

BYLAWS OF THE BIG PINE LAKES ASSOCIATION

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ARTICLE I NAME

Section 1: CORPORATE NAME. The corporation name is **Big Pine Lakes Association** hereinafter referred to as "BPLA". The BPLA is a Minnesota non-profit corporation subject to the provisions of Minnesota Statutes, Chapter 317 A; ARTICLES OF INCORPORATION FILED IN 1997.

Section 2: LAKES RELATED TO ASSOCIATION. Big Pine Lakes ("Lakes") located within Aitkin and Pine Minnesota counties consist of two lakes connected by a channel. The north lake is generally known as North Big Pine Lake, Big Pine Lake or Minnesota Department of Natural Resources' (MN DNR) Lake #58013800. The south lake is known as South Big Pine Lake, Pine Lake or MN DNR Lake #01000100.

ARTICLE II PURPOSE AND OBJECTIVE

Section 1: BPLA is organized and shall be operated exclusively for charitable, scientific and educational purpose to preserve and enhance the quality of the Lakes as a public recreational facility. BPLA will engage in the following activities to accomplish these purposes:

- Water Quality, e.g. monitor water quality (clarity & content), water inlet restoration, lakeshore restoration, etc.
- Fish Habitat; e.g. spawning area restoration, monitor weed composition, etc.
- Education; e.g. periodic meeting, newsletters & handouts, etc.
- Any other best-practice method to preserve and enhance the quality of the Lakes

Section 2: The objectives of the BPLA shall be clean water, enhanced recreation, improved fish habitat, increased fish population, and facilitating obtaining services from government agencies.

Section 3: The BPLA may receive and disburse funds or other property incident to or necessary for the accomplishment of the aforesaid purposes and do any and all acts incidental to the transaction of the business of BPLA or expedient for the attainment of the purposes stated herein.

Section 4: The BPLA may engage in, advance, promote and administer charitable, and educational activities and projects of every kind and nature whatsoever in its own behalf or as the agent, trustee or representative of others, and may aid, assist and contribute to the support of corporations, association and institutions which are organized and operated exclusively for such purposes and which are described in Section 501(c) (3) of the Internal Revenue Code of 1986. Also in furtherance of BPLAs' purposes, it may make gifts, grants and contributions of, and to convey, transfer and dispose of any funds and

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property and the income there from and to lease, mortgage, encumber, and use the same, and such other powers which are consistent with the foregoing purposes and which are afforded to this corporation by the Minnesota Nonprofit Corporation Act, as now enacted or as hereafter amended. All the powers of the Corporation shall be exercised only so that the Corporation's operations shall be exclusively within the contemplation of Section 501(c)(3) of the Internal Revenue Code of 1986.

Section 5: All references in these BY-LAWS to sections of the Internal Revenue Code of 1986 include any provisions thereof adopted by future amendments thereto and any cognate provisions in future Internal Revenue Codes to the extent such provisions are applicable to the BPLA.

Section 6: The BPLA shall engage only in activities allowed by the Minnesota Nonprofit Corporation Act and by any future laws amendatory thereof and supplementary thereto.

Section 7: The BPLA shall not afford pecuniary gain, incidentally otherwise, to its members. No part of the net income or net earnings of BPLA shall inure to the benefit of any director or officer of the Corporation or any private individual, corporation or other legal entity; provided, however, that nothing herein shall prohibit, among other things, the payment of reasonable compensation for services rendered to or for BPLA in the performance of its charitable purposes.

Section 8: No substantial part of BPLA's activity shall consist of carrying on propaganda or otherwise attempting to influence legislation. This Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

Section 9: The BPLA shall distribute for each of its taxable years amounts at least sufficient to avoid liability for the tax imposed by Section 4942(a) of the Internal Revenue Code of 1986. For purposes of these BY-LAWS, the term "income" means, for each taxable year of BPLA, the distributable amount with respect to BPLA as defined in Section 4942(d) of the Internal Revenue Code of 1986.

Section 10: The BPLA may not engage in an act of "self-dealing" (as defined in Section 4941(d) of the Internal Revenue Code of 1986) that would give rise to liability for the tax imposed by Section 4941(a) of the Internal Revenue Code of 1986.

Section 11: The BPLA may not make any investments that would jeopardize the carrying out of the exempt purposes of the BPLA, within the meaning of Section 4944 of the Internal Revenue Code of 1986, so as to give rise to liability for the tax imposed by Section 4944(a) of the Internal Revenue Code of 1986.

Section 12: The BPLA may not make a "taxable expenditure" (as defined in Section 4945(d) of the Internal Revenue Code of 1986) that would give rise to liability for the tax imposed by Section 4945(a) of the Internal Revenue Code of 1986.

Section 13: Except as permitted by Minnesota Statutes, Section 317 A.S01, the BPLA shall not lend any of its assets to any officer or director of this Corporation or guarantee

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to any other person the repayment of a loan made to an officer or director of this Corporation.

Section 14: The period of duration of the BPLA corporate existence shall be perpetual.

ARTICLE III DIRECTORS

Section 1: NUMBER. The BPLA shall be managed by a Board of Directors ("Board"). The number of Directors on the Board shall be a maximum of eight (8), but not less than four (4). The Directors will be equally elected in number from the North and South Big Pine Lakes except there may be a difference of one per lake if an odd number of Directors makes up the Board.

Section 2: TERM OF OFFICE. Each Director shall be elected for a two(2) year term. A Director may serve up to three (3) consecutive terms or six consecutive years on the Board; thereafter that Director may be elected again after an absence from the Board for a minimum of a (1) year period. Any partial year of service on the board is considered one year on the Board of Directors.

ARTICLE IV ELECTION AND NOMINATION OF DIRECTORS

Section 1: ELECTION. Elections will take place at the Membership meeting (Article VIII, Sec 3) held on the Saturday proceeding Labor Day each calendar year. Election to the Board shall be by a majority vote of the Members (Article VIII, Sec 1) present.

Section 2: NOMINATION. Only Members (Article VIII, Sec 1) can nominate any other Members (Article VIII, Sec 1) for election to the Board. The Chairman shall call for nominations from the floor once, and thereafter shall close nominations.

Section 3: REMOVAL. Any Director can be removed from office with or without cause, by a majority vote of the Directors at a Board Meeting (Article V, Sec 1) at which a Quorum (Article V, Sec 2) is present. Some unstated causes to remove a Director are "failure to renew BPLA membership", "failure to attend three (3) consecutive Board meetings", and "unlawful acts within or outside of BPLA activities".

A removed Director may petition (having at least 2S BPLA members' signatures) the BPLA membership for reinstatement at the next Membership Meeting (Article VIII, Sec 3). A majority vote of the Members, so long as a Quorum (Article VIII, Sec 6) is present, will reinstate the removed Director and the appointed replacement will be removed from the Board.

Section 4: RESIGNATION. A Director may resign by submitting written notice to the Board. Notice of death of a Director shall also be deemed a resignation. The resignation is effective without acceptance when the notice is received unless a later effective date is stated in the notice.

Section 5: VACANCIES. Any Director vacancy may be filled by the Board electing

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among the BPLA Members. The Director elected to fill such vacancy shall serve for the remaining term of the replaced officer or vacant seat(s) up to maximum Directors allowed.

ARTICLE V MEETING OF DIRECTORS

Section 1: MEETINGS. Board Meetings shall be held three times per year. At each meeting the board shall schedule a date, time and place for the next Board meeting. Generally two Board meetings are scheduled four weeks prior to the two Membership meetings and one Board meeting scheduled within 30 days following the annual election of Directors.

Section 2: SPECIAL MEETINGS. Any two or more Directors may call a Special Meetings and must give all Directors at least two weeks advance notice. More than a Quorum (see Article IV, Sec 2) must be present at any Special Meeting.

Section 3: QUORUM. A Quorum is fifty-percent of the Directors. A Majority vote of at least a Quorum of Directors present at any meeting shall be the act of the Board.

Section 4: ATTENDANCE. Non-Members may attend Board Meetings by invitation of the Board. BPLA Members may attend any Board meeting.

Section 5: ACTION WITHOUT A MEETING. Any action required or permitted to be taken at a meeting of the members of the Company may be taken without a meeting by written action signed by one hundred percent (100%) of the board members entitled to vote on that action. The written action is effective when signed by the required board members, unless a different effective time is provided in the written action. When written action is permitted to be taken by less than all board members, all board members shall be notified immediately of its text and effective date.

Section 6: PARTICIPATION BY ELECTRONIC COMMUNICATIONS. A director may participate in a Board meeting by any means of communication through which the director, other directors so participating and all directors physically present at the meeting may simultaneously hear each other during the meeting. A director so participating shall be deemed present in person at the meeting.

ARTICLE VI DUTIES OF THE BOARD OF DIRECTORS

Section 1: DUTIES The Board shall:

- (a) Establish and update policies to govern the BPLA operation consistent with its purpose;
- (b) Keep complete records of all its acts and corporate affairs;
- (c) Supervise all BPLA officers, contractors and consultants to ensure their duties are properly performed;
- (d) Appoint committee Chairs to fill vacancies;

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(e) Develop and maintain a budget for the BPLA each calendar year;

(f) authorize up to three (3) Directors to sign checks on behalf of BPLA to make payments consistent with the purposes of BPLA. These Directors are not required to be Officers.

ARTICLE VII OFFICERS AND THEIR DUTIES

Section 1: ELECTION OF OFFICERS AND TERM The first item of business at the Board Meeting scheduled within 30 days following the annual Elections of Directors shall be for the Board to elect (by majority vote) any Director to be an Officer for a one year term.

Section 2: RESIGNATION AND REMOVAL Any Officer may be removed from office with or without cause by the Board. An Officer may resign by submitting written notice to the Board. The resignation is effective without acceptance when the notice is submitted unless a later effective date is stated in the notice.

Section 3: VACANCIES Any Officer vacancy may be filled by the Board electing from the Directors. The officer elected to fill such vacancy shall serve for the remaining term of the replaced officer.

Section 4: OFFICERS AND DUTIES

(a) CHAIR or CO-CHAIR. Duties are:

- preside at all Board meetings and Membership Meetings (in the absence of the Chair and/or Co-Chair the Board will elect any Director present to lead that meeting)
- see that orders and resolutions of the Board are carried out
- oversee all committee Chairs to see their duties are properly performed
- authorized to transact any banking business as directed by the Board; e.g. open/close accounts, invest in CDs, sign checks, promissory notes, etc.
- in the event of a vacancy of the Chair, the Co-Chair will perform their assigned duties until that position is filled
- in the event of a vacancy of the Treasurer and/or any (sub) Committee Chair, the Chair and/or the Co-Chair will perform their assigned duties until that position is filled

(b) SECRETARY. Duties are:

- record the votes and minutes of all Board meetings and Membership meetings

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- update/amend Articles of Incorporation and Bylaws when directed by Board or when material policy changes occur
- maintain current governmental filings; e.g. IRS 990 annual status, MN Articles of incorporation
- keep any other appropriate BPLA records current
- in the event of a vacancy of the Co-Chair, will perform their assigned duties until that position is filled

(c) TREASURER or CO-TREASURER. Duties are:

- authorize to transact any banking business as directed by the Board; e.g. open/close accounts, invest in CDs, sign checks, promissory notes, etc
- safeguard the assets of BPLA
- deposit in BPLA bank account(s) all monies received
- disburse funds as directed by resolution of the Board
- record annual budget as developed and updated by the Board
- prepare financial statements; balance sheet and income and expense statement and present them at Board and Membership meetings (Article VII, Sec 3)
- Treasurer's books may be audited at the end of August each year by an Audit Committee appointed by the Board (Audit Committee report shall be presented at the next Membership meeting by its Chairman)
- in the event of a vacancy of the Secretary, will perform their assigned duties until that position is filled

(d) Any other officer(s) as the Board may from time to time create by resolution.

ARTICLE VIII MEMBERS AND MEMBERSHIP MEETINGS

Section 1: MEMBERS. The membership of the BPLA("Members") shall consist of and be open to any individual, family, business, and organizations with interests consistent with the purposes and objectives of the BPLA and have paid Dues (Article VIII, Sec 2) for the current calendar year. Member definition, voting rights and Office of Director holding privileges follow:

- Individual Members must be eighteen (18) years of age or older; shall have voting and office holding privileges
- Family Members must be eighteen (18) years of age or older; both

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spouses/significant others (maximum of 2) shall have voting and office holding privileges (children/relatives and co-owners do not have voting and office holding privileges under family Members)

- Business Members shall be accorded the same voting and office holding privilege as a family Members
- Organization Members shall not have voting and office holding privileges

Section 2: DUES. Annual dues as set by the Board are due and payable February 1st for each calendar year. Members may pay ahead but must designate intentions with their remittance.

Section 3: MEETINGS. Two Membership meetings for Members shall be held on the Saturday preceding Memorial Day and Labor Day each year. Notice of these meetings shall be sent to all members at least two weeks before the meeting.

Section 4: PURPOSE OF MEETING. The Member meetings shall present:

- A treasurer's report;
- All committee reports and updates from committees;
- A report and update on current BPLA projects and activities;
- At the Membership meetings held on the Saturday preceding Labor Day each year ("Election Meeting") the Members shall elect Directors to fill openings from expired terms;
- Act on any other matters as the Board and/or Members shall bring before them;

Section 5: SPECIAL MEMBERSHIP MEETING. Special Membership meetings may be called by any two Officers or by a majority of the remaining non-Officer Directors. Notice will be given at a Membership meeting or written notice shall be sent to all Members at least ten (14) days prior to the meeting. Notice shall state date, time, place and specific purpose(s) for the meeting.

Section 6: QUORUM. A Member Quorum shall be 25% of the Members. A Majority vote of Members present at any meeting at which a quorum is present shall be the act of the membership.

ARTICLE IX CORPORATE SEAL

The BPLA shall not have a seal.

ARTICLE X INSURANCE AND INDEMNIFICATION OF AND ADVANCES TO CERTAIN PERSONS

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Section 1: INSURANCE. The Board may insure the Directors and Officers of the BPLA in the manner and to the full extent permitted by law.

The Board may procure general liability insurance to protect BPLA from claims resulting from BPLA activities.

Section 2: INDEMNIFICATION OF AND ADVANCES TO CERTAIN PERSONS.

Minnesota Statutes 317 A.521(1990), is controlling as to the indemnification of and advances to persons made or threatened to be made a party to a proceeding by reason of the person's former or present official capacity. Additional prohibitions, limits or conditions on indemnification or advances of expenses in addition to the conditions contained in subdivisions 2 and 3 of Minnesota Statutes 317A.521 are as follows:

- The BPLA will indemnify and make advances only to Directors acting in a manner consistent with the BPLA purpose and objectives (Article II)

ARTICLE XI AMENDMENTS

These Bylaws may be amended OR repealed and new Bylaws adopted by the Board with at least two-thirds vote of all Directors.

ARTICLE XII TERMINATION

The BPLA may be terminated upon a vote of 66% of the Members of the BPLA (as defined in Article VIII).

Upon termination or dissolution of the **BPLA**, any assets lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 (or described in any corresponding provision of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving corporation.

The organization to receive the assets of the **BPLA** hereunder shall be selected by the discretion of a majority of the Board of Directors of the **BPLA** and if its Board members cannot so agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the **BPLA** by one (1) or more of the Board members which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Minnesota.

In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a purpose similar to this corporation, then the court shall direct the distribution of

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its assets lawfully available for distribution to the Minnesota Department of Natural Resources for use in improving water quality.

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