

ARTICLES OF INCORPORATION
OF THE
HARSEN'S ISLAND TRANSPORTATION AUTHORITY

ARTICLE I

The name of this corporation is Harsen's Island Transportation Authority, hereinafter referred to as the "Authority". The incorporating political subdivision is Clay Township and the jurisdiction of the "Authority" shall be bounded by the lines of Clay Township Voting Precinct No. Four (4).

ARTICLE II

The purpose or purposes for which the Authority is created are:

1. To create a public authority to accomplish the purpose or purposes for which authorities may be authorized pursuant to PA 196 of 1986, as amended, which purpose or purposes are incorporated herein by reference.
2. To plan, promote, purchase, acquire, establish, own, operate, or cause to be operated, maintain, improve, enlarge, and modernize an intra-waterway transit waterway system serving the Harsen's Island area.
3. To do all things necessary, suitable and/or proper for the accomplishment of the above purpose, purposes, and any one or more of them.

ARTICLE III

The powers of the Authority shall be to do everything and anything reasonably and lawfully necessary, proper, suitable, or convenient for the achievement or furtherance of the purposes above stated, or for any of them.

ARTICLE IV

1. The Authority shall be directed and governed by the Harsen's Island Transportation Authority Board, herein referred to as the "Board".

2. The Harsen's Island Transportation Authority Board shall be comprised of five (5) members appointed by the governing body of the incorporating political subdivision. Representation on the Authority Board shall be two elected members of the Township Board, appointed by the Supervisor and approved by the Township Board, two members shall be chosen by the Harsen's Island/St. Clair Flats Improvement Association and approved by the Township Board, one member shall be a member at large and a resident of Harsen's Island appointed by the Supervisor with the concurring approval of the Township Board and the Harsen's Island/St. Clair Flats Improvement Association.

3. The terms of the office of the Board members shall be three (3) years, except that 2 members of the First Authority Board shall be appointed for 2 year terms and 3 members shall be

appointed to 3 year terms. If the member is unable to complete their term of office, a successor shall be appointed in the same manner as the original appointment to complete the term.

4. The governing body of the political subdivision participating in the Authority may remove any member for cause which it appoints to the Board, in the same manner in which the appointment is made.

5. The Board shall hold an annual organizational meeting each year, unless deemed otherwise, at such place, date, and hour as shall be fixed by the Board. The Board shall, at its annual meeting, elect a chairperson, vice-chairperson, a secretary, and a treasurer who shall be members of the Board. Said officers shall serve at the pleasure of the Board and shall have all the powers assigned to them by the Board. The Board shall transact such other business as may be necessary at its annual meeting and shall fix a time and place for regular meetings which shall be open to the public. All members of the Board shall serve without compensation from the Authority, but shall be entitled to reimbursement by the Authority of actual expenses incurred in the discharge of their duties. In the conduct of the business of the Board, a majority of the Board members then elected and serving shall constitute a quorum. On voting issues before the Board, a majority of the Board members present and voting shall be sufficient for the adoption of any resolutions except that a 2/3 majority affirmative vote of members voting is required for any changes in the By-Laws or Articles of Incorporation.

6. The chairperson or any two (2) members of the Board may call a special meeting of the Board as set forth by Authority policy. The Board shall keep a written or printed record of every meeting, which record shall be public.

7. The Board shall provide a system of accounts to conform to the uniform system required by law and shall provide for the auditing of said accounts once a year by a competent certified public accountant. The Board may, in its discretion, appoint an executive director and may employ other persons it deems necessary, and shall adopt rules, regulations, and policies governing the employees, patrons, and facilities under its jurisdiction.

8. A Board member or any person holding appointment by the Board shall not have any interest either directly or indirectly in any contract entered into by the Authority, unless all material facts as to their relationship or interest as to the contract are disclosed or known to the Board.

9. The Board shall furnish an annual report to the governing body of participating member with respect to the operation, maintenance and financial condition of the Authority.

10. The Board shall adopt By-Laws, as provided in Article IV, Paragraph 5, inclusive of all policies and procedures that it deems necessary, suitable and/or proper for the conduct of the business of the Board, and for accomplishing the purpose or purposes for which the Authority is created.

ARTICLE V

A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for a breach of the director's fiduciary duty, subject to the following exceptions:

- a. For any breach of the director's duty of loyalty to the corporation or its shareholders;
- b. For any acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
- c. For any violation of Section 551(1) of the Michigan Business Corporation Act; or
- d. For any transaction from which the director derived an improper personal benefit.

Any modification of any provision in these Articles inconsistent with this Article shall not adversely affect any right or protection of a director of the corporation existing at the time of the modification.

ARTICLE VI

1. The Authority may be dissolved in accordance with statutory provisions, and subject to the provisions set forth in paragraph 2, below.

2. The Authority may not be dissolved or its Articles amended if such dissolution or amendment would or could operate as an impairment of any authorized bonds.

3. The Articles of Incorporation may be amended only as provided in Article IV, Paragraph 5 by the Board members then serving subject to the veto by the governing body of the incorporating political subdivision, as set forth below:

- a. After approval of the proposed amendments to the Articles, the Authority shall send by certified mail with return receipt requested, the proposed amendments to the clerk of the incorporating political subdivision of the Authority;
- b. The governing body of the incorporating political subdivision shall have forty-five (45) days after receipt by their clerk in which to disapprove the proposed amendments and transmit a resolution of disapproval to the Authority Board;
- c. Upon receipt of such resolution of disapproval, the proposed amendments shall not become effective unless the Authority Board by two-thirds (2/3) vote of the members of the Authority Board then serving ratifies the proposed amendments within forty-five (45) days after receipt of the resolution of disapproval;
- d. If a majority of the entire governing body of the incorporating political subdivision disapproves of the proposed amendments, the proposed Articles shall not become effective, and the Authority Board

shall not be empowered to override the incorporating political subdivisions veto;

- e. If the incorporating political subdivision fails to respond to the proposed amendments within the forty-five (45) day time period set in b. above, this shall be tantamount to approval of the proposed amendments.

ARTICLE VII

The person or persons charged with the responsibility of causing the Articles of Incorporation to be published and the printed copies of the Articles of Incorporation to be filed is Michael P. Pellerito, Clerk Clay Township.

The Articles of Incorporation shall be published in the VOICE NEWSPAPER.

The foregoing Articles of Incorporation were adopted by an affirmative vote of a majority of the members serving on the governing or legislative body of Clay Township, Michigan, a meeting duly held on the 2nd day of JUNE, A.D., 1997.

Michael P. Pellerito

Michael P. Pellerito
Township Clerk

CERTIFICATION

I, hereby, certify that the foregoing constitutes a true and complete copy of the Articles of Incorporation of the Harsen's Island Transportation Authority adopted by the Township Board of the Township of Clay, County of St. Clair, Michigan, at a regular meeting held on June 2, 1997, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1967, and that the Minutes of said meeting were kept and will be or have been made available as required by said Act.

Michael P. Pellerito

Michael P. Pellerito
Clay Township Clerk