

**By Laws
of the
ANCHOR BAY COMMUNITY FOUNDATION**

Mission

The Anchor Bay Community Foundation has been organized to raise and distribute financial and other resources to promote lifelong learning for children and families; to enhance and strengthen cultural, social and educational opportunities for the community beyond what is supported by public resources.

The ongoing mission of the Anchor Bay Community Foundation is to assist donors in building an enduring source of charitable assets to meet the emerging needs and interests of the community through the management of a permanent endowment.

ARTICLE I

Name and Location

Section 1. THE NAME of this non-profit corporation is the Anchor Bay Community Foundation (the “Foundation”).

Section 2. THE PRINCIPAL ADDRESS for correspondence to the Foundation shall be 51066 Washington Street, New Baltimore, MI 48047, or it may maintain offices at such other place or places as the Board may from time to time designate.

ARTICLE II

The Board

Section 1. THE BUSINESS AND AFFAIRS of the Foundation shall be managed by its Board of Directors. The Board of Directors shall further have sole power and authority, by a vote of a majority of Directors then in office to (1) amend or restate the Articles of Incorporation of the Foundation, (2) approve the merger or consolidation of the Foundation, (3) authorize the dissolution of the Foundation, or (4) approve the sale, lease, exchange or other disposition of assets of the Foundation.

Section 2. QUALIFICATION. The Board shall consist of persons who maintain a personal residence in, or who are employed within the Anchor Bay area and who are interested in and knowledgeable of the charitable, cultural and educational needs of the area.

Section 3. COMPENSATION. Directors of the Foundation will serve without compensation but may be reimbursed for actual, reasonable and necessary out of pocket expenses incurred in their capacity as a Director.

Section 4. NUMBER AND TERM OF OFFICE. The Board of Directors will total not less than ten (10) or more than twenty-one (21). If less than twenty-one (21) elected Directors are currently serving on the Board, the difference between the number elected and number twenty-one (21) shall be considered vacancies and may be filled by the Directors in accordance with this Section and Section 5 below.

Section 5. RESIGNATION, REMOVAL AND VACANCIES. A Director may resign by written notice to the Foundation. The resignation will become effective upon its receipt by the Foundation. A Director may be removed, either with or without cause, by the affirmative vote of a majority of the Board present and voting. If a vacancy occurs among the members of the Board, any member, upon the second of another member, may nominate other individuals for appointment to the Board. Notice of such nominee(s) shall be delivered or presented to the Board and a ballot listing all nominees shall be presented for a vote. Vacancies may be filled by the affirmative vote of a majority of the remaining Board present and voting, a quorum being present, at any regular or special meeting of the Board.

Section 6. REGULAR MEETINGS OF THE BOARD shall be held monthly at a place designated by the Board.

Section 7. ANNUAL MEETING OF THE BOARD. An Annual Meeting shall be held in December of each year for the purpose of electing Officers and to conduct such other business as may be properly brought before the meeting.

Section 8. SPECIAL MEETINGS OF THE BOARD may be called at any time by any five (5) Board members, the Chairperson of the Board, or in his or her absence by the Vice Chairperson-Finance, to be held at such place as the Board designates.

Section 9. WRITTEN NOTICE OF MEETINGS of the Board designating the time and place shall be given either personally or by mail or electronic-mail to each Board member not less than five (5) days before the meeting. Notice of a regular or special meeting need not state the purpose or purposes of the meeting.

Section 10. ACTION BY CONSENT. Any action required or permitted to be taken at an annual, regular, or special meeting of the Board may be taken without a meeting, without prior notice and without a vote, if a majority of the Directors consent in writing to the action so taken.

Section 11. TELEPHONIC CONFERENCE. A Director may participate in any meeting by conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other and if all participants are advised of the communications equipment and the names of the participants in the meeting are divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

Section 12. QUORUM AND VOTING. At all meetings a quorum shall consist of one-third of the members then in office for the transaction of business. An affirmative vote of a majority of members present at a meeting shall constitute the action of the members unless the vote of a larger number is required by statute or elsewhere in these Bylaws. If less than a quorum is present, a majority of the members present may vote to adjourn a meeting.

ARTICLE III

Officers & Directors

Section 1. THE OFFICERS, appointed by a majority of the Board of Directors shall be: Chairman, Vice Chairman, Secretary, and Treasurer. The Board may appoint any other Directors and agents they deem necessary for accomplishing the purposes of the Foundation.

Section 2. TERM OF OFFICE. The Officers of the Foundation shall be elected bi-annually by the Board of Directors at the Annual Meeting of the Board, and shall hold office until their successors are chosen. Any Officer elected by the membership shall serve a term of two (2) years. Each Officer appointed by the Board of Directors to fill un-expired terms, shall stand for election at the annual meeting for which the vacated term was due to expire, and service provided for the un-expired term shall not be counted as an elected term. Any Officer elected or appointed by the Board may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board then in office.

Section 3. VACANCIES. Any Officer vacancy occurring in the Foundation shall be filled by the Board. In the absence, or in the event of the inability or refusal to act, of any Officer of the Foundation, the Board may delegate the duties and powers of such Officer to any other Officer or Officers of the Foundation as the Board may elect until such time as the Officer resumes his responsibilities or until a successor is elected.

Section 4. THE CHAIRMAN OF THE BOARD shall preside at all meetings of the Board. The Chairman shall perform such duties and the Board shall assign functions as to him or her from time to time. He or she shall be an ex-officio member of all committees. The Chairman shall, unless otherwise provided by resolution of the Board, possess the power and authority to sign all certificates, contracts, instruments, papers, documents of every conceivable kind and character whatsoever in the name of, and on behalf of, the Foundation.

Section 5. THE VICE CHAIRMAN shall perform the duties and exercise the powers of the Chairman during the absence or unavailability of the Chairman, and shall have such additional powers and perform such additional duties as shall from time to time be assigned by these Bylaws or by the Board.

Section 6. THE SECRETARY shall attend all meetings of the Board and shall keep, or cause to be kept, a record of the proceedings of all meetings of the Board. The Secretary shall give, or cause to be given, notice of all meetings and special meetings of the Board and shall perform such other duties and have such other powers as may be prescribed by the Board. The Secretary shall keep or cause to be kept the minutes of all meetings of the Board in books provided for that purpose.

Section 7. THE TREASURER shall oversee the financial activities and maintain accurate records of the Foundation. The Treasurer shall perform or cause to be performed all duties incident to the office and such other duties as may be from time to time directed by the Board.

ARTICLE IV

Committees

Section 1. STANDING COMMITTEES. There shall be Standing Committees for Investment, Event Planning, and Scholarship. The Chairman and/or the Board may appoint such other committees as it deems appropriate to exercise the authority delegated by the Board. The Chairman and/or the Board will determine the duties and responsibilities of these Committees, and may from time to time, invest said Committees with such other powers as it may see fit. Standing Committees shall keep minutes of their meetings and report their actions to the Board.

Section 2. INVESTMENT COMMITTEE. An Investment Committee, with a minimum of five (5) members, appointed by the majority of the Directors, shall be authorized to invest and monitor the funds of the Foundation within limits set by action of the Directors. The Investment Committee will meet quarterly or as otherwise directed.

ARTICLE V

Charitable Gifts, Variance Power, and Power to Remove

Section 1. DEFINITION OF TERMS. The following terms used in this Article shall have the meanings set forth below:

“Charitable Gift” means any gift, grant, bequest, or devise to or for the benefit of the Foundation (including the proceeds of sale of such gift, grant, bequest, or devise and the assets, income and appreciation resulting from the investment and reinvestment of such gift, grant, bequest or devise made by the Foundation or by any Fiduciary).

“Fiduciary” means (i) any Trustee, agent, investment advisor, investment manager, custodian or other person holding, administering or investing a Charitable Gift on behalf of the Foundation; and (ii) any member of the governing body or officer of a nonprofit corporation or other entity created or operating for the purpose of supporting the Foundation or carrying out its purposes.

“Gift Instrument” means (i) to deed, trust agreement, last will and testament, bill of sale, assignment or other conveyance, agreement or instrument making or governing the terms of a Charitable Gift; (ii) the articles of incorporation, bylaws or other governing documents of any nonprofit corporation or other entity created or operating for the purpose of supporting the Foundation or carrying out its purposes; and (iii) the terms of any solicitation by the Foundation from which a Charitable Gift resulted.

“Restriction” means any limitation imposed by the donor in a Gift Instrument or arising as the result of any solicitation by the Foundation which in any way (i) specifies or restricts the charitable, educational, religious, scientific, or literary purposes of the Foundation for which the Charitable Gift may be used; (ii) requires that the Foundation distribute all or part of a Charitable Gift to one or more other public bodies or organizations formed for charitable, educational, religious, scientific or literary purposes; (iii) creates an endowment fund or otherwise limits the amount of the principal or income from a Charitable Gift that may be expended by the Foundation during any period; or (iv) specifies or limits the way in which the Charitable Gift may be invested.

Section 2. VARIANCE POWER. Except to the extent specifically otherwise provided in the Gift Instrument governing a particular Charitable Gift which has been accepted by the Board of Directors of the Foundation: The Board of Directors, by a resolution approved by a majority of the trustees then in office may modify or eliminate any Restriction if, in the sole judgment and discretion of the Board of Directors, the Restriction has become unnecessary, incapable of fulfillment or inconsistent with the charitable needs of those in the area served by the Foundation or with the charitable purposes of the Foundation. All Charitable Gifts received by the Foundation creating an endowment fund or containing another Restriction on the amount of the principal or income from the Charitable Gift which may be expended by the Foundation during any period shall be subject to Section 3 of the Michigan Uniform Management of Institutional Funds Act, MCL 451.1201 *et seq.*, as amended from time to time or comparable provisions of any subsequent Michigan or federal legislation.

Section 3. POWER TO REMOVE. The Board of Directors may remove any Fiduciary at any time. The Board of Directors may appoint a successor to any Fiduciary removed pursuant to this Section 3, and may fill the position of a Fiduciary that has become vacant for any other reason.

Article VI

Appointment of Counsel and Agents

Section 1. The Board from time to time may appoint legal counsel, investment advisors, or other agents as deemed appropriate.

Article VII

Indemnification.

Section 1. INDEMNIFICATION. The Foundation will, to the fullest extent now or hereafter permitted by law, indemnify any Director, Trustee, Officer, or committee member of the Foundation (and, to the extent provided in a resolution of the Board or by contract, may indemnify any employee, non-trustee volunteer, or agent of the Foundation) who was or is a party to or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding by reason of the fact that the person is or was a Director, Trustee, Officer, employee, non-trustee volunteer, committee member, or agent of the Foundation, or is or was serving at the request of the Foundation as a Director, Trustee, Officer, partner, employee, non-trustee volunteer, committee member, or agent of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses including attorneys' fees (which expenses may be paid by the Foundation in advance of a final disposition of the action, suit or proceeding as provided by law), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding if the person acted (or refrained from acting) in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Foundation, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful.

Section 2. RIGHTS TO CONTINUE. This indemnification will continue as to a person who has ceased to be a Director, Trustee, Officer, or committee member of the Foundation unless terminated for cause in a related issue. Indemnification may continue as to a person who has ceased to be an employee, non-trustee volunteer, or agent of the Foundation to the extent provided in a resolution of the Board or in any contract between the Foundation and the person. Any indemnification of a person who was entitled to indemnification after such person ceased to be a Director, Trustee, Officer, employee, non-trustee volunteer, committee member, or agent of the Foundation will inure to the benefit of the heirs and personal representatives of that person.

Article VIII

Insurance

Section 1. INSURANCE. The Foundation may purchase and maintain insurance on behalf of any person who is or was a Director, Trustee, Officer, employee, non-trustee volunteer, committee member, or agent of the Foundation, or is or was serving at the request of the Foundation as a Director, Trustee, Officer, employee, non-trustee volunteer, committee member, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Foundation would have the power to indemnify such person against such liability under the provisions of the Nonprofit Corporation Act of the State of Michigan.

Article IX

Financial Management

Section 1. CONTRACTS. The Board of Directors may authorize any officer, agent or Director to enter into a contract or execute or direct any instrument on behalf of the Foundation by majority vote of the Board.

Section 2. DISBURSEMENTS. All checks, drafts, or other orders for payment shall be signed by a minimum of two members of the Foundation Board.

Article X

Audits

Section 1. AUDITS. The accounts and finances of the Foundation shall be audited, by a CPA firm as may be selected by the Board, following the guidelines set forth by Michigan Compiled Laws Sec. 206.261(4)(j): “For community foundations that have an endowment value of \$1,000,000.00 or more only, the community foundation is subject to an annual independent financial audit and provides copies of that audit to the department not more than three (3) months after the completion of the audit. For community foundations that have an endowment value of less than \$1,000,000.00, the community foundation is subject to an annual review and audit every third year.”

ARTICLE XI

Amendments

Section 1. AMENDMENTS. These Bylaws may be added to, amended or repealed in whole or in part by a majority vote of the whole Board at any Regular, Annual, or Special

Meeting of the Board called for that purpose PROVIDED that notice of such amendment has been given to the Directors in advance of said meeting. No action or amendment shall be taken which in any way adversely affects the Foundation's qualification as a tax-exempt organization under Section 501(c)3 of the Internal Revenue Code as it now exists or may hereafter be amended.

ARTICLE XII

General

Section 1. GENERAL. No Officer, Director, or patron of this Foundation shall be entitled to or be paid any salary at any time unless he or she is an employee of the Foundation. No part of the net income of the organization shall in any way inure to the benefit of any patron of the Foundation, and in the event of the dissolution of this Foundation, the property of the Foundation, if any, shall be distributed for the purposes for which the Foundation is organized; and no part of such property shall be, in any event, the property of any Director or patron of the Foundation. The Board shall have the right to pay necessary operating expenses from the funds of or income contributed to the Foundation.

Section 2. AFFILIATION WITH OTHER ORGANIZATIONS. In pursuit of the Foundation's charitable objectives, the Board shall have the authority to cause to be formed or to enter into relationships with other organizations described in Section 501(c)3 of the Code, including organizations operated for the benefit of and to carry out the purposes of the Foundation, in which case the Foundation may exercise such supervision and control over any organization as is necessary to qualify it as a supporting organization described in Section 509(a)3 of the Code and the regulations there under.

Section 3. POLITICAL ACTIVITY. No part of the activities of the Foundation shall be carried out for purposes of propaganda or political activity.

ARTICLE XIII

Compliance With Tax Requirements

Section 1. NONPROFIT OPERATION. The Foundation shall be operated exclusively for charitable, educational, religious, scientific, and literary purposes within the meaning of Section 501(c)3 of the Internal Revenue Code of 1986, or comparable provisions of subsequent legislation as a nonprofit corporation. No Director of the Foundation shall have any title to or interest in the corporate property or earnings in his or her individual or private capacity and no part of the net earnings of the Foundation shall inure to the benefit of any Director, Trustee, Officer or any individual. No substantial part of the activities of the Foundation shall consist of carrying on propaganda or otherwise attempting to influence legislation, nor shall the Foundation participate in or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE XIV

Fiscal Year

Section 1. FISCAL YEAR. The fiscal year of the Foundation shall commence on January 1 of each year, and be concurrent with the calendar year.

ARTICLE XV

Restatement

Section 1. RESTATEMENT. All Bylaws of this Foundation heretofore amended and adopted and in force are hereby expressly repealed and annulled, and these Bylaws, as restated and amended herein shall henceforth be in full force and effect.

Approved and adopted this tenth day of October 2005.