

**ARTICLES OF INCORPORATION
OF
GERRISH LYON UTILITY AUTHORITY**

These Articles of Incorporation (the "Articles") are adopted by the Township of Gerrish and the Township of Lyon for the purpose of creating an Authority under the provisions of Act 233, Public Acts of Michigan, 1955, as amended (the "Act").

ARTICLE 1. NAME

The name of this authority is the "Gerrish Lyon Utility Authority" (the "Authority"). The principal office of the Authority will be located at the Gerrish Township Hall, the mailing address of which is 2997 East Higgins Lake Drive, Roscommon, Michigan 48653, or at such other location as the Board of Trustees shall determine from time to time.

ARTICLE 2. INCORPORATING MUNICIPALITIES

The incorporating Municipalities creating this Authority are the Townships of Gerrish and Lyon, each located in the County of Roscommon, State of Michigan (the "State"), which are hereby designated as the Constituent Municipalities.

ARTICLE 3. PURPOSE

The purpose of this Authority is to acquire, own, improve, enlarge, extend and operate a sewage disposal system, to provide such services in a designated service area (the "Service Area") in accordance with the provisions of the Act. The term "sewage disposal system", as used in these Articles shall be as now or hereafter defined in the Act.

ARTICLE 4. POWERS

The Authority shall be a public body corporate with the power to sue and be sued in any court of the State. The Authority shall be comprised of all of the territory embraced within the corporate boundaries of the Constituent Municipalities. It shall possess all of the powers now or hereafter granted by the Act or by any other applicable statute and by these Articles, and all those powers incident thereto. The enumeration of any powers herein shall not be construed as a limitation upon the Authority's general powers unless the context shall clearly indicate otherwise. Any Service Area whether within a Constituent Municipality or by contract with another municipality must be approved by both Constituent Municipalities. The Authority may have a corporate seal.

ARTICLE 5. TERM OF EXISTENCE

The Authority shall continue in existence perpetually or until dissolved by act of the parties or by law; provided, however, that the Authority shall not be dissolved if such dissolution could operate as an impairment of any of its bonds, obligations or contracts.

ARTICLE 6. FISCAL YEAR

The fiscal year of the Authority shall commence on April 1 and end March 31.

ARTICLE 7. BOARD AND OFFICERS

The governing body of the Authority shall be a Board of Trustees, referred to below as the "Board," which shall be composed of three (3) voting members from each Constituent Municipality (the "Gerrish Appointees" and the "Lyon Appointees" respectively) and one (1) at large member (the "At Large Member"). Each Gerrish Appointee and each Lyon Appointee shall serve for a term of 3 years and until their successor is appointed and qualified. The At Large Member shall serve for a term of 3 years, which term shall expire whether or not a successor has been appointed and qualified. Notwithstanding the above, the terms of the first members of the Board of Trustees shall be staggered and expire as follows:

One Gerrish Appointee, one Lyon Appointee and the At Large Member for a term expiring March 31, 2022; one Gerrish Appointee and one Lyon Appointee for a term expiring March 31, 2023; and one Gerrish Appointee and one Lyon Appointee, for a term expiring March 31, 2024.

The Gerrish Appointees and the Lyon Appointees shall be appointed by the respective legislative bodies of the Constituent Municipalities; may, but need not, be a member of the legislative body of the appointing Constituent Municipality; shall serve at the pleasure of the legislative body of the appointing Constituent Municipality and may be removed at any time, with or without cause, by the legislative body of the appointing Constituent Municipality. For any Gerrish Appointee or Lyon Appointee that is a member of the legislative body of the appointing Constituent Municipality, that Board member shall cease to serve as a Board member when the Board member ceases to be a member of the legislative body of the appointing Constituent Municipality. The legislative body of that Constituent Municipality shall fill the resulting vacancy for the unexpired term. The legislative body of the Constituent Municipality may fill the vacancy with the Board member who has left the legislative body of the Constituent Municipality if the legislative body wants that Board member to continue to serve.

The At Large Member shall be a member initially agreed to and approved by the legislative bodies of both of the Constituent Municipalities. After the initial appointment, the At Large Member shall be nominated by the Board of Trustees and must be approved by the legislative bodies of both Constituent Municipalities. The At Large Member may be removed at any time, with or without cause, by action taken by the legislative body of both Constituent Municipalities.

No later than thirty (30) days after the date on which the Authority becomes effective, the legislative body of each Constituent Municipality shall select its representatives to serve on the Board of the Authority and approve the At Large Member, and within thirty (30) days after such selection, the members of the Board shall qualify by taking the constitutional oath of office and shall meet for the purpose of organizing the Board and selecting such officers. The time and place for such meeting shall be fixed by a majority of the members of the Board, and notice thereof shall be served upon all members in the manner provided in Article 9 in case of a special Board meeting. No appointment to the Board and no selection of an officer of the Board shall be deemed to be invalid because it was not made within or at the time specified in these Articles.

No later than thirty (30) days after an amendment to these Articles becomes effective, adding a Constituent Municipality, the legislative body of the added Constituent Municipality shall select its representatives to serve on the Board of the Authority. These selected representatives shall, within thirty (30) days of their selection, take the constitutional oath of office and begin serving on the Board.

Compensation:

The members of the Board and such officers thereof who also are members of the Board shall receive no compensation by the Authority except as may be authorized from time to time in writing by both of the Constituent Municipalities; provided, however, that the Board may authorize the payment of the actual expenditures of any member or officer incurred in connection with the business of the Authority. A Constituent Municipality may, in its discretion, compensate its appointed Board members for meetings attended.

Annual Meeting:

The Board shall meet annually in the month of April each year (or such other month and day as may be determined by the Board from time to time), for the purpose of organization. Notice of the meeting shall be given to the Clerk of each Constituent Municipality at least 7 days prior to the meeting by electronic means (such as text or email) or personally. If a regularly scheduled organizational meeting must be postponed (e.g., due to inclement weather), the annual organizational meeting shall occur at the same time and place the following week, or such other time as may be reasonably satisfactory to all Board members. At each organizational meeting, the Board shall select a Chair and Vice-Chair, who shall be members of the Board, and a Secretary and a Treasurer, or a combined Secretary/Treasurer, who may, but need not, be a member of the Board and such assistants as the Board shall determine. These officers shall serve until the organizational meeting in the following year or until their respective successors shall be selected. No selection of an officer of the Board shall be deemed to be invalid because it was not made within or at the time specified in these Articles.

ARTICLE 8. VACANCIES

In the event of a vacancy on the Board for any reason, the legislative body of the Constituent Municipality selecting such representative shall fill the vacancy for the unexpired term, following the same procedures and under the same terms as used for the original appointment or in the case of the At Large Member legislative body of both Constituent Municipalities, in their discretion, shall approve an At Large Member to fill the vacancy for the unexpired term. In the event of a vacancy in any office of the Board, such vacancy shall be filled by the Board for the unexpired term. In case of the temporary absence or disability of any officer, the Board may appoint some person temporarily to act in his or her stead except that in the event of the temporary absence or disability of the Chair, the Vice-Chair shall so act. All persons serving in the offices of Chair and Vice-Chair shall be members of the Board; the persons serving as Secretary, Treasurer or Secretary/Treasurer may, but need not, be a member of the Board.

ARTICLE 9. BOARD MEETINGS

The Board shall meet annually for its organizational meeting as is provided in Article 7. Regular meetings of the Board shall be held monthly at such time and place as shall be prescribed by resolution of the Board. Special meetings of the Board may be called by the Chair or any three (3) Board members, by serving written notice of the time, place and purpose, upon each member of the Board by electronic means (such as text or email) or personally, at least twenty-four (24) hours prior to the time of such meeting. Any member of the Board may waive notice of any meeting either before or after the holding thereof. Any meeting at which all members of the Board are present, or where absent members have been notified, shall be a legal meeting for the conduct of business, notwithstanding that written notice was not provided in the manner set forth above, provided that notice of such meeting of the Authority was given in accordance with the provisions of Act 267, Public Acts of Michigan, 1976, as amended. At least a majority of four (4) members of the Board shall be required for a quorum. Each Board member shall have one (1) vote. The Board shall act by motion, resolution or ordinance. For the passage of any motion, resolution or ordinance, the execution of any contract, and all other matters, there shall be required a majority vote of four (4) members of the Board, unless a greater majority or a unanimous vote of all Board members is required by these Articles.

Public notice of all organizational, regular, special or rescheduled regular meetings of the Board shall be given pursuant to the applicable provisions of Act 267, Public Acts of Michigan, 1976, as amended.

The Board shall have the right to adopt bylaws governing its procedures and regulating the affairs of the Authority that are not in conflict with the terms of the Act, any other statute or these Articles. The bylaws may provide that Robert's Rules of Order may be used as guidelines in governing the actions of the Board, to the extent consistent with the Articles and bylaws, but strict compliance with Robert's Rules of Order shall not be required. Bylaws must be approved by the governing bodies of both Constituent Municipalities before becoming effective.

The Board shall adopt rules and regulations in accordance with the Act for the use or administration of any Authority sewage disposal system or facility.

The Board shall keep a journal of its proceedings, which shall be signed by the Secretary. This journal shall show how each member voted and each member shall vote upon all motions, resolutions and ordinances unless disqualified from voting thereon by reason of any personal interest as defined by the conflict of interest laws of the State. All votes shall be "yeas" and "nays", except that where the vote is unanimous, it shall only be necessary to so state.

ARTICLE 10. BOARD AFFAIRS

The Chair of the Board shall be the presiding officer thereof. Except as herein otherwise provided, the Chair shall not have any executive or administrative functions other than as a member of the Board. In the absence or disability of the Chair, the Vice-Chair shall perform the duties of the Chair. The Secretary shall be the recording officer of the Board.

The Treasurer shall be custodian of the funds of the Authority and shall provide a bond conditioned upon the faithful performance of the duties of the Treasurer's office. The cost of

this bond shall be paid by the Authority. All money shall be deposited in a bank(s) to be designated by the Board, and all checks or other forms of withdrawal therefrom shall be signed by the Treasurer and one other designated Board member. The officers of the Board shall have such other powers and duties as may be conferred upon them by the Board and as are consistent with the terms of these Articles.

The Board shall prepare, adopt and submit to each Constituent Municipality an annual budget covering the proposed expenditures to be made for organizing and operating of the Authority and for the necessary funds required from each Constituent Municipality for the next fiscal year beginning April 1. Such budget shall be prepared consistent with the Uniform Chart of Accounts for Local Units of Government and be submitted to each Constituent Municipality on or before February 1 of the previous fiscal year. No budget shall be adopted unless approved by the vote of at least four (4) of the members of the Board, with at least one (1) Gerrish Appointee and one (1) Lyon Appointee voting in favor of the budget. The budget shall not be subject to, or require, approval of the Constituent Municipalities, unless otherwise agreed to or required by both the Authority and the Constituent Municipalities; provided, however, that no obligation shall be assumed by the Authority that may then or at any time in the future become in whole or in part the individual liability of any Constituent Municipality without the prior individual, written consent of the Constituent Municipality.

ARTICLE 11. PROPERTY

The Authority shall possess all powers necessary to carry out the purposes thereof and those incident thereto. The Authority may acquire property by purchase, construction, lease, gift, devise or condemnation, either within or without its corporate limits, and may hold, manage, control, sell, exchange or lease such property. For the purpose of condemnation it may proceed under the provisions of Act 149, Public Acts of Michigan, 1911, as amended, or any other statute that grants any municipality or public body the authority to acquire private property for public purposes.

ARTICLE 12. CONTRACTS

The Authority and its Constituent Municipalities may enter into a contract or contracts providing for the acquisition, purchase, construction, improvement, enlargement, extension, operation or financing of a sewage disposal system as authorized and provided in the Act. The Authority shall have the power to enter into contracts with any Constituent Municipality or other municipality for the purchase of sewage disposal services from such Constituent Municipality or other municipality, or to enter into a contract or contracts with any Constituent Municipality or other municipality for the management, operation, and maintenance of all or any part of any sewage disposal system owned or operated by the Authority; provided, however, any contract with a municipality that is not a Constituent Municipality must be approved by the legislative bodies of all Constituent Municipalities before it becomes effective. No contracts shall be for a period exceeding forty (40) years.

ARTICLE 13. SALE OF BONDS

For the purpose of obtaining funds for the acquisition, construction, improving, enlarging and/or extending of a sewage disposal system, the Authority may adopt an ordinance or resolution and issue its negotiable bonds, secured by the contractual full faith and credit pledges of each contracting municipality, as may be required, as security, for the sale of bonds by the Authority in accordance with and subject to the provisions of the Act.

The Authority may also issue its negotiable bonds pursuant to the Act and Act 94, Public Acts of Michigan, 1933, as amended or in any other manner allowed by law.

Bonds issued by the Authority shall be executed in the name and on behalf of the Authority by the persons designated in the ordinance or resolution authorizing issuance of the bonds, by manual or facsimile signature, and the corporate seal of the Authority, if the Authority adopts a seal, or a facsimile thereof may be printed on or affixed to the bonds.

ARTICLE 14. EMPLOYEES

The Board shall have power to hire officers and employees, to carry out the functions of the Authority and to fix the compensation therefor.

ARTICLE 15. FEDERAL OR STATE GRANTS IN AID

The Authority shall have the power to accept contributions, capital, grants, gifts, donations, services or other financial assistance from the United States of America or any agency or instrumentality thereof or from the State or any agency or instrumentality thereof or from other sources approved by the Board.

ARTICLE 16. AUDIT

The Board shall cause an annual audit to be made of its financial transactions by a certified public accountant and shall furnish at least two (2) copies thereof to each Constituent Municipality. At the Authority's option, the annual audit report may be provided to constituent municipalities in electronic format. The books and records of the Authority shall be open for inspection by any Constituent Municipality at all reasonable times.

ARTICLE 17. PUBLICATION

These Articles shall be published once in the Houghton Lake Resorter, Houghton Lake, Michigan, which newspaper has general circulation within the territory encompassed by the Authority. One (1) printed copy of the Articles as printed in this newspaper, certified as a true copy thereof as provided below, with the date and place of publication shown by a publisher's affidavit of publication attached thereto, shall be filed with the Secretary of State and also the Clerk of the County of Roscommon after the execution and publication thereof has been completed.

The Township of Gerrish Clerk is hereby designated as the person to cause these Articles to be published, certified and filed as aforesaid.

All expenses for the publication of these Articles and all other expenses incurred in the incorporation and establishment of the Authority shall be paid by the Constituent Municipality whose clerk is above-designated as the person to cause these Articles to be published, certified and filed as aforesaid; provided, however, that one-half (1/2) of such expenses shall be reimbursed by the other Constituent Municipality.

ARTICLE 18. EFFECTIVE DATE

This Authority shall become effective upon the filing of certified copies of these Articles, as provided in the preceding Article 17.

ARTICLE 19. EXEMPTION FROM TAXATION

The property of the Authority shall be exempt from all taxation and assessment and no writ of attachment or writ of execution shall be levied upon the property of the Authority.

ARTICLE 20. AMENDMENTS

These Articles may be amended at any time so as to permit any municipality, as defined in the Act, to become a member of the Authority, if such amendment to the Articles is adopted by the legislative body of such municipality proposing to become a member, and if such amendment is adopted by the legislative body of each Constituent Municipality of which the Authority is composed. Other amendments may be made to these Articles at any time if adopted by the legislative body of each Constituent Municipality of which the Authority is composed. Any such amendment shall be endorsed, published, and certified and printed copies thereof filed in the same manner as the original Articles, except that the filed and printed copies shall be certified by the recording officer of this Authority.

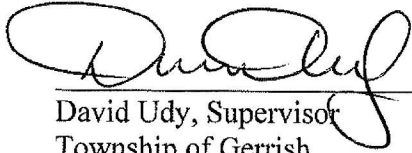
ARTICLE 21. MISCELLANEOUS

These Articles may be executed in two or more counterparts, each of which shall be deemed an original.

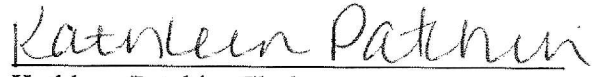
The captions in these Articles are for convenience only and shall not be considered as part of these Articles or in any way limiting or amplifying the terms and provisions hereof.

These Articles have been adopted by the incorporating municipalities, as is set forth in the following endorsements, and in witness whereof the designated officials of each Constituent Municipality have endorsed thereon a statement of such adoption.

The foregoing Articles of Incorporation were adopted by the Township Board of the Township of Gerrish, County of Roscommon, State of Michigan, at a meeting duly held on the 13th day of April, 2021.

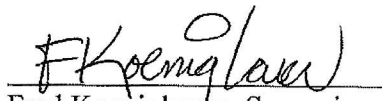


David Udy, Supervisor
Township of Gerrish




Kathleen Patchin, Clerk
Township of Gerrish

The foregoing Articles of Incorporation were adopted by the Township Board of the Township of Lyon, County of Roscommon, State of Michigan, at a meeting duly held on the 21st day of April, 2021.



Fred Koenigbauer, Supervisor
Township of Lyon



Doug Schnell, Clerk
Township of Lyon