

BYLAWS OF  
HARBOR AREA REGIONAL BOARD OF RESOURCES INC.

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## ARTICLE I

### Name and Registered Office

Section 1. Name. The name of this corporation is the HARBOR AREA REGIONAL BOARD OF RESOURCES INC.

Section 2. Registered Office. The registered office of the corporation is 210 East Main Street, Suite 4D, Harbor Springs, MI 49740, and the mailing address of the registered office is Post Office Box 112, Harbor Springs, MI 49740. The resident agent shall be the person who from time to time is designated by the Board of Directors.

## ARTICLE II

### Purpose

Section 1. Purpose.

- (a) The purpose of this corporation is to act as a community resource for local units of government, property owner associations and others, when decisions are made that affect the greater community.
- (b) No part of the net earnings of the corporation shall inure to the benefit of any member, director, or officer of the corporation, but the corporation shall be authorized and empowered to pay reasonable compensation for the services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II of the articles of Incorporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.
- (c) Notwithstanding any other provisions of the Article of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on:

by a Corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986; or

by a Corporation, contributions to which are deductible under section 170 (c)(2) of the Internal Revenue Code of 1986;

- (d) This Corporation is intended to be an organization which is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 and which is a public charity. All terms and provisions of the Articles and the Bylaws of the Corporation, and all operations of the Corporation, shall be construed, applied, and carried out in accordance with such intent. For purposes of the Articles and Bylaws of the Corporation:

“public charity” means a qualified charitable organization which is “other than a private Corporation” within the meaning of section 509(a)(1), (2) or (3) of the Internal Revenue Code of 1986;

“charitable purposes” means those purposes under section 501(c)(3) of the Internal Revenue Code of 1986 which are permitted of the Corporation as a public charity under the Internal Revenue Code of 1986;

“qualified charitable organization” means an organization which is organized for charitable purposes and qualified as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986; and

reference to any section of the Internal Revenue Code of 1986 includes the corresponding provisions then in effect of any subsequent federal tax laws.

## ARTICLE III

### Meetings of Members

Section 1. Composition. The members of this Corporation shall consist of those persons who reside in the City of Harbor Springs and the Townships of West Traverse, Little Traverse, Readmond, Friendship, Pleasantview, and Cross Village, Emmet County, Michigan and who apply for membership in this Corporation.

Section 2. Annual Meeting. Members shall hold an annual meeting in July or August of each year, the date to be determined by the Board of Directors. The purpose of the annual meeting of members is to review the activities of the Corporation for the preceding year, including distributions for charitable purposes, and gifts and other support received from the public; to review its financial condition; to elect eight (8) at-large directors each year to serve for a two (2) year term, provided, at the annual meeting in 2002, eight (8) at-large directors shall be elected for a one(1) year term, and eight (8) at large directors shall be elected for a two(2) year term; Thereafter, eight(8) directors shall be elected each year for a two(2) year term, as provided for in Article IV Section 2(30) and to conduct such other business as properly might come before members.

Section 3. Special Meetings. Special Meetings of the members may be called by the Chair, and shall be called by the Executive Director or Secretary at the request in writing of a majority of the Board of Directors or at the request in writing of one-third (1/3) of the members. Such request shall state the purpose or purposes of the requested meeting. Business transacted at any special meeting shall be limited to the subject stated in the call.

Section 4. Place of Meeting. The Board of Directors may designate any place as the place of meeting for any annual or special meeting called in the manner authorized by Sections 2 or 3 hereof. If no designation is made, or if a special meeting be otherwise called, the place of the meeting shall be the principal office of the Corporation designated in Section 2 of Article I of these Bylaws.

Section 5. Notice of Meetings. Written or printed notice stating the place, day and hour of the annual and any special meetings, and the purpose of purposes for which any meeting is called, shall be delivered not less than ten (10) days nor more than thirty (30) days before the day of the meeting, either personally, by mail or e-mail, by or at the direction of the Chair, Executive Director, the Secretary, or the officers or persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope addressed to the member at the member's address as it appears on the records of the Corporation with postage thereon prepaid. Any member may waive notice and consent to the holding of any meeting. The attendance of the member at any meeting constitutes a waiver of notice of the meeting, except when a member attends a meeting for the

express purpose of objecting, at the beginning of the meeting, or thereafter, when an item not included in the notice of meeting, is introduced, because the meeting is not lawfully called or convened, or the item had not been included in the notice of the meeting.

Section 6. Quorum. Ten (10) members of the Corporation, present in person, after notice of a meeting, constitute a quorum for a meeting of the members.

Section 7. Voting. At every meeting of members each member shall be entitled to vote in person, or by proxy duly appointed by instrument in writing (via letter, email or fax) which is subscribed by such member and which bears a date not more than eleven (11) months prior to such meeting, unless such instrument provides for a longer period. Each member of the Corporation shall be entitled to one (1) vote. Upon the demand of any member, the vote upon any question before the meeting shall be by ballot. All elections shall be had and all questions decided by a majority vote of the persons present in person or by proxy.

Section 8. Inspectors of Election. Whenever any person entitled to vote at a meeting of the members shall request the appointment of inspectors, the presiding officer shall appoint not more than three inspectors, who need not be members. If the right of any person to vote at such meeting shall be challenged, the inspector shall determine such right. The inspectors shall receive and count the votes either upon an election or for the decision of any question and shall determine the result. Their certificate of any vote shall be prima facie evidence thereof.

Section 9. Informal Action by Members. Any action required to be taken at a meeting of the members of the corporation, or any other action which may be taken at a meeting of members, may be taken without a meeting of a consent in writing, setting forth the action so taken, shall be signed by all members entitled to vote with respect to the subject matter thereof.

Section 10. Open Meetings. All meetings of the members shall be open to the public.

## ARTICLE IV

### Board of Directors

Section 1. Qualifications. The members of the Board of Directors shall be members of this Corporation.

Section 2. Number, Election and Term of Office. The Board of Directors shall consist of the following persons:

- (1) The Supervisor of West Traverse Township, Emmet County, Michigan or his or her designee
- (2) The Supervisor of Little Traverse Township, Emmet County, Michigan or his or her designee;
- (3) The Supervisor of Readmond Township, Emmet County, Michigan, or his or her designee
- (4) The Supervisor of Friendship Township, Emmet County, Michigan, or his or her designee;
- (5) The Supervisor of Pleasantview Township, Emmet County, Michigan, or his or her designee;
- (6) The Supervisor of Cross Village Township, Emmet County, Michigan, or his or her designee

- (7) The Mayor of the City of Harbor Springs, Emmet County, Michigan, or his or her designee;
- (8) The President of the Harbor Point Association, Harbor Springs, Michigan, or his or her designee;
- (9) The President of the Wequetonsing Association, Harbor Springs, Michigan or his or her designee;
- (10) The Executive Director of the Little Traverse Conservancy, Harbor Springs, Michigan or his or her designee;
- (11) The Executive Director of the Tip of the Mitt Watershed Council, Harbor Springs, Michigan, or his or her designee;
- (12) The President of the Birchwood Farms Golf & Country Club Property Owners Association, Harbor Springs, Michigan, or his or her designee;
- (13) The President of the Emmet County Lakeshore Association, Harbor Springs, Michigan, or his or her designee;
- (14) The President of the Little Traverse Bay Bands of Odawa Indians, Nation, or his or her designee;
- (15) The President of the Harbor Springs Chamber of Commerce, or his or her designee;
- (16) The President of the Harbor Springs Public Schools Board of Education, or his or her designee;
- (17) The Director of the Emmet County Planning Department, or his or her designee;
- (18) The Emmet County Commissioner for District 2, or his or her designee;
- (19) The Emmet County Commissioner for District 3, or his or her designee;
- (20) Sixteen (16) additional members elected at large by the members of the Corporation.
- (21) The Immediate Past Chair. At the conclusion of his or her term, the Chair shall become the Immediate Past Chair. If term limits are in effect, the Immediate Past Chair shall be allowed to serve his or her full two-year term regardless of those term limits. If the Immediate Past Chair is unable or unwilling to complete his or her term of office, the office shall remain vacant.

Each organization, jurisdiction, or community member will be entitled to one vote.

Section 3. Vacancies in Office. Vacancies by reason of death, resignation (failure without excuse acceptable to the Board of Directors to attend (3) consecutive meetings shall operate as a tender of resignation), or refusal to act, or otherwise, shall be filled for the unexpired term by majority vote of the remaining members of the Board of Directors.

Section 4. Powers and Duties of the Board of Directors. The Board of Directors shall have general charge of the affairs, property, and assets of the Corporation. It shall be the duty of the Board of Directors to carry out the aims and purposes of this Corporation and, to this end, to manage and control all of its property and assets.

In carrying out its duties the Board of Directors is authorized to elect officers and to employ or arrange for the services of such persons, including attorneys, agents and assistants, as in its opinion are needed for the administration of the Corporation and to pay reasonable compensation for services and expenses thereof. The Board of Directors may also, from time to time, appoint as advisor a person(s) whose advice, assistance, and support may be deemed helpful in determining policies and formulating programs for carrying out the Corporation's purposes and pay the reasonable expenses thereof.

Section 5. Annual Meeting. The annual meeting of the Board of Directors for the election of officers and the transaction of such business as may properly come before the meeting shall be held as soon as practicable before or after the annual meeting of members.

Section 6. Other Regular Meetings. The Board of Directors may provide by resolution for the holding of other regular meetings of the Board for consideration of such business as may properly come before the meeting, without other notice than such resolution.

Section 7. Special Meetings. Special meeting of the Board of Directors may be called by or at the request of the Chair, Executive Director or any two Directors. The person or persons authorized to call special meetings of the Board may fix the time and the place of same.

Section 8. Notice. Notice of any meeting of the Board shall be delivered at least ten (10) days prior to the meeting by written notice delivered personally, or mailed, or sent by e-mail, to the mailing or e-mail address of each member of the Board of Directors, at the mailing or e-mail address on file with the Secretary of Corporation for such Director. Each director shall provide a written statement, signed by the Director, of the mailing address to be used for purposes of notice, and, if desired by the Director, the e-mail address of such Director to be used for purposes of notice of meetings and other matters to the Board member. Delivery of such notice shall be complete upon personal delivery, or upon the date of mailing by first class mail, or upon the date of sending by e-mail, as set forth above.

Section 9. Quorum. Ten (10) of the members of the Board of Directors then in office constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that less than a majority of the members of the Board of Directors present may adjourn the meeting from time to time without further notice. The vote of the majority of the members present at a meeting at which a quorum is present constitutes the action of the Board of Directors, unless the vote of a larger number is required by statute, the Articles of Incorporation or these Bylaws.

Section 10. Participation by Communication Equipment. A member of the Board of Directors or of a committee designated by the Board may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this provision constitutes presence in person at the meeting.

Section 11. Informal Action by Board of Directors. Action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Directors or of a committee thereof, may be taken without a meeting if, before or after the action, all members of the Board or of the committee consent there to in writing. The written consent shall be filed with the minutes of the proceedings of the Board or committee. The consent has the same effect as a vote of the Board of Directors or committee of the Board for all purposes.

Section 12. Compensation. Members of the Board of Directors shall not receive any compensation for their services as members of the Board of Directors but may be reimbursed for reasonable expenses of attendance; provided that nothing herein contained shall be construed to preclude any member of the Board of Directors from serving the Corporation in any other capacity and receiving compensation therefore.

Section 13. Manifestation of Dissent. A member of the Board of Directors of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be assumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right of dissent shall not apply to a member of the Board of Directors who voted in favor of such action.

Section 14. Annual Report. An independent auditor appointed or approved by the Board of Directors shall at such time as the Board of Directors may determine, but at least annually, prepare for the Corporation as a whole consolidated financial statements, including a statement of combined capital assets and liabilities, and a statement of income, expenses and distributions, and a list of projects and/or organizations to or for which funds were used or distributed for charitable purposes, and such other additional reports or information as may be ordered from time to time by the Board of Directors. The auditor shall also prepare such financial data as may be necessary for returns or reports required by state or federal government to be filed by the Corporation. The auditor's charges and expenses shall be proper expenses. Upon receipt of the auditor's report, the Board of Directors shall, as soon as practicable thereafter, make and distribute a written report of its financial condition, activities and distributions to representative persons and organizations in the Emmet County area and the vicinity thereof (including to at least one daily newspaper generally circulated in the County of Emmet, Michigan, and to other news distribution organization in such area as necessary and relevant ) as will, in the opinion of the Board of Directors, reasonably inform the interested public of the operations of the corporation.

Section 15. Open Meetings. All meetings of the Board of Directors shall be open to the public.

## ARTICLE V

### Committees

Section 1. Executive Committee. The Board of Directors shall create an Executive Committee. The members of the Executive Committee shall include the Immediate Past Chair,,the Chair of the Board, the Vice Chair, the Secretary and the Treasurer, and five (5) other persons as appointed by the Board of Directors from the members of the Board. The five (5) appointed members of the Executive Committee shall serve a one (1) year term from September, 2004 to

September 2005, and then shall be elected or appointed for two year terms, bi-annually, commencing at the first meeting of the Board of Directors held after the annual meeting of the members held in 2005. The Executive Committee during the intervals between the meetings of the Board of Directors shall possess and may exercise all of the powers of the Board of Directors in the management of the affairs of the Corporation. The vote of the majority of the members present at a meeting at which a quorum is present constitutes the action of the Executive Committee. The Executive Committee shall keep full records and accounts of its proceedings and transactions. All actions by the Executive Committee shall be reported to the Board of Directors at its meeting next succeeding such action and such actions shall be subject to control, revision and alteration by the Board of Directors, provided that no right of third persons shall be prejudicially affected thereby. Vacancies in the Executive Committee shall be filled by the Board of Directors, and the Directors may appoint one or more Directors as alternate members of the Executive Committee who may take the place of any absent member or members at any meeting. The Executive Committee shall not have the power to amend the Articles of Incorporation; adopt an agreement of merger or consolidation; recommend to the members a dissolution; amend the Bylaws of the Corporation; fill vacancies in the Board; or authorize any expenditure of funds exceeding \$5,000.00. All meetings of the Executive Committee shall be open to the public.

Section 2. Advisory Committee. The Board of Directors may create advisory Committees of persons whose advice; assistance and support may be deemed helpful in determining policies and formulating programs for carrying out the Corporation's purposes.

Section 3. Other Committees. The Board of Directors may provide for such other standing or special committees as it deems desirable, and may discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, the Articles of Incorporation, or these Bylaws, as said Board may prescribe.

## ARTICLE VI

### Officers

Section 1. Officers. The officers of the Corporation shall be elected or appointed by the Board of Directors and shall consist of a Chair, a Vice Chair, a Secretary, and a Treasurer. The Board of Directors may select such other officers as may, from time to time, be determined necessary by the Board of Directors. Two or more offices may be held by the same person but an officer shall not execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law or the Articles or Bylaws are to be executed, acknowledged or verified by two or more officers. All officers shall be members of the Board of Directors.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected or appointed bi-annually to two(2) year terms with a maximum of three (3) consecutive terms at the first meeting of the Board of Directors held before or after each annual meeting of the members. If the election or appointment of officers shall not be at such meeting, such election or appointment shall be held or made as soon thereafter as is convenient. Each officer so elected or appointed shall hold office until his or her successor is elected or appointed and qualified, or until his or her resignation or removal. Unless the Board of Directors decides otherwise, the Vice Chair shall assume the Chair position upon the regular completion of the Chair's elected or appointed term.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the affirmative vote of two-thirds (2/3) of all the Directors at any regular or special meeting called for that purpose, with or without cause, whenever in its judgment the best interests of the Corporation would be served thereby. Any officer proposed to be removed shall be entitled to at least five (5) days notice in writing by mail or email of the meeting at which removal is to be voted on and shall be entitled to appear and be heard by the Board of Directors at such meeting.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled at any meeting of the Board of Directors for the unexpired portion of the term of such office by a majority of the Directors then in office.

Section 5. Chair of the Board. The Chair of the Board shall be the principal executive officer of the Corporation. The Chair shall preside at meetings of the members and the Board of Directors, and may sign with the Secretary or any other officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Corporation; and in general shall perform all duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice Chair. It shall be the duty of the Vice Chair to perform the duties of the Chair of the Board in the absence or inability of that officer. The Vice Chair shall perform such other duties as from time to time may be assigned by the Chair of the Board or by the Board of Directors.

Section 7. Treasurer. It shall be the duty of the Treasurer to have general charge of all money and other property belonging to the Corporation and to disburse the same under direction of the Board of Directors and to keep an accurate account of same; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Chair or by the Board of Directors.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors ; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is fixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; and in general perform all duties as from time to time may be assigned by the Chair or by the Board of Directors.

## ARTICLE VII

### Contracts, Loans, Checks, and Deposits

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loan shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

#### ARTICLE VIII

##### Fiscal Year

Section 1. Fiscal Year. The fiscal year of the Corporation shall be on a calendar year basis.

#### ARTICLE IX

##### Prohibition Against Sharing in Corporate Earnings

Section 1. Prohibition. No member, Director, officer, or employee of or member of a committee of or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation.

#### ARTICLE X

##### Exempt Activities

Section 1. Permitted Activities. Notwithstanding any other provision of these Bylaws, no member, Director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its regulations as now existing or as hereafter amended, or by an organization, contributions to which are deductible under Section 170( c)(2) of such Code and regulations as now existing or as hereafter amended.

#### ARTICLE XI

##### Corporate Seal

Section 1. Corporate Seal. The Board of Directors may provide a corporate seal, which, if authorized, shall be in the form of two concentric circles and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Michigan."

## ARTICLE XII

### Amendments

Section 1. Amendments. These Bylaws may be amended, altered, changed, added to or repealed by the affirmative vote of a majority of the Board of Directors at any regular or special meeting of the Board of Directors, if notice of the proposed amendment, alteration, change, addition, or repeal be contained in the notice of the meeting.

## ARTICLE XIII

### Liquidation of Corporation

Section 1. Liquidation of Corporation. Upon a two-thirds (2/3) majority vote of the members present, the Corporation shall be liquidated. All members of the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors Shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board of Directors may determine or as may be determined by a court which has general jurisdiction for the county in which the principal office of the Corporation shall then be located, exclusively to charitable, religious, scientific, testing for public safety, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.