the Board or Board Committee if during the meeting he or she is in radio or telephone communication with the other Board members participating in the meeting.

Proxy

A Board member who is unable to attend a meeting of the Board or a Board Committee may vote by written proxy given to any other voting member of the Board or Committee or designated staff member who is in attendance at the meeting in question. However, a vote by proxy shall not be counted toward the number of Board members needed to be present to constitute a quorum for the transaction of business. No proxy shall be valid after three months from the date of execution. Each proxy shall be revocable unless expressly stated therein to be irrevocable or unless made irrevocable by law.

Board Member Attendance

An elected Board Member who is absent from three consecutive regular meetings of the Board during a fiscal year shall be encouraged to reevaluate with the Board Chair his/her commitment to the Foundation. The Board may deem a Board member who has missed 4 consecutive meetings without such a reevaluation with the Chair to have resigned from the Board.

ARTICLE 6 – OFFICERS

Officers and Duties

The Board shall elect officers of the Foundation which shall include a President, Vice-President, Treasurer and Secretary, and such other officers as the Board may designate by resolution. The same person may hold any number of offices, except that neither the Secretary nor the Treasurer may serve concurrently as the chairperson of the Board or the president. In addition to the duties in accordance with this Article, officers shall conduct all other duties typically pertaining to their office and other such duties which may be required by law, other Articles of Incorporation, or by these bylaws, subject to control of the Board of Directors, and they shall perform any other such additional duties which the Board of Directors may assign to them at their discretion.

The officers will be selected by the Board at its annual meeting, and shall serve the needs of the Board, subject to all the rights, if any, of any officer who may be under a contract of employment. Therefore, without any bias or predisposition to the rights of any officer, that may be under any contract of employment, any officer which may be removed with or without cause by the Board. All officers have the right to resign at any time by providing notice in writing to the Board of Directors chairperson, president and/or secretary of the Foundation, without bias or

predisposition to all rights, if any, of the Foundation under any contract to which said officer is a part thereof. All resignations shall become effective upon the date in which the written notice of resignation was received or at any time later as may be specified within the resignation; and unless otherwise indicated within the written notice, a stated acceptance of the resignation shall not be required to make the resignation effective.

Any and all vacancies, in any office because of death, resignation, disqualification, removal or for any other cause, shall be filled in accordance to the herein prescribed bylaws for regular appointments to such office. The compensation, if any, of the officers shall be fixed or determined by resolution of the Board of Directors.

President

It shall be the responsibility of the president, in general, to supervise and conduct all activities and operations of the Bay Community Theatre, subject to the control, advice and consent of the Board of Directors, shall keep the Board of Directors completely informed and shall freely consult with them in relation to all activities of the Bay Community Theatre, and shall see that all orders and/or resolutions of the Board are carried out to the effect intended. The Board of Directors may place the president under a contract of employment where appropriate. The president shall be empowered to act, speak for, or otherwise represent the Bay Community Theatre between meetings of the Board. The president shall be responsible for the hiring and firing of all personnel and shall be responsible for keeping the Board informed at all times of staff performance and for implementing any personnel policies which may be adopted and implemented by the Board. The president, shall at all times, is authorized to contract, receive, deposit, disburse and account for all funds of the Bay Community Theatre; to execute in the name of the Foundation all contracts and other documents authorized either generally or specifically by the Board to be executed by the Bay Community Theatre, and to negotiate any and all material business transactions of the Foundation.

Vice President of the Board

In the absence of, or in the event of his/her inability or refusal to act, it shall then be the responsibility of the Vice President to perform all the duties of the President, and in doing so shall have all authority and powers of, and shall be subject to all of the restrictions on, the President.

Secretary

The secretary, or his/her designee, shall be the custodian of all records and documents of the Bay Community Theatre which are required to be kept at the principal office of the Bay Community Theatre, shall act as secretary at all meetings of the Board of Directors, and shall keep the minutes of all such meetings in books proposed for that purpose. S/he shall attend to the giving and serving of all notices of the Bay Community Theatre, and shall see that the seal of the Bay Community Theatre is affixed to all documents, the execution of which on behalf of the Foundation under its seal is duly authorized in accordance with the provisions of these bylaws.

Treasurer

It shall be the responsibility of the treasurer to keep and maintain, or cause to be kept and maintained, adequate and accurate accounts of all the properties and business transactions of the Bay Community Theatre, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The treasurer shall be responsible for ensuring the deposit of, or cause to be deposited, all money and other valuables as may be designation by the Board of Directors. Furthermore, the treasurer shall disburse, or cause to be disbursed, the funds of the Foundation, as may be ordered by the Board of Directors, and shall render to the chairperson, president and directors, whenever they request it, an account of all the treasurer's transactions as treasurer and of the financial condition of the Bay Community Theatre.

The treasurer shall give the Bay Community Theatre a bond, if so requested and required by the Board of Directors, in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the treasurer's office and for restoration to the Foundation of all its books, papers, vouchers, money and other property of every kind in the treasurer's possession or under the treasurer's control upon the treasurer's death, resignation, retirement, or removal from office. The Bay Community Theatre shall pay the cost of such bond.

ARTICLE 7 - STANDARD OF CARE

General

A director shall perform all the duties of a director, including, but not limited to, duties as a member of any committee of the Board on which the director may serve in such a manner as the director deems to be in the best interest of this Foundation and with such care, including reasonable inquiry, as an ordinary prudent and reasonable person in a similar situation may exercise under similar circumstances.

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

- a) One or more officers or employees of the Foundation whom the director deems to be reliable and competent in the matters presented;
- b) Counsel, independent accounts or other persons as to the matters which the director deems to be within such person's professional or expert competence; or
- c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director deems to merit confidence.

So long as in any such case, the director act in good faith, after reasonable inquiry when the need may be indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as herein provided in Article 7, Conflict of Interest, any person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a directors, including, without limitation of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Foundation, or assets held by it, are dedicated.

Loans

The Bay Community Theatre shall not make any loan of money or property to, or guarantee the obligation of, any director or officer, unless approved by the Michigan Attorney General; provided, however, that this corporation may advance money to a director or officer of the Foundation or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Conflict of Interest

The purpose of the Conflict of Interest policy is to protect the Bay Community Theatre's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or that might otherwise benefit in the private interest of one of its officers or directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable Foundation and is not intended as an exclusive statement of responsibilities.

Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors, who are considering the proposed transaction of arrangement.

Establishing a Conflict of Interest

After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while establishing a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

Addressing Conflict of Interest

In the event that the Board should establish that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

- a) Any interested individual may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented, and then votes on the transaction or arrangement proposed involving the possible conflict of interest.

- b) The Chairperson of the Board shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board shall determine whether the Foundation can obtain will reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination.

Violations of Conflict of Interest Policy

Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the Board shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's explanation and after making further investigation as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Procedures and Records

All minutes of the Board Meetings, when applicable, shall contain the following information:

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

Annual Statements

Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

- a) Has received a copy of the conflict of interest policy;
- b) Has read and understands the policy;

- c) Has agreed to comply with the policy; and
- d) Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily activities, which accomplish one or more of its tax-exempt purposes.

Mutual Directors

No contract or transaction or transaction between the Bay Community Theatre and any Michigan non-profit public benefit corporation/Organization, of which one or more of its directors of this corporation/Organization, is void or voidable because such director(s) are present at a meeting of the Board which authorizes, approves, or ratifies the contract or transaction if the material facts as to the transaction and as to such director's other directorship are fully disclosed or known to the Board and the Board authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common director(s), or if the contract or transaction is just and reasonable as to the Foundation at the time it is authorized, approved or ratified.

Restriction on Interested Directors

Not more than 0% of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (1) any person currently being compensated by the corporation/Organization for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director; and (2) any brother, sister, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the occupation.

Indemnification

To the fullest extent permitted by law, this Bay Community Theatre shall indemnify its "agents," as described by law, including its directors, officers, employees and volunteers, and including persons formerly occupying any such position, and their heirs, executors and administrators, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," and including an action by or in the right of the Bay Community Theatre, by reason of the fact that the person is or was a person described in that in the Non-Profit Corporation Act. Such right of indemnification shall not be deemed exclusive of any other right to which such persons may be entitled apart from this Article.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification in defending any "proceeding" shall be advanced by the Bay Community Theatre of an undertaking by or on behalf of that person to repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the corporation/Organization for those expenses.

The corporation/Organization shall have the power to purchase and maintain insurance to the fullest extent permitted by law on behalf of any agent of the corporation/Organization, against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, or to give other indemnification to the extent permitted by law.

ARTICLE 11 – EXECUTION OF CORPORATE INSTRUMENTS

Execution of Corporate instruments

The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the corporation/Organization.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the corporation/Organization, promissory notes, deeds of trust, mortgages, and other evidences of indebtedness of the corporation/Organization, and other corporate/Organization instruments or documents, memberships in other corporations/Organizations, and certificates of shares of stock owned by the corporation/Organization, shall be executed, signed and/or endorsed by Secretary or Treasurer or any Assistant Secretary or Assistant Treasurer.

All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation/Organization, or in special accounts of the corporation/Organization, shall be signed by such person or persons as the Boards of Directors shall authorize to do so.

Loans and Contracts

No loans or advances shall be contracted on behalf of the corporation/Organization and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board of Directors. Without the express and specific authorization of the Board, no officer or other agent of the corporation/Organization may enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation/Organization.

ARTICLE 12 – RECORDS AND REPORTS

Maintenance and Inspection of Articles and Bylaws

The corporation/Organization shall keep at its principal office the original or a copy of its Articles of Incorporation and bylaws as amended to date, which shall be open to inspection by the director's at all reasonable times during office hours.

Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns

The corporation/Organization shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Maintenance and Inspection of Other Corporate Records

The corporation/Organization shall keep adequate and correct books and records of accounts, and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at a place or places as designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of the corporation/Organization. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the corporation/Organization shall turn over to his or her successor or the Chairperson or President, in good order, such corporate/Organization monies, books, records, minutes, lists, documents, contracts or other property of the corporation/Organization as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation/Organization and each of its subsidiary corporations/Organizations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

Preparation of Annual Financial Statements

The corporation/Organization shall prepare annual financial statements using generally accepted accounting principles. The corporation/Organization shall make these financial statements available to the State of Michigan. Attorney General and members of the public for inspection no later than five months after the close of the fiscal year to which the statement relate.

Reports

The Board shall ensure an annual report is to be sent to all directors within 120 days after the end of the corporation's/Organizations fiscal year, and which shall contain the following information:

- a) The assets and liabilities, including the trust funds, of this corporation at the end of the fiscal year.
- b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- c) The expenses or disbursements of this corporation/Organization for both general and restricted purposes during the fiscal year.
- d) The information required by Non-Profit Corporation Code concerning certain self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.

The report shall be accompanied by any pertinent report or independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation/Organization that such statement were prepared without audit from the books and records of the corporation/Organization.

ARTICLE 13 – FISCAL YEAR

The fiscal year for this Organization shall begin on January 1 and shall end on December 31.

ARTICLE 14 – AMENDMENTS AND REVISIONS

These bylaws may be adopted, amended or repealed by the vote of the majority of the directors then in office. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefore, is given in accordance with these bylaws. If any provision of these bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended or repealed by that greater vote.

ARTICLE 15 – CORPORATE/Organization SEAL

The Board of Directors may adopt, use and alter a Organization seal. The seal shall be kept at the principal office of the Organization. Failure to affix the seal to any corporate/Organization instrument, however, shall not affect the validity of that instrument.

ARTICLE 16 – CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the Non-Profit Corporation Law as amended from time to time shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term “person” includes a corporation/Organization as well as a natural person. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

**BAY COMMUNITY THEATRE
A MICHIGAN NONPROFIT CORPORATION
ARTICLES OF ORGANIZATION**

Article I

The name of the organization is Bay Community Theatre Organization

Article II

The charitable purpose is to enhance access and appreciation for cinema, performing and literary arts by providing a venue for the cultural, intellectual, and educational programs, and to maintain and protect the historic Bay Theatre building.

Article III

The organization is formed upon a nonstick basis and directorship basis.

Article IV

The registered agent is Richard B. Andrews, 345 South Shore Dr. Suttons Bay, MI 49682

The mailing address is PO Box 847, Suttons Bay, MI 49682

Article V

The name and address of the incorporator is:

Richard B. Andrews, 345 South Shore Dr., Suttons Bay, MI 49682

Article VI

No Part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof.

No part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the organization shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the organization shall not carry on any other activities not permitted to be carried on by a organization exempt from federal income tax under section 501©(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a

organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Article VII

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501©(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

Article VIII

The organization will not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Article X

The organization will not retain any excess business holdings as defined in section 4943© of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Article XI

The organization will not make any investments in a manner as to subject it to tax under section 4944 of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Article XII

The organization will not make any taxable expenditure as defined in section 4945(d) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

I, Richard B. Andrews, the incorporator sign my name this 17th day of December, 2018.



IRS.gov

EIN Assistant

Your Progress:

1. Identity ✓

2. Authenticate ✓

3. Address

Congratulations! The EIN has been successfully assigned.

EIN Assigned: **83-2865086**

Legal Name: **BAY COMMUNITY THEATRE ORGANIZATION**

The confirmation letter will be mailed to the applicant. This letter will be the applicant's only confirmation and will contain important information regarding the EIN. Allow up to 4 weeks for mail.

We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using the new EIN.

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

FILING ENDORSEMENT

This is to Certify that the ARTICLES OF INCORPORATION

for

BAY COMMUNITY THEATRE ORGANIZATION

ID Number: 802266464

received by electronic transmission on December 17, 2018 **, is hereby endorsed.**

Filed on December 19, 2018, **by the Administrator.**

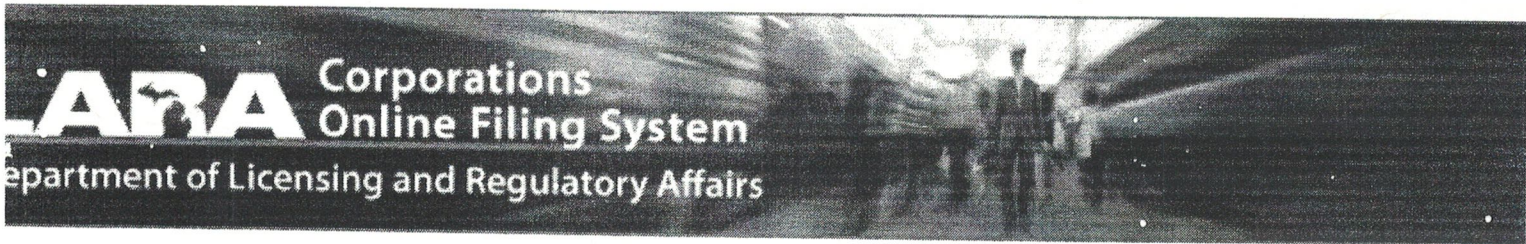
The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 19th day of December, 2018.

Julia Dale, Director

Corporations, Securities & Commercial Licensing Bureau



Form Revision Date 07/20

ARTICLES OF INCORPORATION For use by DOMESTIC NONPROFIT CORPORATION

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is:

AY COMMUNITY THEATRE ORGANIZATION

ARTICLE II

The purpose or purposes for which the corporation is formed are:

To enhance access and appreciation for cinema, performing and literary arts by providing a venue for cultural intellectual and educational programs and to maintain and protect the historical Bay Theatre building in Suttons Bay

ARTICLE III

The Corporation is formed upon basis.

If formed on a stock basis, the total number of shares the corporation has authority to issue is

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

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

The corporation is to be financed under the following general plan:

The Corporation is formed on a basis.

ARTICLE IV

The street address of the registered office of the corporation and the name of the resident agent at the registered office (P.O. boxes are not acceptable):

Agent Name: RICHARD ANDREWS
Street Address: 345 SOUTH SHORE DRIVE
Apt/Suite/Other:
City: SUTTONS BAY
State: MI Zip Code: 49682

Registered Office Mailing Address:
P.O. Box or Street Address: POB 425
Apt/Suite/Other:
City: SUTTONS BAY
State: MI Zip Code: 49682

ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name	Residence or Business Address
RICHARD ANDREWS	345 SOUTH SHORE DRIVE, SUTTONS BAY, MI 49682 USA

Article

Effective Date: 12/17/2018

igned this 17th Day of December, 2018 by the incorporator(s).

Signature	Title	Title if "Other" was selected
Richard Andrews	Incorporator	

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

Decline Accept

BAY COMMUNITY THEATRE CONFLICT OF INTEREST POLICY

Article I Purpose

The purpose of the conflict policy is to protect this tax-exempt Foundation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II Definitions

1. Interest Person
Any director, principal, officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest
A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement
 - b. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the conflicts of Interest Policy

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

Article IV
Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

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

Article V
Compensation

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

Article VI
Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy.
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Article VII
Periodic Reviews

To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnership, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.