

BYLAWS

GERRISH LYON UTILITY AUTHORITY

ARTICLE I

Name

The Name of this authority is the Gerrish Lyon Utility Authority ("Authority").

ARTICLE II

Offices

Section 1. Registered Office. The registered office of the Authority shall be at Gerrish Township Hall, the mailing address of which is 2997 East Higgins Lake Drive, Roscommon, Michigan 48653.

Section 2. Principal Office. The Authority shall have its principal office at the location of the registered office and may also maintain offices at such other place or places as the Board may from time to time designate.

Section 3. Changes to Office. The location of the registered office and principal office may be changed by a vote of the Board, provided that such office shall be located within Gerrish or Lyon Township.

ARTICLE III

Purpose and Powers

Section 1. Purpose. The Authority was established by its constituent municipalities to acquire, own, construct, improve, enlarge, extend, maintain and operate sewage disposal systems in accordance with the authorization of Act 233 of the Public Acts of Michigan of 1955, as amended ("Act 233").

Section 2. Powers. In general, and subject to such limitations and conditions as are or may be prescribed by law, to exercise all powers which now are or hereafter may be conferred by law upon a joint sewer authority established pursuant to Act 233.

ARTICLE IV

Board of Trustees and Members

Section 1. General. The governing body of the Authority shall be a Board of Trustees (Board), and the Authority shall be under the supervision and control of its Board. Members of the Board shall be appointed and serve in the manner set forth in Act 233 and the Authority's Articles of Incorporation. Any vacancy in office shall be filled by the respective appointing authority for the remainder of the unexpired term, pursuant to the Authority's Articles of Incorporation.

Section 2. Conflict of Interest. A member of the Board who has a direct interest in any matter before the Authority shall disclose his or her interest prior to the Authority taking any action with respect to the matter, which disclosure shall become a part of the record of the Authority's official proceedings. Members shall be subject to the provisions of Act 317 of the Public Act of Michigan of 1968, as amended. Except in the case of a conflict of interest, each member of the Board shall vote on all matters unless the member is excused from voting by unanimous consent of the other members of the Board.

Section 3. Duties of Board Members. With respect to the management of the affairs of the Authority, a Board member shall exercise the duties of a fiduciary toward the Authority and shall discharge the duties of his or her position in a nonpartisan manner, in good faith, and with the degree of diligence, care and skill that an ordinary prudent person would exercise under similar circumstances in a like position.

Section 4. Reliance. In discharging his or her duties, a Board member, when acting in good faith may rely upon the opinion of counsel to the Authority and other experts, consultants or advisors retained by the Authority, the report of an independent appraiser selected by the Board, financial statements of the Authority represented to the Board members to be correct by the person having charge of the Authority's books of account or stated in a written report of a certified public accountant or a firm of certified public accountants, to reflect the financial condition of the Authority.

ARTICLE V Officers

Section 1. Officers. The officers of the Authority shall consist of a Chairperson, Vice-Chairperson, Secretary and Treasurer, and, if desired, such other officers as may from time to time be determined by the Board, each of whom shall be elected by the Board. 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 to be executed, acknowledged or verified by two or more officers.

Section 2. Election and Term of Office. The officers of the Authority shall be elected annually by the Board at the first meeting of the fiscal year. If the election of officers shall not be held or made at such meeting, such election shall be held or made as soon thereafter as is convenient. Each officer so elected shall hold office for the term for which he or she is elected and, except for the At Large member, until his or her successor is elected and qualified or until his or her resignation or removal.

Section 3. Removal. Any officer elected by the Board may be removed by the Board with or without cause whenever in its judgment the best interests of the Authority would be served thereby.

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

Section 5. Chairperson. The Chairperson shall be the chief executive officer of the Authority, but he or she may from time-to-time delegate all or any part of his or her duties to the Vice

Chairperson. He or she shall preside at all meetings of the Board; see that all orders and resolutions of the Board are carried into effect; execute all bonds, mortgages, contracts, conveyances and other instruments entered into pursuant to the exercise of the powers of the Authority as set forth in Act 233 or the Articles of Incorporation with the approval and authority of the Board; be ex officio a member of all standing committees, if any, of the Authority; and have and exercise such other authority as specifically granted to him or her from time to time by a resolution of the Board. The Chairperson shall also act as the chief administrative officer of the Authority unless another chief administrative officer is appointed by the Board.

Section 6. Vice Chairperson. The Vice Chairperson shall perform such duties as are delegated to him or her by the Chairperson, and he or she and the other Vice Chairpersons in order of their seniority shall, in the absence or in the event of the disability of the Chairperson, perform the duties and exercise the powers of the Chairperson, and shall perform such other duties as the Board shall prescribe by resolutions.

Section 7. Secretary. The Secretary shall attend all meetings of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Board and shall perform such other duties as may be prescribed by the Board. The Secretary shall keep in safe custody the seal of the Authority, if any, and when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by his or her signature or by the signature of the Treasurer or an Assistant Secretary. The Secretary shall be sworn to the faithful discharge of his or her duties. Assistant Secretaries may be elected from time to time by the Board. Assistant Secretaries shall perform in order of their seniority the duties and exercise the power of the Secretary in the absence or in the event of the disability of the Secretary and shall perform such other duties as the Board shall prescribe. An Assistant Secretary shall not be required to be a member of the Board nor shall a Secretary or Assistant Secretary who is not a member of the Board have a vote on matters before the Board.

Section 8. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Authority and shall deposit all moneys and other valuable effects in the name and to the credit of the Authority in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Authority as may be ordered by the Board, and together with the Chairperson, shall approve all vouchers for the expenditure of funds by the Authority, and shall render to the Chairperson and members of the Board, at the regular meetings of the Board, or whenever they may require an account, of all his or her transactions as Treasurer and of the financial condition of the Authority. The Treasurer shall give the Authority a bond if required by the Board in a sum, and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his or her office. The Treasurer shall perform such other duties as may be prescribed by the Board. The Assistant Treasurer, if one is elected, shall perform the duties and exercise the power of the Treasurer in the absence or in the event of the disability of the Treasurer. Neither the Treasurer or any Assistant Treasurer shall be required to be a member of the Board nor shall a Treasurer or Assistant Treasurer who is not a member of the Board have a vote on matters before the Board.

Section 9. Delegation of Duties of Officers. In the absence of any officer of the Authority, or for any other reason that the Board may deem sufficient, the Board may delegate, from time to time and for such time as it may deem appropriate, the powers or duties, or any of them, of

such officer to any other officer, or to any member of the Board, provided a majority of the Board then in office concurs therein.

ARTICLE VI **Meetings**

Section 1. Meetings. The Board shall establish the time, date, and place of regular meetings of the Board. Special meetings of the Board may be called by or at the request of the Chairperson or any three members of the Board. The meetings of the Board shall be subject to the Michigan Open Meetings Act.

Section 2. Notice. Notice of any meeting of the Board shall be given in a manner required by the Open Meetings Act and the Articles of Incorporation.

Section 3. Quorum. A majority of the members of the Board then in office constitutes a quorum for the transaction of business at any meeting of the Board, provided, that if less than a majority of the members are present at a meeting, a majority of the members present may adjourn the meeting from time to time without further notice. The vote of four of the members present at a meeting at which a quorum is present constitutes the action of the Board, unless the vote of a larger number is required by law, the Articles of Incorporation, or these Bylaws. To the extent permitted by law, a member may be deemed present for a meeting if participating by conference call, video conference, or other electronic means whereby the member can hear the proceedings and participate in the deliberations and votes. Participation in a meeting in this manner constitutes presence in person at the meeting for all purposes including determination of a quorum.

Section 4. Committees. The Board may, by resolution adopted by a majority of the members then in office, establish one or more committees, each committee to consist of one or more of the members of the Board. The Chairperson with the advice and consent of a majority of a quorum at any meeting, shall appoint the members of each committee so established. Each member appointed to a committee shall serve until replaced by action of the Chairperson with the advice and consent of a majority of a quorum of the Board.

ARTICLE VII **Governance and Rules of Procedure**

Section 1. Governance. The Board shall be governed by the Act, the Articles of Incorporation, and these Bylaws.

Section 2. Rules of Procedure. The Board may adopt rules of procedure with respect to the conduct of its meetings as well as the meetings of its committees. In the absence of its own rules of procedure, the rules of Parliamentary Procedure comprised generally in the then current version of "Robert's Rules of Order Newly Revised" shall guide the Board, however, strict adherence shall not be required.

ARTICLE VIII **Contracts, Loans, Checks and Deposits**

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

Section 2. Loans. No loan shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board.

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

Section 4. Deposits. All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the Board may select.

Section 5. Execution of Bonds and Notes; Use of Facsimile Signatures. Bonds or notes issued by the Authority shall be executed in the name and on behalf of the Authority by such officer or officers of the Authority as may be designated for such purpose in the resolution authorizing the issuance of such bonds or notes. If authorized by such resolution, any officer designated therein (or all such officers) may execute such bonds or notes including coupons, if any, or cause them to be executed, with a facsimile signature in lieu of his or her manual signature, and may cause a facsimile of the corporate seal of the Authority, if any, to be imprinted thereon; provided that at least one signature required or permitted to be placed on such bonds or notes (which may include for this purpose, if authorized by such resolution, the signature of an authorized officer of any bank or trust company acting as bond registrar or trustee under a resolution, ordinance, an indenture of trust, or similar instrument securing such bonds or notes which provides for the authentication of such bonds or notes by means of a certificate of the trustee appearing thereon) shall be manually subscribed. Any such facsimile signature and/or seal shall have the same force and effect as if the signature of such officer or officers of the Authority had been manually subscribed thereto and the corporate seal of the Authority had been impressed thereon.

ARTICLE IX

Immunity and Indemnification

Section 1. Immunity. A Board member or an officer, appointee, or employee of the Board shall not be subject to personal liability when acting in good faith within the scope of his or her authority or on account of the liability of the Board.

Section 2. Indemnification. Unless otherwise specified by contract or other written document, the Board shall indemnify and defend or may procure insurance indemnifying and/or providing for the defense of the Board's officers, appointees, employees, and Board members from personal loss or accountability, or liability (including but not limited to judgments, attorney fees, penalties, fines and amounts paid in settlement) asserted by a person with regard to bonds or other obligations of the Board, or from any personal liability or accountability by reason of the issuance of the bonds or other obligations of the Board or by reason of any other action taken or the failure to act by the Board.

Section 3. Continuation. The indemnity and defense described in Section 2, above, shall continue as to an individual who has ceased to be a Board member or an officer, appointee, or employee of the Board and shall inure to the benefits of such indemnitee's heirs, executors, and administrators. Unless otherwise waived as part of a written contract or agreement, the right to indemnification conferred under this Section 3 shall be a contract right.

**ARTICLE X
Miscellaneous**

Section 1. Seal. The Board may provide a corporate seal which, if authorized, shall have inscribed thereon the name of the Authority.

**ARTICLE XI
Amendments**

These Bylaws may be altered or amended or repealed by the affirmative vote of a majority of the members of the Board then in office at any regular or special meeting called for that purpose and approval by the Board of the Township of Gerrish and the Board of the Township of Lyon.

I HEREBY CERTIFY that the above Bylaws were approved by the Board of the Gerrish Lyon Utility Authority at a meeting held on Aug 23, 2021, by the Board of the Township of Gerrish at a meeting held on Sept. 14, 2021 and by the by the Board of the Township of Lyon at a meeting held on Sept. 15, 2021.

Secretary
Gerrish Lyon Utility Authority