

**MGC, INC., GROUP TAX EXEMPTION
PROGRAM**

Affiliation Agreement

**Must be filed with MGC, INC., no later than October 1, of the year of
Application with the Initial Application**

Garden Club Name: _____ MGC, INC., District: _____
Date: _____ EIN: _____ CSCL Bureau No. _____

We, the undersigned, have this day, voluntarily associated ourselves to undertake the responsibilities enumerated in this Affiliation Agreement.

Article I – Affiliation

1. Affiliation Agreement.

Acceptance of this Affiliation Agreement constitutes a formal affiliation between Michigan Garden Clubs, Inc., hereinafter referred to as MGC, INC., and the garden club seeking affiliation with MGC, INC., hereafter referred to as the AFFILIATED GARDEN CLUB.

2. Record of Affiliation.

- a. A copy of the Bylaws of the AFFILIATED GARDEN CLUB shall be attached to this Affiliation Agreement to establish a full record of the affiliation.
- b. To maintain a full and lawful record of affiliation, an “*Annual Affiliation Renewal Packet*” shall be completed by the AFFILIATED GARDEN CLUB each year and filed with the MGC, INC., hereinafter, GTEP Chair.

(1) All parts of the packet must be properly completed.

(2) Supporting documents as indicated in the instructions on the “*Annual Affiliation Renewal Packet*” shall be attached.

(3) Signatures of officers authorized by the AFFILIATED GARDEN CLUB shall be signed in the appropriate places.

- c. The completed packet shall be returned to the GTEP Chair no later than **October 1** of each year after the end of the prior fiscal year. The AFFILIATED GARDEN CLUB shall maintain a detailed description of its purposes and activities, including the sources of receipts and the nature of expenditures, to comply with the rules set forth by the IRS.

3. Terms of Affiliation.

This Affiliation Agreement, along with the Bylaws and Articles of Incorporation of MGC, INC., shall govern the communication and collaboration between MGC, INC., and the AFFILIATED GARDEN CLUB.

4. Duration.

The AFFILIATED GARDEN CLUB shall maintain affiliation with MGC, INC., until the affiliation is terminated according to the conditions and procedures set forth in Article VII.

Article II – Purpose

1. The primary purpose of the AFFILIATED GARDEN CLUB shall be the same as the primary purpose of MGC, INC.:
 - a) To create, promote and further interest in horticulture, gardening, floral and landscape design, plant and bird life, and appreciation of the natural beauties of the State of Michigan.
 - b) To encourage civic beautification and roadside development.
 - c) To assist in projects for the conservation of our natural resources.
 - d) To educate the public in matters relating to horticulture, gardening, floral and landscape design, civic beautification and resource conservation.
 - e) To do such things and to perform such acts to accomplish its purposes as the Board of Directors of the AFFILIATED GARDEN CLUB may determine to be appropriate and as are not forbidden by Section 501(c)(3) of the Code, with all the power conferred on nonprofit corporations under the laws of the State of Michigan.
2. The primary purpose of the Affiliation between MGC, INC., and the AFFILIATED GARDEN CLUB shall be to coordinate and centralize the work of the various Michigan garden clubs, now or hereafter organized, under the general supervision of MGC, INC.

Article III – Governing Authority

1. Organization.

MGC, INC., Inc., is incorporated under the laws of the state of Michigan pursuant to Articles of Incorporation filed September 4, 1942 and as amended October 1, 1979 and September 7, 2005 and Restated Articles of Incorporation filed July 30, 2018. The provisions of the Bylaws of the AFFILIATED GARDEN CLUB shall not conflict with Bylaws and Articles of Incorporation of MGC, INC.

2. Affiliate.

- a. The AFFILIATED GARDEN CLUB is an autonomous entity, incorporated under the laws of the State of Michigan, and is responsible for maintaining records in compliance with the Affiliation Agreement and all applicable federal, state and local laws and regulations, including tax laws.
- b. The Board of Directors of the AFFILIATED GARDEN CLUB shall have the final authority in all matters pertaining to the operations of the AFFILIATED GARDEN CLUB which are not governed by this Affiliation Agreement.
- c. The AFFILIATED GARDEN CLUB shall be subject to and participate in MGC, INC.'s general supervision and control.
- d. The AFFILIATED GARDEN CLUB shall participate in MGC, INC., governance through membership at the local garden club level and through voting delegates at the annual MGC, INC., conventions as prescribed in the Bylaws of MGC, INC.

Article IV - Limitations of Activity

1. The AFFILIATED GARDEN CLUB shall not conduct or carry out any activities not permitted to be conducted or carried on by an organization exempt under Section 501 (c)(3) of the U.S. Internal Revenue Code and its Regulations as they now exist or as they may be amended.
2. The AFFILIATED GARDEN CLUB certifies by signing this agreement that it is currently not, nor shall it become, a private foundation during its period of affiliation.
3. Notwithstanding any other provision of this Agreement or MGC, INC., Bylaws, neither MGC, INC., nor the AFFILIATED GARDEN CLUB shall be precluded from affiliating or collaborating with any other individuals or organizations.

Article V – Financial Relationship

1. Budgetary Independence.

The revenue and expenditures for MGC, INC., and the AFFILIATED GARDEN CLUB shall be separate and independent in nature, except for any specific collaborations for which a distinct funding stream has been identified for a collaborative activity between MGC, INC., and the AFFILIATED GARDEN CLUB.

2. Affiliate Membership Dues.

The AFFILIATED GARDEN CLUB will be liable for all membership dues to MGC, INC., Inc. Dues will be levied on an annual basis, the exact amount of which will be determined in accordance with the procedure set forth in the Bylaws of MGC, INC.

3. Tax reporting.

The AFFILIATED GARDEN CLUB is responsible for its own tax return filings, if necessary. MGC, INC., does not file group tax returns.

Article VI - Amendment of the Affiliation Agreement

1. Amendments to this Agreement.

- a. Amendment to this Affiliation Agreement shall only be made with the concurrence of the GTEP Chair and the President of MGC, INC., or authorized officer, and the Affiliated Garden Club.
- b. The AFFILIATED GARDEN CLUB may submit proposed Amendments to this Affiliation Agreement in writing to the GTEP Chair who shall forward them, with recommendations, to the MGC, INC., President or authorized officer for acceptance or rejection.

Article VII – Termination of Affiliation

1. Automatic Termination.

- a. The Affiliation as defined in this Affiliation Agreement will be deemed automatically terminated if the “*Annual Affiliation Renewal Packet*” is not *timely* submitted as set forth in this Affiliation Agreement to the GTEP Chair, Article I Section 2 b and c. The GTEP Chair shall report same to the MGC, INC., Inc., President or authorized officer. The automatic termination shall be reported by the MGC, INC., President or authorized officer to the Board of Directors and noted in the minutes of the Board of Directors.
- b. The Affiliation as defined in this Affiliation Agreement will be deemed automatically terminated upon notice from the MGC, INC., Roster Processing Chair to the GTEP Chair of non-payment of annual dues. The GTEP Chair shall report same to the MGC, INC., President, or authorized officer. The automatic termination shall be reported by the MGC, INC., President, or authorized officer, to the Board of Directors and noted in the minutes of the Board of Directors.

2. Proposing Termination.

The Affiliation as defined in this Affiliation Agreement may be terminated at any time:

- a. By recommendation of the GTEP Chair to the MGC, INC., President, or authorized officer, because conditions for the continued participation in the group exemption have not been fulfilled by the AFFILIATED GARDEN CLUB. This recommendation shall be approved or rejected by the MGC, INC., President, or authorized officer, reported by the MGC, INC., President to the Board of Directors and noted in the minutes of the Board of Directors.
- b. By written letter from the AFFILIATED GARDEN CLUB stating it wishes to terminate the affiliation. The letter shall be submitted by the GTEP Chair to the MGC, INC., President, or authorized officer, who shall advise the Board of Directors and note the letter in the minutes of the Board of Directors.

3. Resolution of Termination.

- a. Upon termination of the affiliation between MGC, INC., Inc., and the AFFILIATE, the GTEP Chair will issue a written acknowledgement of said termination; one copy of which will be sent to the AFFILIATED GARDEN CLUB and one copy included with the record of the affiliation thereby closing the file.
- b. Upon termination of the affiliation between MGC, INC., Inc., and the AFFILIATED GARDEN CLUB, the GTEP Chair will include the AFFILIATED GARDEN CLUB on the list of subordinates no longer to be included in the group exemption letter to the Internal Revenue Service.
- c. The AFFILIATED GARDEN CLUB will cease to claim itself as a 501(c)(3) tax exempt and tax-deductible organization under the MGC, INC., group exemption letter.

IN WITNESS WHEREOF, we, the undersigned, pursuant to the authority conferred upon us by Michigan Garden Clubs, Inc. or the garden club seeking affiliation (AFFILIATED GARDEN CLUB) with Michigan Garden Clubs, Inc., have executed this Affiliation Agreement.

ON BEHALF OF THE AFFILIATED GARDEN CLUB

PLEASE PRINT THE NAME OF THE PRESIDENT OR OTHER AUTHORIZED OFFICER

SIGNATURE OF PRESIDENT OR OTHER AUTHORIZED OFFICER

Dated: _____

ON BEHALF OF THE MICHIGAN GARDEN CLUBS, INC.

PLEASE PRINT THE NAME OF THE PRESIDENT OF MGC, INC., OR AUTHORIZED OFFICER

SIGNATURE OF PRESIDENT OF MGC, INC., OR OTHER AUTHORIZED OFFICER

Dated: _____

PLEASE PRINT NAME OF MGC, INC., GTEP CHAIR

SIGNATURE OF MGC, INC., INC., GTEP CHAIR

Dated: _____