

STATE OF MICHIGAN
COURT OF APPEALS

EARL ALLARD, JOSEPH DANSBURY,
MICHAEL GHESQUIERE, GEORGE
GOODHEART, WALLACE H. GLENDENING,
WILLIAM GRIERSON, JOHN GRYLLIS,
GARLAND KNIGHT, MERIA LARSON,
LAWRENCE MARANTETTE, JANET
MCPHAIL, NICHOLAS MOISIDES, PAUL
RIZZO, and CHARLES PAPPAS,

Plaintiffs-Appellants,

v

GROSSE POINTE HUNT CLUB,

Defendant-Appellee.

UNPUBLISHED
September 29, 2009

No. 285446
Wayne Circuit Court
LC No. 07-728291-CK

Before: Saad, C.J., and Whitbeck and Zahra, JJ.

PER CURIAM.

Plaintiffs Earl Allard, Joseph Dansbury, Michael Ghesquiere, George Goodheart, Wallace H. Glendening, William Grierson, John Gryllis, Garland Knight, Meria Larson, Lawrence Marantette, Janet McPhail, Nicholas Moisesides, Paul Rizzo, and Charles Pappas (collectively, the “club members”) appeal by leave granted from the trial court’s order denying their motion for summary disposition, granting summary disposition to defendant Grosse Pointe Hunt Club pursuant to MCR 2.116(I)(2), and dismissing the action. We affirm. We decide this appeal without oral argument.¹

I. Basic Facts And Procedural History

The Grosse Pointe Hunt Club is a private, non-profit corporation. The club members became “Life Members” of the Grosse Pointe Hunt Club before October 1, 2003, pursuant to a

¹ MCR 7.214(E).

provision of Article II of the Grosse Pointe Hunt Club's former bylaws² that read as follows, in pertinent part:

Section 9. LIFE MEMBERSHIP. A Life Membership is open to any Member of the Club who has completed twenty-five (25) years as a dues paying Member and who is in good standing. . . .

Another section of Article II provided that Life Members were not subject to the payment of dues or assessments:

Section 14. The initiation fee, dues and charges for use of facilities for each class of Membership shall be fixed by a majority vote of the Board of Directors, provided that a Life Member and an Honorary Member shall not be subject to payment of dues or assessments of any kind, except charges for use of Club facilities.

The bylaws additionally provided that a Life Member was entitled to share in the Grosse Pointe Hunt Club's equity in the event of dissolution. Finally, Article X provided in relevant part:

These By-Laws may be altered, amended, added to or repealed by a two-thirds (2/3rds) vote of the Members of the Board of Directors or a majority vote of the Equity Members of the Club at any regularly called meeting or at a special meeting called for such purpose. . . .

In 2004, the Grosse Pointe Hunt Club's bylaws were amended to redefine "Life Membership" as being open to any member who had completed 30 years as a dues-paying member. The amended version "grandfathered" in those Equity Members who joined prior to October 1, 2003, allowing them to become Life Members after 25 years.

In July 2007, the Grosse Pointe Hunt Club's Board of Directors unanimously adopted the revisions to the bylaws that are at the center of this dispute. In a letter addressed to the Grosse Pointe Hunt Club's members, the Board explained that the Grosse Pointe Hunt Club was deeply in debt, that membership was significantly down, and that the Grosse Pointe Hunt Club was in "crisis mode" and in danger of closing unless "radical" changes were made. The Board determined that the Life Membership program was unsustainable and that, although Life Members should be given the benefit of a generous reduction in the financial contribution required, in order to maintain the Grosse Pointe Hunt Club's existence it was necessary to increase dues revenue from these members. Accordingly, the Board unanimously voted to amend the Grosse Pointe Hunt Club's bylaws to create four separate categories of Life Membership, along with specified rights and financial obligations. Those members electing "Life Membership" would retain all the equity, voting rights, and privileges of an Equity Member at a discount equal to 50 percent of Equity monthly dues. Those electing the "Life

² The oldest version of the Club's bylaws that is contained in the record is from 1990, and the parties do not cite any previous version.

Member–Senior” category would retain all equity privileges except voting and Board service for a discount equal to two-thirds of Equity monthly dues. A “Life Member–Retired” would, after 50 years of equity ownership, be permitted to suspend his monthly dues payments in return for forfeiting voting and Board service privileges, but would retain equity ownership in the Grosse Pointe Hunt Club upon dissolution or sale. Finally, any Life Member could at any time elect to become a “Life Member–Social,” upon permanently forfeiting equity ownership and privileges thereof.

The club members resisted electing from these new categories of Life Membership and subsequently filed a complaint against the Grosse Pointe Hunt Club, alleging breach of contract. The club members contended that the Grosse Pointe Hunt Club’s pre-2003 bylaws constituted a written offer under which the club members, by paying the dues of an Equity Member for 25 years, could become Life Members, with the right to all privileges of membership in the Grosse Pointe Hunt Club as well as the right to a share in the Grosse Pointe Hunt Club’s equity upon dissolution, without being required to pay dues or assessments. The club members alleged that they accepted the Grosse Pointe Hunt Club’s offer by meeting its terms and giving valuable consideration for the promises contained in the offer by completing 25 years as dues-paying Equity Members. The club members alleged that they had fully performed all of the terms and conditions of this unilateral contract, and the only remaining performance under the contract was that of the Grosse Pointe Hunt Club. By requiring the club members to pay dues and be subject to assessments in order to retain their rights and privileges, the club members alleged that the Grosse Pointe Hunt Club had breached the terms of the contract.

The trial court denied the club members’ motion for summary disposition and granted the Grosse Pointe Hunt Club’s cross-motion for summary disposition on the ground that Article X of the Grosse Pointe Hunt Club’s bylaws clearly provided that the Board had the power to amend the bylaws at any time.

II. Summary Disposition

A. Standard Of Review

The trial court may grant summary disposition under MCR 2.116(C)(10) if, considering the substantively admissible evidence in a light most favorable to the nonmoving party, there is no genuine issue concerning any material fact and the moving party is entitled to judgment as a matter of law.³ Here, the trial court did not indicate on which ground it granted summary disposition to the Grosse Pointe Hunt Club; however, because documentary evidence was submitted and because the trial court relied on that evidence, we assume that the motion was granted under (C)(10).⁴ Further, MCR 2.116(I)(2) provides that, if it appears to the court that the opposing party rather than the moving party is entitled to judgment, the court may render

³ *Lind v Battle Creek*, 470 Mich 230, 238; 681 NW2d 334 (2004).

⁴ See *Mino v Clio School Dist*, 255 Mich App 60, 63 n 2; 661 NW2d 586 (2003), citing *Kefgen v Davidson*, 241 Mich App 611, 616; 617 NW2d 351 (2000).

judgment in favor of the non-moving party. This Court reviews de novo at trial court's decision on a motion for summary disposition.⁵

B. Analysis

Bylaws constitute a contract between a corporation and its shareholders.⁶ Accordingly, courts generally construe bylaws under the same rules applied in the construction of contracts,⁷ and statutes.⁸ Courts must look at the specific language of the bylaws.⁹ “If the language is unambiguous, the drafters are presumed to have intended the meaning plainly expressed.”¹⁰

Members of a voluntary organization are bound by its constitution and bylaws.¹¹ “The bylaws may contain any provision for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.”¹² Additionally, “[t]he bylaws of any corporation must be reasonable.”¹³

Article X of the Grosse Pointe Hunt Club's bylaws unambiguously provided, at all relevant times, that the Board had the power to amend the bylaws at any time. This provision is fully consistent with MCL 450.2231, which provides in relevant part as follows:

(1) Except if the power to adopt, amend, or repeal the bylaws is reserved exclusively to the corporation's shareholders, its members, or its board in the articles of incorporation:

* * *

(b) The shareholders, the members, or the board may amend or repeal the bylaws or adopt new bylaws.

* * *

⁵ *Kreiner v Fischer*, 471 Mich 109, 129; 683 NW2d 611 (2004).

⁶ *Allied Supermarkets, Inc v Grocer's Dairy Co*, 45 Mich App 310, 315; 206 NW2d 490 (1973).

⁷ 8 Fletcher, *Cyclopedia Corporations*, § 4195, p 791.

⁸ *Slatterly v Madiol*, 257 Mich App 242, 250, 255; 668 NW2d 154 (2003).

⁹ *Id.* at 255.

¹⁰ *Id.* at 255-256.

¹¹ *Mayo v Great Lakes Greyhound Lines*, 333 Mich 205, 214; 52 NW2d 665 (1952).

¹² MCL 450.1231; see also MCL 450.2231(2).

¹³ *Dozier v Automobile Club of Mich*, 69 Mich App 114, 123; 244 NW2d 376 (1976), citing *Allnutt v Subsidiary High Court of United States Ancient Order of Foresters*, 62 Mich 110; 28 NW 802 (1886).

(2) The bylaws may contain any provision for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

The club members do not contend that the Board, in amending the bylaws concerning Life Membership, did not comply with the procedure that Article X established and that MCL 450.2231 sanctions. Furthermore, where parties to a mutual organization agree to be bound by after-enacted bylaws, they are bound thereby.¹⁴

The club members cite *People ex rel Pulford v Fire Dep't of City of Detroit*,¹⁵ for the proposition that the amendment of the Grosse Pointe Hunt Club's bylaws imposed an improper “*ex post facto*” penalty that cannot be upheld. However, *Pulford*, which involved an amendment to the municipal defendant's constitution that resulted in the expulsion of a firefighter based on the delinquent status of his membership dues, is entirely inapposite, most significantly because the amendment was not authorized under the defendant's charter, constitution, and bylaws. In contrast, the Grosse Pointe Hunt Club here complied with the procedure the bylaws set forth and MCL 450.2231 permits, and the club members have noted no inconsistencies between the amendments and other governing provisions; nor do the amended categories of Life Membership impose forfeiture of member status or, indeed, any “penalty” at all.

The club members additionally argue that former Article II, § 14, which stated that a Life Member “shall not be subject to payment of dues or assessments of any kind, except charges for use of Club facilities,” is more specific than Article X and therefore controls. “[I]t is a settled rule of statutory construction that where a statute contains a specific statutory provision and a related, but more general, provision, the specific one controls.”¹⁶ However, the bylaw exempting Life Members from dues and assessments did not purport to limit the broad power of the Board under Article X to amend, alter, add to, or repeal “[t]hese bylaws.” Accordingly, Article X is not a “related, but more general provision” vis-à-vis the former bylaw exempting Life Members from dues and assessments.

Because the Grosse Pointe Hunt Club's bylaws explicitly gave the Board the power to amend the bylaws and because there is no suggestion that the Board did not comply with the proper procedure for adopting the amendments, the trial court appropriately granted summary disposition in favor of the Grosse Pointe Hunt Club.

Affirmed.

/s/ Henry William Saad
/s/ William C. Whitbeck
/s/ Brian K. Zahra

¹⁴ *Allen v Gleaner Life Ins Soc*, 274 Mich 171, 174; 264 NW 332 (1936).

¹⁵ *People ex rel Pulford v Fire Dep't of City of Detroit*, 31 Mich 458 (1875).

¹⁶ *In re Haley*, 476 Mich 180, 198; 720 NW2d 246 (2006).