

BY-LAWS  
Of the  
Crystal Lake Perch Lake Foundation, Inc.

**ARTICLE I – NAME**

The name of the corporation is: Crystal Lake Perch Lake Foundation, Inc. (hereafter, "Foundation").

**ARTICLE II – PURPOSE**

The Foundation is organized exclusively for charitable, educational and scientific purposes, including, for such purposes, the making of distributions in the furtherance of the purposes of the Foundation, as set forth in Article II.

Primarily, the Foundation is for the purpose of receiving and administering funds for the preservation of Crystal and Perch Lakes, and for the education and public welfare in connection with the preservation of Crystal and Perch Lakes. The Foundation shall undertake to

1. Scientifically test, preserve and improve the quality of water in and around Crystal and Perch Lakes located in Hillsdale County, Michigan, and its inlets, outlets and wetlands, and publish information thereon, and take actions and encourage others to take actions which will preserve and improve the quality of the waters contained therein. The results of said tests shall be made available to the general public on a nondiscriminatory basis.
2. Take such actions as may be necessary or desirable to protect, preserve and improve the environment of the area of the Crystal and Perch Lake watershed, including connecting inlets, outlets and wetlands.
3. Assist in the acquisition, establishment, maintenance and protection of protected areas in the vicinity of Crystal and Perch Lake and its connecting inlets, outlets and wetlands.
4. Assist governmental agencies with the performance of their duties in and around the area of Crystal and Perch Lakes including, but not limited to, assistance that may be requested by, or in cooperation with, the Michigan Department of Natural Resources, the Michigan Department of Health, the U.S. Army Corps of Engineers, the U.S. Environmental Protection Agency, the Hillsdale County Sheriff's Department, and the Michigan State Police, the Water Resources Commission, state universities, schools, research organizations, villages, townships, cities, counties and other governmental organizations.
5. Educate the general public as to safe boating practices and the laws of the State of Michigan related to the lawful operation of watercraft.
6. Educate the general public as to the nature of infestations and pestilence that adversely affect the quality of the waters in and around Crystal and Perch Lakes including, but not limited to, the Zebra Mussel and similar mollusks, exotic fishes, the over abundance of any certain species of fish or other wildlife, algae, and undesirable aquatic vegetation.

### ARTICLE III – PROHIBITED ACTIVITIES

1. No part of the net earnings of the Foundation shall inure to the benefit of, or be distributed to its Directors, trustees, officers, or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II of this document. Appendix A describes in detail the Conflict of Interest Policy of the Foundation.
2. No substantial part of the activities of the Foundation shall be to carry on propaganda, or otherwise attempt to influence legislation. The Foundation shall not participate in, or intervene in (including publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.
3. Notwithstanding any other provision of these Articles, the Foundation shall not carry out any other activities not permitted to be carried on (a) by any entity exempt from federal income tax under 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by any entity, contributions to which are deductible under 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.
4. Notwithstanding any other provision of these Articles, none of the Foundation's assets or income earned on those assets, shall be loaned, directly or indirectly, to any Director or to anyone else, corporate or otherwise, who has at any time made a contribution to this Foundation, nor to anyone except on the basis of an adequate interest charge and adequate security.

### ARTICLE IV – BOARD OF DIRECTORS

1. The Board of Directors of the Foundation shall consist of five (5) persons who own lots on Crystal or Perch Lakes, or are members of the Crystal Lake Perch Lake Association, who have expressed a commitment to the furtherance of the Foundation's purposes as stated in Article II hereof.
2. The Board of directors shall govern the policies of the Foundation. Directors shall serve without compensation.
3. A majority of the members of the Board of directors shall constitute a quorum for the purposes of holding meetings of the Board of Directors.
4. Vacancies in the Board of directors caused by any reason shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. A Director so appointed by the remaining Directors shall fill the respective term held by the Director creating the vacancy.
5. Members of the initial Board of Directors shall be Directors until the expiration of their terms. Thereafter, the terms for succeeding Directors shall be two (2) years. Directors may be elected to successive terms.
6. A Director may vote or be represented by proxy and such proxy may be counted for determining a quorum. A proxy must be in writing, signed by the Board member, dated, and specify the date of the meeting to which it applies. A proxy must be specific to the issue being voted on. For purposes of establishing a quorum, the proxy must be assigned to another Board member who will be present at the specified meeting and give the Board member the right to exercise the proxy in regard to all matters transacted at the specified meeting. A proxy must be presented at the start of the specified meeting.

7. The Board of Directors of the Foundation shall elect from among them a President who shall then call the business of the initial meeting and future meetings. In the absence of the President or Vice President, the Directors present shall elect a Chairperson to run the meeting, from the Directors present.

#### ARTICLE V – DIRECTORS’ POWERS

In extension and not in limitation of the statutory and other powers granted in these by-laws, the Directors shall have the following discretionary powers:

1. To invest and reinvest the principal and income of the Foundation in such property, real, personal, or mixed, and in such manner as they shall deem proper, and from time to time to change investments as they shall deem advisable; to invest in or retain any stocks, shares, bonds, notes, obligations or personal or real property (including without limitation any interests in or obligations of any corporation, association, business trust, investment trust, common trust fund, or investment company) although some or all of the property so acquired or retained is of a kind or size which but for this express authority would not be considered proper and although all of the trust funds are invested in the securities of one company. The Board of Directors shall establish the investment policy.
2. To sell, lease, or exchange any personal, mixed, or real property, at public auction or by private contract, for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into such undertakings relating to the Foundation’s property, as they consider advisable, whether or not such leases or contracts may extend beyond the duration of the Foundation.
3. To borrow money for such periods, at such rates of interest, and upon such terms as the Directors consider advisable, and as security for such loans to mortgage or pledge any real or personal property with or without power of sale; to acquire or hold any real or personal property, subject to any mortgage or pledge on or of property acquired or held by the Foundation.
4. To execute and deliver deeds, assignments, transfers, mortgages, pledges, leases, covenants, contracts, promissory notes, releases, and other instruments, sealed or unsealed, incident to any transaction in which they engage.
5. To vote, to give proxies, to participate in the reorganization, merger, or consolidation of any concern, or in the sale, lease, disposition, or distribution of its assets; to join with other security holders in acting through a committee, depository, voting trustees, or otherwise, and in this connection to delegate authority to such committee, depository, or trustees and to deposit securities with them or transfer securities to them, to pay assessments levied on securities or to exercise subscription rights in respect of securities.
6. To employ a bank or trust company as custodian of any funds or securities and to delegate to it such powers as they deem appropriate; to hold trust property without indication of fiduciary capacity but only in the name of a registered nominee, provided the trust property is at all times identified as such on the books of the Foundation; to keep any or all of the Foundation’s property or funds in any place or places in the United States of America; to employ clerks, accountants, investment counsel, investment agents, and any special services, and to pay the reasonable compensation and expenses of all such services.
7. To expand or contract the quantity of members of the Board of Directors, but only by such quantity which will yield an odd number of total members of the Board immediately after such expansion or contraction. In no circumstances, however, shall the Board of Directors ever be less than three (3) members.

8. The Director's powers may be exercised solely in the fiduciary capacity consistent with and in furtherance of the charitable purposes of the Foundation as specified in Article II.

#### **ARTICLE VI – OFFICERS**

The officers of the Foundation shall be a President, Vice President, Secretary, Special Projects, and a Treasurer. The Board of Directors of the Foundation shall appoint the first Officers of the Foundation. The Officers shall hold positions for succeeding fiscal years or until their successors are appointed. Officers shall take office at the time of their appointment by the Board of Directors. Directors may also serve as Officers.

#### **ARTICLE VII – DUTIES OF THE OFFICERS**

1. The President shall preside at all meetings and perform such other duties as are incident to his office.
2. The Vice President shall assume the duties of the President when absent and carry on the traditional duties of the office.
3. The Secretary shall make a record of all meeting of the Foundation, maintain Foundation member list, and publish newsletters.
4. Special Projects Officer shall coordinate activities with committees and be the focal point for community relations.
5. The Treasurer shall receive all contributions, gifts, grants, bequests and other moneys and properties, keep records of receipts and disbursements, report the financial condition of the Foundation, and carry out the financial policies of the Foundation as adopted by the Board of Directors.

#### **ARTICLE VIII – COMMITTEES**

The Board of Directors may appoint Fund Raising, Safety, and Water Quality Committees and such others as the Board deems necessary. The Board shall appoint the Chairperson of each Committee.

#### **ARTICLE IX – REGULAR MEETINGS**

Meetings of the Board of Directors shall be held at the call of the President or Vice President, providing that a minimum of two meetings of the Board of Directors are held during the period of May 1 to October 31 of each year, but in no event later than 100 days after the anniversary of the date of incorporation of the Corporation. Ten (10) days notice shall be given for all meetings. All meeting dates must be posted so that Crystal and Perch Lake Association owners may attend. Meetings may be conducted electronically at the agreement of the Board of Directors.

#### **ARTICLE X – SPECIAL MEETINGS**

Special meetings may be called by any two (2) of the Board of Directors. Such request shall state the purpose or purposes of the proposed meeting. At such special meetings the only business which may be transacted is that relating to the purpose or purposes set forth in the notice thereof.

## ARTICLE XI – FINANCES

1. The Board of directors shall determine the acceptance of any contribution, gift, grant, bequest or other offerings of moneys or property to the Foundation.
2. The Board of directors shall approve any proposed program to solicit funds from the general public in furtherance of the Foundation's tax-exempt purpose including, but not limited to, the nature of any press or media releases, communications to prospective donors, and the use of the Foundation's name.
3. The Foundation's Annual Report shall be available to the Crystal and Perch Lake property owners and may be inspected upon the written request of any interested party at a location designated by the Foundation that is in the Crystal and Perch Lake watershed area. Such location may be a public location like a town library meeting room, a Township Hall, a church, or similar locations.
4. The fiscal year of the Foundation shall end on May 31<sup>st</sup>.

## ARTICLE XII – AMENDMENTS

1. These by-laws may be amended by a resolution, adopted by a simple majority of the entire Board. Board members may be present in person or by properly submitted proxy.
2. A written notice and text of a proposed amendment shall be given to all members of the Board at least ten (10) days prior to any regular or special meeting of the Board.

## ARTICLE XIII – PARLIAMENTARY AUTHORITY

Conduct of meetings shall be by *Robert Rules of Order, Newly Revised*.

## ARTICLE XIV – SERVERABILITY

Invalidation of any part of the Articles contained herein, by judgment or court order, or by a court of competent jurisdiction, shall not affect any of the other Articles and provisions, which shall remain in full force and effect.

## ARTICLE XV – INDEMNIFICATION

Every Director and every Officer of the Foundation shall be indemnified by the Foundation against all expenses and liability, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a part, or in which he may become involved, by reason of his being or having been a Director or Officer of the Foundation at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of a claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Foundation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

## ARTICLE XVI – INSURANCE

1. **Liability** – The Foundation may provide and keep in force liability insurance to protect the Foundation from possible law suits which could result from accidents which could occur on Foundation property, or in conjunction with Foundation projects or activities. The amount of insurance shall be that which is recommended by an insurance professional.
2. **Directors & Officers** - The Foundation may provide and keep in force insurance to protect the members of the Board of Directors from possible law suits resulting from the performance of the duties associated with the various offices of the Board of Directors. The amount of insurance shall be that which is recommended by an insurance professional.
3. **Fidelity Bond** - The offices of President, Vice President, Secretary, and Treasurer may be “bonded” to protect Foundation funds. The minimum amount of this bond shall be equal to the projected Foundation assets for a given fiscal year, less the value of Foundation property.

## ARTICLE XVII – CONFLICT OF INTEREST

The purpose of the conflict of interest policy is to protect the Foundation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director of the Foundation or might result in a possible excess benefit transaction. 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.

1a: **Interested Person** – Any director or member of a committee with Foundation Board delegation powers, who has direct or indirect financial interest, as defined below, is an interested person.

1b: **Financial Interest** – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1b1: An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement,

1b2: A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement,

1b3: A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

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

2a: **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 Foundation Board delegated powers considering the proposed transaction or arrangement.

2b: **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, he/she shall leave the Foundation Board 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.

3a: **Procedures for Addressing the Conflict of Interest** – An interested person may make a presentation at the Foundation Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

3b: The chairperson of the Foundation Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3c: After exercising due diligence, the Foundation Board or committee shall determine whether the Foundation 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.

3d: If a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a conflict of interest, the Foundation Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation'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.

4a: Violations of the Conflict of Interest Policy – If the Foundation Board or committee has reasonable cause to believe a member 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.

4b: If after hearing the member's response and after making further investigation as warranted by the circumstances, the Foundation 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.

5a: Recordings of Proceedings – The minutes of the Foundation Board and all committees with board delegated powers shall contain 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 Foundation Boards or committee's decision as to whether a conflict of interest in fact existed. The names of the persons who were present for discussions and votes relating to the transaction or arrangement shall be recorded.

6a: Compensation – A voting member of the Foundation Board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

6b: A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

6c: No voting member of the Foundation Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

7a: Periodic Reviews – To ensure the Foundation operates in a manner consistent with the 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 minimum, include whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining, and whether arrangements with management organizations conform to the Foundations 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 excess benefit transaction.

8a: Use of Outside Experts – When conducting the periodic reviews as provided for in Section 7a, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Foundation Board of its responsibility for ensuring periodic reviews are conducted.

#### **ARTICLE XVIII – DISSOLUTION OF FOUNDATION**

The dissolution of the Foundation may be agreed to by a simple majority of the Directors. Notice of such a decision must be given to all members. In the event of dissolution of the Foundation, all remaining assets must be used exclusively for the purposes stated in Article II of this By-Law. All other provisions of this By-Law will pertain to the distribution of such assets.

**ARTICLE XIX – AMENDMENT**


These Bylaws may be altered, amended, or repealed, in whole or in part, at any duly held meeting of the Board of Directors.


**ARTICLE XX – ADOPTION OF BY-LAWS**

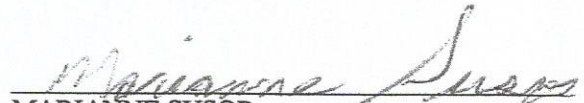
These by-laws of the Foundation, as attached hereto, are hereby adopted on this 9th day of July 2005, and are to take effect immediately.

*Signatures of Board members*

  
CAROLYN DRISCOLL

  
TOM LIEBLIEN

  
DR. TIM LOVE

  
MARIANNE SUSOR

  
LUEWANNA S. GAGNEUR