

**Bylaws of
Middle Grand River Organization of Watersheds**

**Article 1
Offices**

Section 1. Principal Office

The principal office of the corporation is located in Ingham County, State of Michigan.

Section 2. Change of Address

The designation of the county or state of the corporation's principal office may be changed by amendment of these bylaws. The board of directors may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these bylaws:

New Address: _____

Dated: _____, 20____

New Address: _____

Dated: _____, 20____

New Address: _____

Dated: _____, 20____

Section 3. Other Offices

The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the board of directors may, from time to time, designate.

**Article 2
Nonprofit Purposes**

Section 1. IRC Section 501(c)(3) Purposes

This corporation is organized exclusively for educational purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

Section 2. Specific Objectives and Purposes

The specific objectives and purposes of this corporation shall be:

- a. to educate the public and encourage participation in outdoor recreation;
- b. to promote public concern for the water resources of the Great Lakes region;
- c. to support environmental stewardship and conservation of natural resources;
- d. to plan and execute annual and special events for any or all of the purposes listed in this section.

Article 3 Directors

Section 1. Number

The corporation shall have at least five directors, but not more than nine, and collectively they shall be known as the board of directors.

Section 2. Qualifications

Directors shall be at least eighteen years old.

Section 3. Powers

Subject to the provisions of the laws of this state, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors.

Section 4. Duties

It shall be the duty of the directors to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- b. Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- c. Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- d. Meet at such times and places as required by these bylaws;
- e. Register their addresses with the secretary of the corporation, and notices of meetings mailed, electronically mailed, or sent to them by facsimile at such addresses shall be valid notices thereof.

Section 5. Term of Office

Each director shall hold office for a term of two years and until that director's death, resignation in writing, removal, or election and qualification of a successor. Directors may serve an unlimited number of terms. Terms shall become effective at the conclusion of the Annual Meeting at which he or she was elected, and Directors shall serve until the Annual Meeting of the year his or her term expires. Terms shall be staggered such that approximately one-half of the directors' terms expire each year. If required to maintain this balance, candidates for the board may be nominated for either one-year or two-year terms.

Section 6. Compensation

Directors shall serve without compensation except that a reasonable fee may be paid to directors for attending regular and special meetings of the board. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 10 of these bylaws.

Section 7. Place Of Meetings

Meetings shall be held at the principal office of the corporation, or at such other place as may be designated by resolution of the board of directors.

Section 8. Regular Meetings

The regular meeting of the board of directors shall be held annually. Election of directors and officers shall take place at the regular meeting of the board as provided in Section 17 of this Article.

Section 9. Special Meetings

Special meetings of the board of directors may be called by the chairperson of the board, the president, the vice president, the secretary, the treasurer, by any two directors, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the board. Such meetings shall be held at the place designated by the person or persons calling the special meeting.

Section 10. Notice of Meetings

Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the board of directors:

- a. Regular Meetings.** No notice need be given of any regular meeting of the board of directors.
- b. Special Meetings.** At least one week prior notice of each special meeting of the board shall be given by the secretary of the corporation to each director. Such notice may be oral or written, may be given personally, by first class mail, by telephone, by facsimile machine, or by electronic mail, and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting. In the case of facsimile notification, the director to be contacted shall acknowledge personal receipt of the facsimile notice by a return message or telephone call within twenty-four hours of the first facsimile transmission.
- c. Waiver of Notice.** Whenever any notice of a meeting is required to be given to any director of this corporation under provisions of the articles of incorporation, these bylaws, or the law of this state, a waiver of notice in writing, including electronic mail, signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 11. Quorum for Meetings

A majority of voting directors shall constitute a quorum. Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

Section 12. Majority Action as Board Action

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board of directors, unless the articles of incorporation, these bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

Section 13. Action Without Meeting

Any action required to be taken at a meeting of the directors may be taken without a meeting if a written consent, including electronic mail, stating the action so taken, shall be signed by all directors who are entitled to vote with respect to such action.

Section 14. Conduct of Meetings

Meetings of the board of directors shall be presided over by the chairperson of the board, or, if no such person has been so designated, or in his or her absence, the president of the corporation, or in his or her absence, by the vice president of the corporation, or in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Roberts Rules of Order, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws or with provisions of law.

Section 15. Electronic Participation

A director shall be deemed present in person at a meeting of the board of directors if such director participates in a meeting by conference call or similar communication device through which all persons participating in the meeting may communicate with each other, and all participants are advised of the communications equipment and the names of the participants in the conference call, the same as being actually present at the meeting.

Section 16. Vacancies

Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, or (2) whenever the number of authorized directors is increased, or (3) for a period limited to six months immediately after filing of the corporation's Articles of Incorporation with the State of Michigan.

Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without three duly elected directors in charge of its affairs, except upon notice to the office of the attorney general or other appropriate agency of this state.

Directors may be suspended or removed from office with or without cause, as permitted by and in accordance with the laws of this state and the bylaws of this corporation.

Unless otherwise prohibited by the articles of incorporation, these bylaws, or provisions of law, vacancies on the board may be filled by approval of the board of directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the board of directors or until his or her death, resignation, or removal from office

Section 17. Election of Directors and Officers

Candidates for vacancies on the board of directors and candidates for officers shall be presented at the regular meeting of the board of directors. A majority vote of a quorum of the board of directors will approve or disapprove the election or reelection of each director or officer. Any currently serving director must abstain from voting for his or her reelection.

If the board of directors disapproves the election of a director or officer, nominations shall be taken from the floor and a new vote by the board of directors taken. The nomination process shall be repeated until all director and officer positions are filled.

Section 18. Non Liability of Directors

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 19. Indemnification by Corporation of Directors and Officers

- a. Indemnification: Third Party Actions.** The corporation has the power to indemnify a person who was or is a party, or is threatened to be made a party to a threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal (other than an action by or in the right of this corporation) by reason of the fact that the person is or was a director, officer, employee or agent of this corporation, or is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses (including attorney fees), judgment, penalties, fines and amounts paid in settlement actually and reasonably incurred by that person in connection with the action, suit or proceeding if that person

acted in good faith and in a manner reasonably believed by that person to be in or not opposed to the best interests of this corporation or its members, and with respect to a criminal action or proceeding, that person had no reasonable cause to believe that the conduct was unlawful. The termination of an action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea or nolo contendere or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner reasonably believed by that person to be in or not opposed to the best interests of this corporation or its members and, with respect to a criminal action or proceeding, had no reasonable cause to believe that the person's conduct was unlawful.

b. Indemnification: Actions in the Right of the Corporation. The corporation has the power to indemnify a person who was or is a party to, or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of this corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of this corporation, or is or was serving at the request of this corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust or other enterprise whether for profit or not, against expenses (including actual and reasonable attorneys fees) and amount paid in settlement incurred by that person in connection with the action or suit, if that person acted in good faith and in a manner reasonably believed by that person to be in or not opposed to the best interests of this corporation or its members. However, no indemnification shall be made for a claim, issue, or matter in which such person shall have been found to be liable to the corporation, unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, that person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

c. Indemnification: Mandatory and Permissive Payments.

(1) To the extent that a director, officer, employee or agent of this corporation has been successful on the merits or otherwise in defense of an action, suit or proceeding referred to in Section 19(a) or Section 19(b) of this Article, or in defense of a claim, issue or matter in the action, suit or proceeding, that person shall be indemnified against expenses (including actual and reasonable attorneys' fees) incurred by that person in connection with the action, suit or proceeding, as well as in connection with an action, suit or proceeding brought to enforce the mandatory indemnification provided in this subsection.

(2) An indemnification under Section 19(a) or Section 19(b) of this Article, unless ordered by a court, shall be made by this corporation only as authorized in a specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because that person has met the applicable standards of conduct as set forth in either Section 19(a) or Section 19(b). That determination shall be made in the following ways:

- (a) A majority vote of a quorum of the board consisting of directors who were not parties to the action, suit or proceeding.
 - (b) If that quorum is not obtainable, then by a majority vote of a section of directors who were not parties to the action, suit, or proceeding. The section shall consist of not less than two disinterested directors.
 - (c) By independent legal counsel in a written opinion.
 - (d) If a person is entitled to indemnification for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amount paid in settlement, but not for the total amount thereof, the corporation may indemnify the person for the portion of the expenses, judgments, penalties, fines and amount paid in settlement for which the person is entitled to be indemnified.
- d. Indemnification: Expense Advances.** Expenses incurred in defending a civil or criminal action, suit, proceeding described in Section 19(a) or Section 19(b) of this Article may be paid by the corporation in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the corporation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.
- e. Indemnification: Continuation.** The indemnification provisions of Sections 19(a) through 19(d) of this Article shall continue as to a person who ceases to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of that person.

Section 20. Insurance For Corporate Agents

Except as may be otherwise provided under provisions of law, the board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of law.

Article 4 Officers

Section 1. Designation Of Officers

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer. The corporation may also have a chairperson of the board, one or more vice presidents, assistant secretaries, assistant treasurers, and other such officers with such titles as may be determined from time to time by the board of directors.

Section 2. Qualifications

Any person may serve as an officer of this corporation. Officers shall be at least eighteen years old. 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 of the corporation to be executed, acknowledged, or verified by two or more officers. Officers may but are not required to be appointed from the ranks of the board of directors, at the discretion of the board.

Section 3. Election and Term of Office

Officers shall be elected by the board of directors, at any time. Each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

Section 4. Removal and Resignation

Any officer may be suspended or removed, either with or without cause, by a quorum of the board of directors, at any time. Any officer may resign at any time by giving written notice, including email, to the board of directors or to the president or secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the corporation. The election or appointment of an officer does not of itself create contract rights.

Section 5. Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board of directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may but are not required to be filled.

Section 6. Duties of President

The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers, agents, volunteers, and other associates. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as chairperson of the board of directors, the president shall preside at all meetings of the board of directors. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

Section 7. Duties of Vice President

In the absence of the president, or in the event of his or her inability or refusal to act, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors. In the event of the vacancy of the office of president, the vice president shall become president.

Section 8. Duties of Secretary

The secretary shall:

- a. Certify and keep at the principal office of the corporation or at such other place as the board may determine, the original, or a copy, of these bylaws as amended or otherwise altered to date.
- b. Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of directors or committees, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- c. See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.
- d. Be custodian of the records of the corporation.
- e. Be custodian of the seal of the corporation, and affix the seal, if authorized by law or the provisions of these bylaws, to duly executed documents of the corporation. This provision does not apply if no corporate seal is required by these bylaws or by law.
- f. Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the bylaws and the minutes of the proceedings of the directors of the corporation.
- g. In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Section 9. Duties Of Treasurer

The treasurer shall:

- a. Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.
- b. Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.
- c. Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.

- d. Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
- e. Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore.
- f. Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.
- g. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- h. In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Section 9. Compensation

Officers of the corporation may or may not be compensated, at the discretion of the board of directors. The salaries, if any, of the officers shall be fixed from time to time by resolution of the board of directors. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered to or for the corporation. All officer salaries shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 10 of these bylaws.

Article 5 Membership

Section 1. Conditions of Membership

At the sole discretion of the board of directors, the corporation may allow interested parties to become members. Membership does not confer voting rights or any other authority upon any member, including but not limited to, authority to approve or amend the bylaws; appoint directors, officers, or committee members; or admit other members. The terms "member" and "membership" are informal terms that describe supporters, contributors, patrons, or advisors of the corporation. The use of the terms "member" and "membership" in these bylaws do not affect the corporation's status as a directorship organization.

The board of directors may establish standards of participation in the activities of the corporation. Upon proper notice to the member as provided herein, the privileges of membership may be suspended, limited, or cancelled where participation in the activities of the corporation by such member is not in accordance with such standards so established. Such suspension or limitation may be removed at any time as determined by the board of directors.

Section 2. Membership Categories

Membership in the corporation shall include the following major categories: government, business, association, and individual. Subcategories may be

created at the discretion of the board of directors. Membership does not entitle any individual or organization to any position on the board of directors or committees.

Section 3. Annual Dues

The board of directors shall periodically determine annual membership dues.

Section 4. Application for Membership

All applications for membership shall be upon a form approved and provided for such purposes by the board of directors. Such applications shall be accompanied by the payment of the annual dues.

Section 5. Member Bound to Bylaws

The acceptance of such application (and payment of dues) as provided here constitutes an agreement by the member to be bound to these Bylaws as they may, at time of acceptance, be constituted, or as they may from time to time and in accordance with these Bylaws, be amended by the board of directors.

Section 6. Corporation Assets

No member shall have or acquire any right, title or interest in any funds or assets of the corporation or any vested right in the continuation of any the corporation's activity. All funds and assets of the corporation shall be used by the board of directors to engage in activities consistent with the purposes of the corporation as stated herein.

Section 7. Standing

Any member whose dues are fully paid shall be considered a member in good standing, and unless otherwise provided in these bylaws is entitled to those activities authorized by the board of directors.

Section 8. Membership Meetings

The board of directors may hold periodic meetings of the corporation's membership to serve as a forum for education and debate on critical land and water resource management issues. A meeting of the membership may be, but is not required to be, held concurrently with a regular or special meeting of the board of directors.

Section 9. Membership Representatives

Each government, business, and association member shall designate a representative to represent said member in its affairs with the corporation. The corporation may communicate with this designated individual until receiving notice from said member that the individual is no longer its representative, and that a new representative has been appointed.

Section 10. Membership Renewal

The right of renewal of membership shall rest in the board of directors. The board of directors may place condition and limitation upon renewal of any membership. The offer of renewal of membership, including any condition or limitation with respect thereto, shall be established by the mailing or electronic mailing the

member of proper notice that dues for the ensuing year are due and payable to the corporation. The payment of such dues by the member shall constitute an acceptance of such offer. Any condition or limitation placed upon any renewal so accepted by the member may be removed at any time as determined by the board of directors.

Article 6 Committees

Section 1. Executive and Other Committees

The board of directors may adopt rules and regulations designating an Executive Committee and/or advisory committees, consistent with these bylaws and the provisions of law.

Article 7 Execution of Instruments, Deposits, and Funds

Section 1. Execution of Instruments

The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation 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. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. Checks and Notes

Except as otherwise specifically provided by these bylaws, specifically determined by resolution of the board of directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by one or more of the following: the treasurer, the president, the vice-president, or the secretary.

Checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation are subject to the following restrictions:

- a. Such payments which are payable to an officer of the corporation must be executed by another officer of the corporation.
- b. An officer who holds two or more offices shall not execute, acknowledge, or verify such payments in more than one capacity.
- c. Such payments for sums greater than five hundred dollars must be authorized and approved by a majority of a quorum of the board of directors.

Section 3. Deposits

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

Section 4. Gifts

The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

Article 8 Corporate Records, Reports, and Seal

Section 1. Maintenance of Corporate Records

The corporation shall keep at its principal office or at a location designated by the board of directors:

- a. Minutes of all meetings of directors, officers, and committees of the board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- c. A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the directors and officers of the corporation at all reasonable times during normal business hours.

Section 2. Corporate Seal

The board of directors may, but is not required to, adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation, or at a location designated by the board of directors. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 3. Directors' Inspection Rights

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

Section 4. Right To Copy And Make Extracts

Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

Section 5. Periodic Report

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state to be so prepared and delivered within the time limits set by law.

Article 9
IRC Section 501(c)(3) Tax Exemption Provisions

Section 1. Limitations on Activities

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition Against Private Inurement

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its directors, officers, agents, volunteers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

Section 3. Distribution of Assets

Upon the dissolution of the corporation, its assets remaining after payment, or provision for payment of all its debts and liabilities, shall be distributed to one or more nonprofit funds, nonprofit foundations, or nonprofit corporations registered as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and dedicated to improving the water resources of the Great Lakes region for the public's benefit. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

Section 4. Private Foundation Requirements and Restrictions

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation (1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; (2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; (3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; (4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

Article 10 Conflict of Interest and Compensation Approval Policies

Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions

- a. Interested Person.** Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
- (1) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
 - (2) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
 - (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3(b) of this Article, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Conflict of Interest Avoidance Procedures

- a. Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with powers delegated by the board of directors considering the proposed transaction or arrangement.

- b. Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the board of directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest.**
- (1) An interested person may make a presentation at the board of directors or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - (2) The chairperson of the board of directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - (3) After exercising due diligence, the board of directors or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - (4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board of directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
- d. Violations of the Conflicts of Interest Policy.** If the governing board or committee has reasonable cause to believe a director, officer, member, volunteer or other agent of the corporation has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Board and Board Committee Proceedings

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation Approval Policies

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation. When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation,
- b. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this corporation and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 - (1) is not the person who is the subject of the compensation arrangement, or a family member of such person;
 - (2) is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 - (3) does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 - (4) has no material financial interest affected by the compensation arrangement; and
 - (5) does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- c. The board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 - (1) compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions.

"Similarly situated" organizations are those of a similar size, purpose, and with similar resources

- (2) the availability of similar services in the geographic area of this corporation
- (3) current compensation surveys compiled by independent firms
- (4) actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if the corporation has average annual gross receipts (including contributions) of less than \$1 million for its three prior tax years, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
 - (1) The terms of the compensation arrangement and the date it was approved.
 - (2) The members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member.
 - (3) The comparability data obtained and relied upon and how the data was obtained.
 - (4) If the board or compensation committee determines that reasonable compensation for a specific position in this corporation or for providing services under any other compensation arrangement with this corporation is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
 - (5) If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.
 - (6) Any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).
 - (7) The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or sixty days after the final actions of the board or committee are taken with respect to the approval of the compensation

arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Section 6. Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. has received a copy of the conflicts of interest policy,
- b. has read and understands the policy,
- c. has agreed to comply with the policy, and
- d. understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Article 11

Conduct of Directors, Officers, Members, Employees, Agents, Volunteers, and Other Associates

Section 1. Misconduct Policy

In order to afford pleasant, friendly and congenial relationships and association, all directors, officers, members, employees, agents, volunteers, and other associates of the corporation must conduct themselves in consideration of others. Demeaning language is inappropriate and will not be tolerated. Any comments or conduct relating to any person's race, color, national origin, citizenship status, creed, religion, religious affiliation, age, sex, marital status,

sexual orientation, gender identity, ancestry, disability, veteran or draft status, or other personal characteristics which fail to respect the dignity and feelings of the individual are considered harassment and are prohibited. Unwelcome sexual advances (either verbal or physical) including but not limited to requests for sexual favors constitute sexual harassment. Other verbal or physical conduct that creates a hostile, offensive or intimidating environment is also considered harassment and is prohibited. The board of directors shall have full power to suspend or expel any directors, officers, members, employees, agents, volunteers, or other associates of the corporation for using demeaning language, engaging in racial, sexual, or other harassment, or for any misconduct or acts wheresoever or whensoever committed, which in the sole opinion of the board of directors are prejudicial to the reputation or best interests of the corporation.

Section 2. Removal of Directors, Officers, Members, Employees, Agents, Volunteers, and Other Associates

Any director, officer, member, employee, agent, volunteer, or other associate of the corporation who fails to comply with these bylaws, including but not limited to the conflict of interest policy and the misconduct policy, may be removed from office, terminated from the corporation, and/or become ineligible for future participation in the corporation. Such termination shall be by the board of directors and shall be based on an affirmative vote by a quorum of the board, with any noncompliant director abstaining. An alleged violation of the bylaws shall be submitted in writing to the board of directors. The board of directors shall notify the alleged violator and provide him or her with a copy of the written allegation received by the board of directors. The alleged violator shall have 14 days to provide the board of directors with a written response. Upon consideration of the alleged violation and response, if any, the board shall in its sole discretion, either schedule a meeting in which both sides will be entitled to state their positions, or make a determination, based on the written allegation and response, if any. In either event, the board shall make its determination within 30 days of the receipt of the alleged violation or thirty days from receipt of a timely response thereto, whichever is later. The decision of the board shall be final. The provisions of this section do not negate the authority of the board of directors of its authority to remove any director, officer, member, employee, agent, volunteer, or other associate of the corporation without cause.

Article 12 Amendment of Bylaws

Section 1. Amendment

These bylaws may be altered, amended, or repealed and new bylaws adopted by approval of the board of directors. The board of directors may designate any portion of these bylaws for alteration or amendment, and such designation does not cancel the effect of the remaining portions unless the board of directors expressly states that it does.

Article 13 Construction and Terms

Section 1. Conflicts

If there is any conflict between the provisions of these bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

Article 14 Dissolution

Section 1. Power to Dissolve

The board of directors shall have power to dissolve the corporation by a unanimous vote of the Board, provided that notice of intention to dissolve the corporation has been presented to the board of directors at least thirty days prior to a meeting called for such purpose.