

**AMENDED BYLAWS
OF THE
LOWER HERRING LAKE ASSOCIATION, INC.**

- The original Bylaws of the Lower Herring Lake Association, Inc. (Association) were adopted by the membership of the Association on July 5, 1963.
- These Amended Bylaws were adopted by the affirmative vote of the membership of the Association at its annual meeting on July 5, 2018.
- These Amended Bylaws were adopted by the affirmative vote of the membership of the Association at its annual meeting on July 5, 2019.

Article 1 - Name

Section 1.1 – Name. The name of the corporation shall be the Lower Herring Lake Association, Inc., and the business of the corporation may be conducted as the Lower Herring Lake Association or LHLA.

Article 2 - Purpose

Section 2.1 – Purpose. The Association is a non-profit corporation and shall be operated exclusively for educational, scientific, and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”), or the corresponding section of any future federal tax code.

The purpose of the Association is to work to educate, raise awareness on a regional basis, and provide limited support to programs related to watershed and aquatic ecosystem issues in Benzie and Manistee Counties, including (but not limited to) lake levels, fish & wildlife, recreational opportunities, and developing solutions to mutual watershed-related problems along with local, state, and federal governmental units.

Section 2.2 – Powers.

The Association shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to effect the charitable purposes for which the Association is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the Association may include (but are not limited to) the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

Section 2.3 – Nonprofit Status and Exempt Activities Limitation.

- (a) Nonprofit Legal Status. LHHLA is a Michigan non-profit corporation organized as tax exempt under Section 501(c)(3) of the United States Internal Revenue Code.
- (b) Exempt Activities Limitation. Notwithstanding any other provision of these Bylaws, no director, officer, employee, member, or representative of this Association shall take any action or carry on any activity by or on behalf of the Association not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Code as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the Association shall inure to the benefit or be distributable to any director, officer, member, or other private person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.
- (c) Distribution upon Dissolution. Upon termination or dissolution of LHHLA, any assets lawfully available for distribution (after paying or making provision for the payment of all the liabilities of the Association) shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code (or the corresponding provision of any future federal tax code), to a qualifying non-profit organization(s) operating exclusively for charitable, educational, or scientific purposes and qualified as such under said Code, or to a state, local, tribal, or federal government (including, but not limited to, the Benzie County Conservation District) for a public purpose.

Article 3 – Membership

Section 3.1 – Association Membership. To be eligible for Membership in the Association, an individual must own property in Benzie or Manistee Counties, including (but not limited to) property riparian to Lower Herring Lake or which is part of a subdivision or association with property that is riparian to Lower Herring Lake.

Section 3.2 – Membership Dues & Assessments.

- (a) The Board of Directors shall establish the initial and annual dues for membership in the Association. The billing and collection of dues shall be in a manner prescribed by the Board of Directors.
- (b) The Board may, from time to time, approve and issue an assessment to the Members to obtain funds for specific actions and activities necessary to carry out the Association's purpose, including (but not limited to) education and/or awareness activities related to lake levels and watershed issues, administration, and legal research for the purpose of addressing permit questions, watershed problems (such as ice blockages, invasive species, etc.) and/or other recommendations to/from the Michigan Department of Environmental Quality, the United States Army Corps of Engineers, and other federal,

state, local governmental entities with jurisdiction over or pertaining to inland lakes, water ways that connect to the Great Lakes, and other watershed-related issues.

Section 3.3 –Membership Classes and Requirements. There shall be two classes of Membership in the Association: (a) Riparian Members; and (b) Associate Members.

(a) Riparian (Voting) Members. Riparian Members in the Association must demonstrate to the Association Board their family's ownership of one riparian property on Lower Herring Lake, Benzie County, Michigan.

1. Riparian Members have voting rights on Association matters over which the Membership may vote as set forth herein. Riparian Members are entitled to one vote per family for each Membership; in the event that a Riparian Member family owns more than one riparian property on Lower Herring Lake, that family is still entitled to only one vote. Only an authorized representative of the family will have the right to cast the one vote of that family.
2. In the event a subdivision or association (including, but not limited to, a homeowners' association or condominium association) owns or has riparian rights in property on Lower Herring Lake, the governing board of the entity exercising control of said subdivision or association shall be eligible for LHLA Riparian Membership. Such a subdivision or association may select one representative and that representative will have the same voting rights as a riparian owner. The selected representative is also eligible for nomination and election to the Board of Directors.
3. Unless an individual family within a subdivision or association as described in Sec. 3.3(a)(2) above owns its own riparian property on Lower Herring Lake, said family would not be eligible to be a Riparian Member family; however, such a family(ies) would be eligible for Associate Membership.

(b) Associate (Non-Voting) Members. Associate Members in the Association are Member families who own any property in Benzie or Manistee Counties other than riparian property on Lower Herring Lake. However, annually, full voting memberships (one per household) may be offered to Associate Members up to a maximum number at or below 30% of active voting Riparian membership on a first-come, first-serve basis upon the opening of each year's registration period, and with payment of full membership dues. No more than three (3) such members may also be nominated and elected to the Board of Directors, but all Officers of the Board must be Riparian owners.

Section 3.4 – Rights and Duties of Members. Each Member family shall have the right to have its representative inspect the books of account or other records at the registered office of the Association. Each Member must keep their current mailing/post-office address on file with the Secretary of the Association, and in case of his failure to do so, s/he waives their right to a mailed written Notice of Membership Meetings.

Section 3.5 – Termination of Membership. Membership may be terminated by the Board of Directors on the occurrence of any of the following events:

- (a) Failure to pay dues within 90 days after written notice of payment due;
- (b) Failure to satisfy the requirements of Section 3.1 of this Article.

Article 4 – Membership Meetings

Section 4.1 – Quorum for Meetings of Members. A majority of the Riparian Members attending the Annual or a Special Meeting will constitute a quorum for the transaction of business.

Section 4.2 – Annual Meeting. The Annual Meeting of the Membership shall be held in the vicinity of Lower Herring Lake at 12:00 p.m. (noon) within one calendar week of (but never directly on) the 4th of July of each year.

Section 4.3 – Special Meetings. The President of the Association shall call special meetings of the membership when requested by at least five (5) Directors of the LHLA Board of Directors, or upon the request of one-third of the Membership by a written petition which states the specific purpose(s) for which the meeting is to be called. The petition, in order to be valid, shall have the signatures of at least 10% of the total Riparian Members, or 20% of the Associate Members, whichever is less. No other business other than that specified in the petition shall be transacted at any Special Meeting.

Section 4.4 – Notice of Membership Meetings. Notice as to the date, location, and subject matter of the Annual and any Special Meeting(s) shall be circulated to all Members no less than fifteen days prior to such a meeting. This will be accomplished by the Secretary through means of a mailing to the members, using addresses on record, and by publication in the local press.

Section 4.5 – Voting. Eligibility to vote in an annual or special meeting must be established, pursuant to Section 3.3 above, no less than thirty (30) days prior to the meeting. Election of Directors shall be made by secret ballot. All other matters may be decided by a show of hands or at the Chair's discretion, by secret ballot. There shall be no proxy voting. Absentee ballots shall be allowed, so long as the ballot is signed by the Member family's authorized representative.

Article 5 – Board of Directors

Section 5.1 – Membership and Officers of the Association Board of Directors. The Association shall have a Board of Directors consisting of at least five and no more than nine Directors. The Officers of the Association Board shall consist of President, Vice-President, Secretary, and Treasurer.

Section 5.2 – Powers. All corporate powers shall be exercised by or under the authority of the Board, and the affairs of the Association shall be managed under the direction of the Board, except as otherwise provided by law. Any action required or permitted to be taken pursuant to authorization of the Board may be taken without a meeting if, before or after the action, all Directors consent to the action in writing. Written consents shall be filed with the minutes of the Board’s proceedings.

Section 5.3 – Election of Officers. The voting Membership shall elect the Directors to serve on the Board of Directors at the Annual Meeting. The Officers of the Association Board shall be appointed by a vote of the Directors on the Board at the first meeting of the newly constituted Board of Directors.

Section 5.4 – Term of Office & Vacancies. The Directors shall hold office for a term of three (3) years, unless such time is extended until a successor has been appointed, except that the Directors’ terms shall be staggered so that approximately one-third (1/3) of the Directors will end their terms in any given year. A vacancy of a seat on the Board of Directors between elections (whether by resignation, removal from office, death of a Board member, or another reason) shall be filled by appointment made by the remaining Directors until the next election, provided that person is eligible to serve pursuant to MCL 450.2514.

Section 5.5 – Duties of Officers.

- (a) President. The President of the Association shall preside at all meetings of the Membership and of the Board of Directors; shall sign all notes and contracts of the Association; and generally do and perform all the duties that usually devolve upon an Officer in like capacity.
- (b) Vice-President. The Vice-President shall perform the duties of the President in the absence of the President.
- (c) Secretary. The Secretary shall keep the Minutes of the meetings of the Membership and of the Board of Directors, and shall keep, store, and maintain the books and records of the Association. The Secretary shall sign all contracts, and generally do and perform the duties that devolve upon like Officers in like corporations. The Secretary shall make and certify a complete list of the members entitled to vote at a membership meeting or any adjournment. The list shall (i) be arranged alphabetically with the address of each Member, (ii) be produced at the time and place of the membership meeting, and (iii) be prima facie evidence of the Members entitled to examine the list or vote at the meeting.
- (d) Treasurer. The Treasurer shall keep and receive all moneys of the Association and shall pay out by check to be signed by him/herself and another Officer on the Board of the Association.

Section 5.6 – Board of Directors Meetings.

- (a) Regular Meetings. The regular meetings of the Board shall be held quarterly.
- (b) Special Meetings. A Special Meeting of the Board of Directors shall be called by the President upon request of any two Directors on the Board.
- (c) Notice. Notice of regular meetings will be circulated to all Directors by the Secretary at least fifteen days in advance by first-class mail, electronic mail, facsimile transmission, personal delivery, or by telephone. Notice of meetings shall specify the date, time, and location of the meeting. Notice of Special meetings will be accomplished by a means agreed to by the Directors and will be in sufficient time to permit Directors to attend the meeting. It is recommended that an agenda be provided to all Board members at least one day prior to the meeting. Any Director may waive notice of any meeting, in accordance with Michigan law.

Section 5.7 – Manner of Acting.

- (a) Quorum. A majority of the Directors in office immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the Board. No business shall be considered by the Board at any meeting at which a quorum is not present.
- (b) Consensus. The Board will emphasize consensus, and will reach decisions by consensus. In those cases when a consensus cannot be reached, the Board may choose to proceed to a majority vote. Except as otherwise required by law, or by the Articles of Incorporation, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.
- (c) Participation. Except as required otherwise by law, the Articles of Incorporation, or these Bylaws, Directors may participate in a regular or special meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting, including in person, internet video, or by telephonic conference call.

Section 5.8 – Removal of Directors. A Director may be removed by two-thirds vote of the Board of Directors then in office, if:

- (a) The Director is absent and unexcused from two or more meetings of the Board of Directors within a twelve-month period. The Board President is empowered to excuse Directors from attendance for a reason deemed adequate by the Board President. The President shall not have the power to excuse him/herself from the Board Meeting attendance and in that case, the Board Vice President shall have the authority to excuse the President; or

- (b) For cause, or no cause, if before any meeting of the Board at which a vote on removal will be made the Director in question is given electronic or written notification of the Board's intention to discuss his/her case and is given the opportunity to be heard at a meeting of the Board.

Section 5.9 – Compensation for Board Service. Directors shall receive no compensation for carrying out their duties as Directors. The Board may adopt policies providing for reasonable reimbursement of Directors for expenses incurred in conjunction with carrying out Board responsibilities, such as travel expenses to attend Board meetings.

Section 5.10 – Compensation for Professional Services by Directors. Directors are not restricted from being remunerated for professional services provided to the Association. Such remuneration shall be reasonable and fair to the Association and must be reviewed and approved in accordance with the Board Conflict of Interest Policy and state law.

Section 5.11 - A majority of the Board shall always consist of individual (rather than subdivision or association) Riparian Member property owners.

Article 6 – Corporate Document Procedure

Section 6.1 – Authorization. Except as otherwise provided by resolution of the Board or Board policy, all contracts, deeds, leases, mortgages, grants, and other agreements of the Association shall be executed on its behalf by the President, or other persons to whom the Association has delegated authority to execute such documents in accordance with policies approved by the Board. No corporate documents, checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by any officer, designated agent, or attorney-in-fact unless authorized by the Board or by these Bylaws.

Section 6.2 – Deposits

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depository as the Board or a designated committee of the board may select.

Section 6.3 – Loans

No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Board. Such authority may be general or confined to specific instances.

Article 7 – Indemnification

Section 7.1 – Indemnification. Subject to all of the other provisions of this article, the Association shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding. This includes any civil,

criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the Association). Such indemnification shall apply only to a person who was or is a Director or Officer of the Association or who was or is serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or on a plea of *nolo contendere* or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

Section 7.2 – Derivative Actions. Subject to all of the provisions of this article, the Association shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor because (a) the person was or is a Director or Officer of the Association, or (b) the person was or is serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the Association unless and only to the extent that the court in which the action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

Section 7.3 – Expenses of Successful Defense. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in sections 7.1 or 7.2 of this article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.

Section 7.4 – Contract Right; Limitation on Indemnity. The right to indemnification conferred in this article shall be a contract right and shall apply to services of a Director or Officer as an employee or agent of the Association as well as in such person's capacity as a Director or Officer. Except as provided in section 7.03 of this article, the Association shall have

no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Board.

Section 7.5 – Determination That Indemnification Is Proper. Any indemnification under sections 7.1 or 7.2 of this article (unless ordered by a court) shall be made by the Association only as authorized in the specific case. The Association must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in sections 7.1 or 7.2, whichever is applicable. The determination shall be made in any of the following ways:

- (a) By a majority vote of a quorum of the Board consisting of Directors who were not parties to such action, suit, or proceeding.
- (b) If the quorum described in clause (a) above is not obtainable, by a committee of Directors who are not parties to the action. The committee shall consist of not less than two disinterested Directors.
- (c) By independent legal counsel in a written opinion.

Section 7.6 – Proportionate Indemnity. If a person is entitled to indemnification under sections 7.1 or 7.2 of this article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Association shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

Section 7.7 – Expense Advance. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 7.1 or 7.2 of this article may be paid by the Association in advance of the final disposition of the action, suit, or proceeding, on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Association. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but it need not be secured.

Section 7.8 – Nonexclusivity of Rights. The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Association. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

Section 7.9 – Indemnification of Employees and Agents of the Association. The Association may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Association to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of Directors and Officers of the Association.

Section 7.10 – Former Directors and Officers. The indemnification provided in this article continues for a person who has ceased to be a Director or Officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

Section 7.11 – Insurance. The Association may purchase and maintain insurance on behalf of any person who (a) was or is a Director, Officer, employee, or agent of the Association or (b) was or is serving at the request of the Association as a director, officer, employee, or agent of another corporation, association, partnership, joint venture, trust, or other enterprise. The insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have power to indemnify against liability under this article or the laws of the state of Michigan.

Section 7.12 – Changes in Michigan Law. If there are any changes in the Michigan statutory provisions applicable to the Association and relating to the subject matter of this article, the indemnification to which any person shall be entitled shall be determined by the changed provisions, but only to the extent that the change permits the Association to provide broader indemnification rights than the provisions permitted the Association to provide before the change.

Article 8 – Miscellaneous

Section 8.1 – Books and Records. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of all meetings of its board of Directors, a record of all actions taken by Board of Directors without a meeting, and a record of all actions taken by committees of the board. In addition, the Association shall keep a copy of the Association’s Articles of Incorporation and Bylaws as amended to date.

Section 8.2 – Fiscal Year. The fiscal year of the Association shall be from January 1 to December 31 of each year.

Section 8.3 - Conflict of Interest. The Board shall adopt and periodically review a conflict of interest policy to protect the Association’s interest when it is contemplating any transaction or arrangement which may benefit any Director, Officer, employee, affiliate, or member of a committee with Board-delegated powers.

Section 8.4 – Nondiscrimination Policy. The Officers, Directors, committee members, employees, and persons served by this Association shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation. It is the policy of the Association not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran’s status, political service or affiliation, color, religion, or national origin.

Section 8.5 - Transparency and Accountability. The Board shall adopt and periodically review a Transparency and Accountability Policy to indicate which documents and materials produced by the Association are presumptively open to staff and/or the public, indicate which documents and materials produced by the Association are presumptively closed to staff and/or the public, and specify the procedures whereby the open/closed status of documents and materials can be altered.

Section 8.6 – Codes of Ethics. The Association requires and encourages Directors, Officers and employees to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. The Board Members, any employees, and designated representatives of the Association must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. Therefore, the Board shall adopt and periodically review a Code of Ethics Policy. It is the intent of the Association to adhere to all laws and regulations that apply to the Association and the underlying purpose of this policy is to support the corporation’s goal of legal compliance. The support of all Association representatives is necessary to achieving compliance with various laws and regulations.

Article 9 – Amendment

Section 9.1 – Amendment to Articles.

Any amendment to the Articles of Incorporation may be adopted by approval of two-thirds (2/3) of the Board of Directors.

Section 9.2 – Bylaw Amendment. These Bylaws may be amended, altered, repealed, or restated by a vote of the majority of the Members with voting rights, provided, however:

- (a) That no amendment shall be made to these Bylaws which would cause the Association to cease to qualify as an exempt corporation under Section 501 (c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future federal tax code;
- (b) That an amendment does not affect the voting rights of Directors. An amendment that does affect the voting rights of Directors further requires ratification by a two-thirds vote of a quorum of Directors at a Board meeting; and
- (c) That all amendments be consistent with the Articles of Incorporation.

CERTIFICATE OF ADOPTION OF BYLAWS

I do hereby certify that the above stated Bylaws of the Lower Herring Lake Association, Inc. were recommended for approval by the LHLA's Board of Directors on July 5, 2018, were subsequently approved by the Membership of the Association on July 5, 2018 (along with certain edits approved at said meeting, as well as subsequent correction of scrivener's errors), and constitute a complete copy of the Bylaws of the corporation.

Secretary _____

Date: _____, 2018.

Printed Name _____