

**BYLAWS
OF
STILLWATER AREA FOUNDATION, an Affiliate of the
ST. CROIX VALLEY FOUNDATION**

As Adopted in 2010 and Amended in 2014.

**ARTICLE I.
OFFICES**

Section 1.01. **Office.** The principal office of Stillwater Area Foundation (hereinafter referred to as “SAF” or “the Foundation”), for transacting the business of SAF and for maintaining the records of the SAF, shall be located within the area served by SAF.

Section 1.02. **Other Offices.** SAF may have such other offices, either within or without its service area, as the Board of Directors may determine.

**ARTICLE II.
BOARD OF DIRECTORS**

Section 2.01. **Composition and Qualifications.** Members of the Board of Directors of SAF shall be individuals of at least 18 years of age who reside in or are supportive of Stillwater, Minnesota, and who comprise a broad and diverse representation of the community at large. Candidates shall have knowledge of area civic and charitable not-for-profit organizations and their evolving needs and knowledge of and/or the ability to facilitate contact with potential benefactors.

Members of the Board of Directors shall be elected for fixed terms as provided for in SAF Bylaws. Final approval of all elected members shall rest with the Board of Directors of SAF at its sole discretion.

Members shall serve without compensation except that the members of the Board of Directors may authorize reimbursement for reasonable expenses incurred on behalf of SAF.

Size: the number of directors of the SAF Board may be increased or decreased at the discretion of the SAF Board but shall not be fewer than seven (7) or more than eighteen (18). The exact number shall be set by resolution adopted from time to time by the Board.

Section 2.02. **Term of Office.** As the term of each Director expires, the successor shall be elected by the Board for a term of three (3) years. No director shall be eligible to serve more than three (3) consecutive three-year terms. Terms of less than three years shall not be counted toward the term limitation. A Director who has served three (3) consecutive three-year terms shall be eligible for re-election after an absence of one year from the Board of Directors but shall not be immediately eligible for election to a partial term. All terms shall expire upon: (1) adjournment of SAF’s annual meeting held in the year designated for expiration; and (2) election of a successor or re-election. To the extent possible, the Board shall ensure that the three-year terms of less than a majority of the members of the Board expire at each annual meeting.

Section 2.03. **Resignation.** Any Director of SAF may resign at any time by giving written notice to the Chair or to the Secretary of SAF. The resignation of any Director shall take effect at the time, if any, specified therein, or, if no time is specified therein, upon receipt thereof by any officer of SAF to whom such written notice is given; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 2.04. **Vacancies.** The Board of Directors may fill by election any vacancy occurring in the Board for the unexpired term of a Director who has resigned, died or been removed at a meeting called, at least in part, for the purpose of electing Directors.

Section 2.05. **Powers and Duties.** Except as otherwise provided in the Articles of Incorporation or in these Bylaws, all the powers, duties and functions of SAF conferred by the Articles of Incorporation, these Bylaws, state statutes, common law, court decisions, or otherwise shall be exercised, performed or controlled by the Board of Directors, including, but not limited to, the following:

- (a) **General Responsibility.** The Board of Directors shall have the responsibility to oversee and manage the affairs, property and assets of SAF. It shall be the duty of the Board to carry out the aims and purposes of SAF and, to this end, to arrange for publicity for the corporation, assist in developing assets, and determining the beneficiaries of the Foundation earnings.
- (b) **Appointment of Financial Advisors.** The Board may appoint, as advisors, persons whose advice, assistance and support may be deemed helpful in determining policies and formulating programs for carrying out the Foundation's purposes.
- (c) **Written Report.** The Board of Directors shall at least annually make such distribution of its written report of its financial condition, activities and distributions to representative persons and organizations in the Stillwater Area as to make the general public, including potential donors, aware of its financial condition, activities and distributions.

Section 2.06. **Director Conflicts of Interest.** SAF shall **not** enter into any contract or transaction with (a) one or more of its directors, (b) a director of a related organization in or of which a director is a director, officer or legal representative or has a material financial interest, **unless** the material facts of the contract or transaction and as to the director's interest are fully disclosed in writing to the Board, and the Board authorizes, approves or ratifies the contract or transaction in good faith by the unanimous affirmative vote of the directors (without counting the vote of the interested director), at a meeting at which there is a quorum without counting the interested director.

Section 2.07. **Removal of Directors.** Any director may be removed, either with or without cause, at any time, by a vote of a majority of the total number of directors, at a special meeting of the Board called for that purpose, and the vacancy in the Board caused by any such removal shall be filled in the manner specified in Section 2.04 hereof. The final action will be from the Board of Directors of the St. Croix Valley Foundation, of which this foundation is an affiliate foundation.

ARTICLE III. MEETINGS

Section 3.01. **Annual Meeting.** The annual meeting of the Stillwater Area Foundation shall be held each year during the month of August or at such other date as determined by the Board and shall include a presentation of the Chair's Report and the Treasurer's Report on the activities and financial condition of SAF. The annual meeting shall be held at the principal office of SAF or at such other place as the Board may designate.

Section 3.02. **Regular Meetings.** The Board of Directors shall meet at least quarterly. At the annual meeting of the Board, the directors shall determine the date, place and time of regular meetings for the following twelve (12) months.

Section 3.03. **Special Meetings.** Special meetings of the Board may be called at any time (a) by the Chair, or in the Chair's absence by the Vice Chair; or (b) by three (3) or more members of the Board by making a written request to the Secretary to call the meeting. The Secretary shall give notice of the meeting to be held and its purpose or proposed agenda. If the Secretary fails to give notice of the meeting within seven (7) days from the day on which the request was made, the person who requested the meeting may fix the time and place of the meeting, and give notice in the manner provided in Section 3.05.

Section 3.04. **Organization.** At each meeting of the Board, the Board Chair shall act as chair person, and in the Chair's absence the Vice Chair shall act as chairperson. If both the Chair and the Vice Chair are absent, a chairperson chosen by a majority of the directors present shall preside. The Secretary of SAF or, in the Secretary's absence, any person whom the chairperson shall appoint, shall act as secretary of the meeting.

Section 3.05. **Notice of Meetings.** Written notice of the annual meeting and other meetings of the Board of Directors stating the time, place and purpose of such meeting, shall be mailed, by regular U.S. mail or electronic mail, not less than five (5) days nor more than thirty (30) days before the meeting, excluding the day of the meeting, to each director at the director's mailing or electronic mail address according to the last available records of SAF. Written notice of each special meeting of the Board stating the time, place and purpose of such meeting shall be mailed by regular U.S. mail or by electronic mail not less than five (5) nor more than thirty (30) days before the meeting, excluding the day of the meeting, to each director at the director's mailing or electronic mail address according to the last available records of SAF.

Section 3.06. **Notices Excused.** Any director may waive notice of a meeting before, at or after a meeting. Such waiver shall be filed with the person who has been designated to act as Secretary of the meeting, who shall enter it upon the records of the meeting. Without notice, any member of the Board, by his or her attendance at any meeting, shall be deemed to have waived notice thereof unless the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called and the director does not participate in the meeting.

Section 3.07. **Voting and Quorum.** At all meetings of the Board of Directors, each director shall be entitled to cast one vote on any question coming before the meeting. The presence of a majority of the membership of the Board shall constitute a quorum at any meeting.

The directors present at any meeting, although less than a quorum, may adjourn the meeting to a later time. A majority vote of the directors present at any meeting, if there be a quorum, shall be sufficient to transact any business, except as may be provided in Section 2.05, Sections 8.01 and 8.03, of these Bylaws, be sufficient to transact any business. A director who is present at a meeting of the Board when an action is taken is presumed to have assented to the action unless the director votes against the action or is prohibited from voting on the action.

Section 3.08. **Remote Participation.** If a member of the Board has an unavoidable conflict and cannot attend a meeting in person, the Board may, in its discretion, permit such members to participate in the meeting by telephone or other electronic means. Any directors participating in a meeting by telephone shall be counted in determining whether a quorum is present for transacting business.

Section 3.09. **Proxies.** Proxies shall not be allowed or used.

ARTICLE IV. OFFICERS

Section 4.01. **Officers.** The officers of SAF shall include a Chair, a Vice Chair, a Secretary, a Treasurer and such other officers as the Board of Directors may from time to time designate. Officers shall be elected annually by the Board of Directors to serve until their respective successors are chosen and have qualified. Such officers must be duly-elected members of the SAF Board.

Section 4.02. **Resignations.** Any officer may resign at any time by giving written notice of the officer's resignation to the Board, to the Chair, or to the Secretary of SAF. Any such resignation shall take effect at the time, if any, specified therein or, if no time is specified therein, upon receipt thereof by the Board, Chair, or Secretary of SAF; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.03. **Removal.** Any officer may be removed, either with or without cause, by a vote of a majority of the total number of Directors, at any annual or special meeting called for the purpose, and such purpose shall be stated in the notice of such meeting.

Section 4.04. **Vacancies.** A vacancy in any office because of death, resignation, removal, or any cause, shall be filled by election of the Board at any meeting of the Board for the unexpired portion of the term in the manner prescribed in Section 5.02 for election to such office.

Section 4.05. **Chair.** The Chair shall be the chief officer of SAF and shall preside at all meetings of the Board of Directors. The Chair shall be responsible for the general supervision and direction of the affairs of SAF. The Chair shall execute on behalf of SAF all contracts, deeds, conveyances and other instruments in writing which may be required or authorized by the Board for the proper and necessary transaction of the business of SAF. The Chair shall be an ex officio member of each committee. The Chair shall present at each annual meeting of the Board a full report on the transactions and affairs of SAF for the preceding year.

Section 4.06. **Vice Chair.** The Vice Chair shall have such powers and perform such duties as may be prescribed by the Board and shall perform the duties of the Chair in the case of the Chair's absence or disability. In the case of the Chair's absence or disability, the execution by the Vice Chair on behalf of SAF of any instrument shall have the same force and effect as if it were executed on behalf of SAF by the Chair.

Section 4.07. **Secretary.** The Secretary shall cause to be kept a record of all proceedings of the meetings of the Board. The Secretary shall give or cause to be given all notices of meetings of the Board and all other notices required by law or by these Bylaws, and in the case of the Secretary's absence or refusal or neglect to do so, any such notice may be given or caused by the Chair or Vice Chair. The Secretary shall be the custodian of all books, correspondence and papers relating to the business of SAF, except those of the Treasurer and shall join with the Chair in the execution on behalf of SAF of all contracts, deeds, conveyances and other instruments in writing which may be required or authorized to be so executed by the Board for the proper and necessary transaction of the business of SAF. The Secretary shall cause to be prepared and presented to the Board such reports as the Board may request at such time or times as it may designate.

Section 4.08. **Treasurer.** The Treasurer shall present a report of SAF's financial transactions and status to the Board at its annual meeting, and shall from time to time make such other reports to the Board as the Board may require. The Treasurer shall perform such other duties as may be assigned from time to time by the Board.

Section 4.09. **Other Officers and Agents.** SAF may have such other officers and agents as may be deemed necessary by the Board. Such other officers and agents shall be appointed in such manner, have such duties, and hold their offices for such terms as may be determined by resolution of the Board.

Section 4.10. **Additional Powers of Officers.** Any officer of SAF, in addition to the powers conferred by the Bylaws (including specifically the authority to execute on behalf of SAF contracts, deeds, conveyances and other instruments in writing which may be required or authorized by the Board for the proper and necessary transaction of the business of SAF), shall have such additional powers and perform such additional duties as may be prescribed by the Board.

ARTICLE V. EXECUTIVE COMMITTEE

Section 5.01. **Number and Qualifications.** The Board of Directors shall establish an Executive Committee consisting of the Chair, Vice Chair, Secretary, Treasurer and the immediate past Chair. Additional Directors may be appointed to the Executive Committee by the Chair with the approval of the Board.

Section 5.02. **Powers.** The Executive Committee shall have all of the powers and authority of the Board of Directors of SAF in the management of the property, business, and affairs of SAF in the intervals between meetings of the Board, subject always to the direction and control of the Board. The Executive Committee shall assist in directing the expenditure of the Foundation's funds.

In addition, the Executive Committee shall:

- (a) act on behalf of the Board between meetings of the Board (in a critical or emergency situation, as determined by the Chair, the Committee may be polled by telephone);
- (b) initiate periodic evaluation of the Foundation's performance;
- (c) submit to the Board, not later than August 15 or a time designated by resolution of the Board, an operating budget for that fiscal year; and
- (d) perform other responsibilities that may from time to time be assigned by the Board.

Section 5.03. **Quorum and Manner of Acting.** A simple majority of the total number of members of the Executive Committee shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the members of the Executive Committee present at any meeting at which a quorum is present shall be the act of the Executive Committee. In the absence of a quorum, a majority of the members of the Executive Committee present may adjourn any meeting to a later time until a quorum be had. Notice of any adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken. Officers may participate in a meeting by telephone and count toward determining a quorum in the same manner and under the same conditions as provided in Section 3.08.

Section 5.04. **Approval by Board.** No policy or action adopted or taken by the Executive Committee shall continue to be effective unless approved at the next meeting of the Board of Directors.

ARTICLE VI. OTHER COMMITTEES

Section 6.01. **Appointment.** The Board of Directors may from time to time by resolution establish and appoint committees as are necessary. All committee appointments shall be for one year and shall be made by the Board. Unless otherwise provided, committee members may be re-appointed. The Chair shall appoint Committee Chairs and have the power to fill vacancies for the unexpired portion of any term on any committee.

Section 6.02. **Accountability and Responsibility.** All committees shall be responsible to, and report to, the Board. No policy or action taken by any committee shall continue in effect unless approved at the next meeting of the Board.

Section 6.03. **Expiration of Term.** Every committee member's term shall expire at the close of the annual meeting following the date of appointment or as soon thereafter as a successor has been appointed.

Section 6.04. **Quorum and Manner of Acting.** The presence of one-half (1/2) of the membership of any committee shall constitute a quorum at any meeting, but the members of a committee present at any such committee meeting, although fewer than a quorum, may adjourn the meeting to a later time. At all meetings of a committee, each member shall be entitled to cast one vote on any question coming before such meeting. A majority vote of the members of a

committee present at any meeting, if there be a quorum, shall be sufficient for the transaction of the business of such committee. If a quorum is not present at a meeting of a committee, the committee may transact business and poll absent committee members to establish a quorum on any question coming before the committee at such meeting. Committee members may, if feasible, participate in committee meetings by telephone and count in determining a quorum in the same manner and under the same conditions as provided in Section 3.08.

Section 6.05. **Committee Meetings.** Each committee may establish the time for its regular meetings and may change that time as it deems advisable. Special meetings of any committee may be called by the chairperson of that committee or by the Chair. No fewer than two (2) days' notice by regular or electronic mail or telephone shall be given of any special meeting of a committee.

Section 6.06. **At-large Members.** Because the Foundation sees involvement of other community members as a way of building ownership of SAF, increasing its access to expertise in the region, and training future board members, standing committees of the Foundation have the option of adding non-board or "at-large" members to their committees, provided that non-board members shall never constitute a majority of any committee. The selection process for at-large members is up to the discretion of the individual committees; at-large members are subject to the approval by the Board of Directors. At-large members should be given an orientation to the values and mission of the committee and shall be considered full voting members of the committee on which they serve.

ARTICLE VII. FINANCIAL MATTERS

Section 7.01. **Books and Records.** The Board of Directors of SAF shall cause to be kept:

1. records of all proceedings of the Board of Directors and the Executive Committee; and
2. such other records and books of account as shall be necessary and appropriate to the conduct of the Foundation's business.

Section 7.02. **Documents Kept at Registered Office.** The Board shall cause to be kept at the registered office of the St. Croix Valley Foundation originals or copies of:

1. records of all proceedings of the Board of Directors and the Executive Committee;
2. all financial statements;
3. Articles of Incorporation and Bylaws of the Stillwater Area Foundation and all amendments and restatements thereof.

Section 7.03. **Compensation.** The Board of Directors may at any time and from time to time, by resolution adopted by a majority of the total number of advisors present at a duly called meeting of the Board, provide for the payment of reimbursement of expenses incurred by, any advisor or officer of this corporation for personal services rendered to SAF by, or for any expenses necessarily paid or incurred by, any such director or officer but only if and to the extent that the performance of such service or the incurrence of such expenses is directly in furtherance of the charitable purposes of SAF and the compensation or the amount of expenses paid or reimbursed, as the case may be, is reasonable and not excessive.

Section 7.04. **Fiscal Year.** The fiscal year of the Stillwater Area Foundation shall be from July 1 to June 30.

Section 7.05. **Checks, Drafts, and Other Matters.** All checks, drafts, or other orders for the payment of money and all notes, bonds, or other evidences of indebtedness issued in the name of the Foundation shall be the responsibility of the Board Directors. They shall have the responsibility of setting up an operating account in a financial institution to handle such matters.

ARTICLE VIII. DISTRIBUTION OF PRINCIPAL AND INCOME

Section 8.01. **Income Distribution.** It shall be the policy of the Stillwater Area Foundation to distribute net income accruing to it from any and all sources, after payment of all reasonable charges and expenses in connection therewith, for the public, educational, cultural and charitable purposes for which the Foundation is organized.

Section 8.02. **Distribution of Principal with Vested Title.** It shall be the policy of the Stillwater Area Foundation that the principal of any funds, title to which is vested in the St. Croix Valley Foundation, may be expended in such amounts and at such times as the Board of Directors may deem advisable to a limit of five percent (5%) per year; provided, however, that the principal of any such fund which is subject to any restriction, condition, limitation or trust that is inconsistent with the foregoing shall be expended only if, by vote of two-thirds (2/3) of all the members of the Board (without the necessity of approval of any advisor, agent or custodian), it is determined that such restriction, limitation or condition becomes, by a change of circumstances, in effect unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of SAF or the St. Croix Valley Foundation, unless otherwise directed by a court of competent jurisdiction.

Section 8.03. **Distribution of Principal without Vested Title.** With the approval of two-thirds (2/3) of the members of the Board of Directors, all or any part of the principal of any trust fund, title to which is not vested in the Foundation but disposition of which is discretionary with SAF, may be used for any public, educational, cultural and charitable purpose for which the Foundation is organized, provided:

- (a) such distribution or use is not contrary to any restrictions, limitations or conditions imposed with respect to such trust fund, subject to the power to provide or eliminate;
- (b) no more than five percent (5%) of the entire amount of the principal of such fund shall be disbursed in any one year;

- (c) certified copies of the resolution of the Board of Directors authorizing such distribution shall be filed with the director(s) of such fund at least ninety (90) days prior to the withdrawal of the first installment of principal from the hands of such director(s).

ARTICLE IX. FUNDS OF STILLWATER AREA FOUNDATION

Section 9.01. **Direction.** The funds of Stillwater Area Foundation are conserved or allocated in accordance with these Bylaws under the direction of the Board of Directors of the St. Croix Valley Foundation.

Section 9.02. **Types of Funds.** Stillwater Area Foundation administers four basic types of funds:

- (a) Unrestricted - The distribution of income and/or principal is entirely within the discretion of the Board of Directors to meet the community's most pressing problems as each year's changing conditions warrant.
- (b) Restricted - The donor(s) specifies the community organization(s) or institution(s) which donor(s) wishes to assist with gifts of income and/or principal.
- (c) Field of Interest - The donor(s) specifies the special charitable field of interest donor(s) wishes to assist.
- (d) Founder-Advisory - The donor(s) or his/her family, or an advisor, makes regular recommendations to the Board of Directors as to specific grants to specific organizations.

Section 9.03. **Methods of Gifts.** Donors may make gifts to the Foundation through the St. Croix Valley Foundation by naming or otherwise identifying SAF, whether or not an advisor, custodian or agent is designated to receive the property contributed. Gifts shall vest in the St. Croix Valley Foundation upon receipt and acceptance by it, in accordance with Board policy.

Section 9.04. **Designation of Director, Custodian or Agent.** A donor may designate one or more directors, custodians or agents to have custody of and administer the investment of a gift and, if more than one, the portions of the gift to be held and administered as to investment by each. All gifts shall be subject to the powers of removal vested in the St. Croix Valley Foundation Board of Directors. In case of failure of a donor to designate an advisor, custodian or agent to accept custody of a gift, the St. Croix Valley Foundation Board of Directors may in each case so far as necessary designate one or more custodians or agents to have custody of and administer the investment of the gift, and if more than one, the portions to be so held and administered by each. St. Croix Valley Foundation may enter into agreements with custodians or agents having custody of funds of St. Croix Valley Foundation, specifying additional terms of such custody.

Section 9.05. **Acceptance of Corporation's Articles and Bylaws.** Each donor by making a gift to the St. Croix Valley Foundation or Stillwater Area Foundation accepts and agrees to all the terms of the Articles of Incorporation and these Bylaws, and provides that the fund so created shall be subject to the provisions for presumption of donor's intent, for modification of restrictions or conditions, and for amendments and termination, and to all other

terms of the Articles of Incorporation and Bylaws of the St. Croix Valley Foundation and Stillwater Area Foundation and any trust, custodian or agency agreement between the St. Croix Valley Foundation and directors, custodians or agents having custody of the St. Croix Valley Foundation funds each as from time to time amended.

Section 9.06. **Non-Profit Contribution.** It shall be possible for any non-profit organization recognized as exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 as now or hereafter amended to make a contribution to a designated fund of Stillwater Area Foundation or the St. Croix Valley Foundation for investment and administration for the organization's own benefit.

Section 9.07. **Assignment of General Contributions.** All gifts, donations, contributions and grants which are received by the St. Croix Valley Foundation or Stillwater Area Foundation or the Board of Directors, in the name of the St. Croix Valley Foundation or Stillwater Area Foundation without specific designation as to purpose shall be directed, assigned or distributed to the Unrestricted Fund.

ARTICLE X. NON-DISCRIMINATION

Stillwater Area Foundation shall provide equal opportunity to all people without regard to race, color, creed, sex, sexual preference, age, disability, marital status, public assistance status or national origin in regard to membership on the Board of Directors, employment by SAF or any other action or activity of SAF.

ARTICLE XI. PARLIAMENTARY AUTHORITY

The rules contained in the latest edition of Robert's Rules of Order Newly Revised shall govern the Foundation in all cases to which they are applicable and in which they are not inconsistent with the provisions of Minnesota law or these bylaws.

ARTICLE XII. AMENDMENTS

The Board of Directors may amend these Bylaws to include or omit any provision which could be lawfully included or omitted at the time such amendment is made. Any amendment of these Bylaws may be submitted and voted upon at a single meeting of the Board of Directors and shall be adopted at such meeting upon receiving more than eighty percent (80%) of the vote of all members of the Board present and entitled to vote. Written notice of any proposed amendment shall be mailed by regular U.S. mail or by electronic mail to each Director at least five (5) days in advance of the meeting, but not more than thirty (30) days in advance of the meeting.

Adopted as amended by the Board of
Directors on November 5, 2014.

Attest:
_____, Secretary