

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2304 Corporation organized on membership basis; provisions of articles or bylaws; rights, preferences, and limitations of or on members; classes of members; voting rights; condominium association; homeowners or property owners association; transferability and termination of membership; rules of qualification and government; limitations on membership.

Sec. 304.

(1) Except as otherwise provided in this act, the articles of incorporation or bylaws of a corporation organized on a membership basis may prescribe the number, voting rights, qualifications, liquidation rights, preferences, and limitations, and other rights, preferences, and limitations of or on the members of the corporation.

(2) A corporation organized on a membership basis may have 1 or more classes of members. Except as otherwise provided in this act, any provision for classes of members and the relative number, voting rights, qualifications, liquidation rights, preferences, and limitations, and other rights, preferences, and limitations of or on each class shall be set forth in the articles of incorporation or the bylaws. Each member of any class of members has equal rights with all members of that class.

(3) Except as provided in the articles of incorporation or bylaws, each member of a corporation, regardless of class, is entitled to 1 vote on each matter submitted to a vote of members, unless the articles of incorporation or bylaws deny, limit, or otherwise prescribe the voting rights of any class of members. The members and each affected class of members of a corporation organized on a membership basis, if any, shall adopt, amend, or repeal any bylaw denying, limiting, or otherwise prescribing the voting rights of any class of members.

(4) Members of a condominium association organized for the purposes of administering the affairs of a condominium project are entitled to the voting rights designated in the master deed of the condominium.

(5) The articles of incorporation or the bylaws may provide that members of a homeowners or property owners association are entitled to voting rights based on the number of lots owned by each member.

(6) Except as otherwise provided in this act, the articles of incorporation, or the bylaws, membership is not transferable and is terminated by death, resignation, expulsion, or expiration of a term of membership.

(7) A corporation may adopt rules of qualification and government of its members, including rules of admission to, retention of, and expulsion from membership, under its articles of incorporation or bylaws, if those rules are reasonable, germane to the purposes of the corporation, and equally enforced as to all members.

(8) The articles of incorporation of a corporation that is organized on a membership basis may provide that membership is limited to persons that are members in good standing in other corporations. The articles of incorporation may provide that failure to remain a member in good standing in the other corporation constitutes grounds for expulsion of a member if the articles of incorporation or bylaws of the corporation describe the nature of the evidence that is required and establish the procedures for expulsion of a member.

History: 1982, Act 162, Eff. Jan. 1, 1983 ;-- Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015