

**RESTATED ARTICLES OF INCORPORATION
OF
CHELSEA CHILDREN’S COOPERATIVE, INCORPORATED**

Pursuant to the provisions of the Michigan Nonprofit Corporations Act, Act 162, Public Acts of 1982 (the “Act”), as amended [MCL 450.2201, *et. seq.*], the corporation executes and restates its articles:

ARTICLE I

Name

The name of the corporation is Chelsea Children’s Cooperative, Incorporated.

ARTICLE II

Purpose

The purposes for which the corporation is organized are for educational and charitable purposes, and specifically to operate a cooperative nursery and school for the training and instruction of preschool children to develop and improve their capabilities.

ARTICLE III

Organization

The corporation is organized upon a membership basis.

The corporation owns the following assets: cash in bank accounts and personal property used for teaching such as furniture, books, and equipment.

The corporation is to be financed by fees, tuition, assessments, donations, and grants.

ARTICLE IV

Address

The address of the registered office is 214 South Main Street, Suite 205, Ann Arbor, MI 48104.

The name of the resident agent at the registered office is R. Stephen Olsen.

ARTICLE V

Charitable Purpose

No part of the net earnings of the corporation will inure to the benefit of, or be distributable to, its members, executive board members, officers, or other private persons. However, the corporation will be authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II. No substantial part of the activities of the corporation will be the carrying on of propaganda or otherwise attempting to influence legislation. The corporation will not participate in, or intervene in (including the publishing and 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 corporation will not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under IRC 501(c)(3) or the corresponding section of any future federal tax code or (2) by a corporation whose contributions are deductible under IRC 170(c)(2) or the corresponding section of any future federal tax code.

ARTICLE VI

Dissolution

On dissolution of the corporation, after paying or providing for the payment of all of the liabilities of the corporation, the corporation’s assets will be distributed (1) for one or more exempt purposes within the meaning of IRC 501(c)(3), or the corresponding section of any future federal tax code or (2) to the federal government, or to a state or the circuit court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organizations that the court will determine and that are organized and operated exclusively for such purposes.

ARTICLE VII

Liability of Officer or Executive Board Member to Corporation

No officer or member of the executive board of the corporation who is a volunteer member, as that term is defined in the Act, will be personally liable to this corporation or its members for monetary damages for a breach of the officer’s or executive board member’s fiduciary duty; provided, however, that this provision will not eliminate or limit the liability of an officer or executive board member for any of the following:

1. A breach of the officer’s or executive board member’s duty of loyalty to the corporation or its members;
2. Acts or omissions not in good faith or that involved intentional misconduct or a knowing violation of the law;
3. A violation of section 551(1) of the Act;

4. A transaction from which the officer or executive board member derived an improper personal benefit;
5. An act or omission occurring before the filing of these articles of incorporation; or,
6. An act or omission that is grossly negligent.

ARTICLE VIII

Volunteer Liability to Third Persons

The corporation assumes the liability to any person, other than the corporation and its members, for all acts or omissions of a volunteer officer, volunteer executive board member, or other volunteer, if all the following conditions are met:

1. The volunteer was acting or reasonably believed she or he was acting within the scope of her or his authority.
2. The volunteer was acting in good faith.
3. The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
4. The volunteer's conduct was not an intentional tort.
5. The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the Insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws.

The corporation assumes all liability to any person, other than the corporation or its members, for all acts or omissions of an executive board member who is a volunteer executive board member, as defined in the Act, incurred in the good faith performance of the executive board member's duties. However, the corporation will not be considered to have assumed any liability to the extent that such assumption is inconsistent with the status of the corporation as an organization described in IRC 501(c)(3) or the corresponding section of any future federal tax code.

If the Act is amended after the filing of these articles of incorporation to authorize the further elimination or limitation of the liability of officers or executive board members of nonprofit corporations, then the liability of officers and members of the executive board, in addition to the described in article VIII, will be assumed by the corporation or eliminated or limited to the fullest extent permitted by the Act as so amended. Such an elimination, limitation, or assumption of liability is not effective to the extent that it is inconsistent with the status of the corporation as an organization described in IRC 501(c)(3) or corresponding section of any future federal tax code. No amendment or repeal of article VIII will apply to or have any effect on the liability or alleged liability of any officer or member of the executive

board of this corporation for or with respect to any acts or omissions occurring before the effective date of any such amendment or repeal.

ARTICLE IX
Amendments

These articles may be amended by a two-thirds vote of the members attending the general membership meeting.

Draft 3, 3-23-2000, RSO

CERTIFICATION OF ADOPTION OF RESTATED ARTICLES OF INCORPORATION

[Note: If these Restated Articles are adopted by the membership, the Secretary will sign and complete the following paragraph;]

The foregoing Restated Articles of Incorporation were duly adopted on _____, 200___. The Restated Articles of Incorporation were duly adopted in accordance with Section 611(2) of Act 162, Public Acts of 1982 [MCL 450.2611; MSA 21.197(611)] by the vote of the members. The necessary votes were cast in favor of the Restated Articles of Incorporation.

By: _____
[Name], Secretary, Chelsea Children's Cooperative

Dated: _____