

By-Laws -- Northern Lighter Pyrotechnics, Inc.

Revised By-Laws (Effective December 4, 2010)

ARTICLE I -- Purpose

The purpose of this Corporation shall be the promotion of safety, skill and artistry in pyrotechnics through education, research and public fireworks presentations. The Corporation shall provide the public an opportunity to enjoy pyrotechnic displays that are creatively presented and will include rare and unusual fireworks and effects.

The Corporation shall provide the membership with an opportunity to develop and display their talents and to express themselves through this medium. By example and other educational means the Corporation shall promote safety in pyrotechnics and shall promote research and development designed to improve the art and add to its beauty. This Corporation shall have no capital stock and does not, and shall not, afford pecuniary gain, incidentally or otherwise, to its members other than specifically provided for in these by-laws.

Notwithstanding any other provision of these by-laws, this Corporation shall not carry on any activities which are not permitted for a Corporation exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Service Code of 1986, or any corresponding or subsequent provision of United States Code in the Code of Federal Regulations. Furthermore, this Corporation shall not carry on activities which are not permitted for a Corporation to which tax deductible contributions may be made under Section 170 (c) (2) of the Internal Revenue Service Code of 1986, or any corresponding or subsequent provision of United States Code in the Code of Federal Regulations.

ARTICLE II -- The Principal and Registered Offices for the Corporation

The principal and registered office for the corporation shall be annually renewed by the Board of Directors. The address of the principal and registered offices of the corporation may, but need not, be the same and may be changed from time to time.

ARTICLE III -- The Board of Directors & Officers of the Corporation

SECTION 1 – Qualification – Number - Tenure

The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors. The Board shall be elected from the members of the Corporation by those active members in good standing at a business meeting of the membership. Members of the Board must be active members of the Corporation in good standing to be eligible for election and must maintain this status for the duration of his or her term.

The number of Directors serving on the Board shall consist of seven, all of whom shall have voting privileges. Other individuals and the officers may be invited to attend Board Meetings and may participate or assist the board in conducting business but may not vote.

The tenure of office is defined as follows:

“Even” Board Member – Three Directors – Two Year Term – Election in Even Calendar Years

“Odd” Board Member – Three Directors – Two Year Term – Election in Odd Calendar Years

“Annual” Board Member – One Director – One Year Term – Election Annually

The Board of Directors shall assume the responsibilities of the office immediately upon being elected. Each shall serve their term, or until a successor is elected, or until removed sooner or resigns. For continuity, only four Board members shall stand election in each year, unless circumstances dictate otherwise. Vacancies on the Board between scheduled elections may be filled by the Board by the affirmative vote of a majority of

the directors present at a duly held meeting. A Director appointed by the Board in this manner shall serve the remainder of the term of the vacated director position and such director position shall thereafter be subject to the normal election cycle of the position.

SECTION 2 – Conflict of Interest

The Board of Directors shall be subject to a written conflict of Interest Policy. The Board shall annually review and execute the policy, or more frequently upon elections or appointments, as a requirement of holding their position. The Conflict of Interest Policy, as executed by the board, shall be available to any member upon request.

SECTION 3 – Powers and Duties of the Board – The Board shall:

- 1.) Conduct or authorize persons to conduct corporate business as dictated by Minnesota Statute 317A, including the appointment, supervision and removal of the statutory officer positions of the Corporation.
- 2.) Keep a complete record of all activities and present a full statement to the members at each Meeting.
- 3.) Determine the amount of money to be collected from all members for dues, fees and assessments in the Corporation. The Board shall also determine the period of time a specific amount of dues shall cover.
- 4.) Investigate and discipline any member that violates the rules and regulations set forth in the by-laws.
- 5.) Review annually all waived memberships, and to adjust their status as necessary.
- 6.) Require that funds disbursed in excess of \$1,000.00 to any person or entity in whole, or aggregate fiscal year total, be made by written draft or check having two authorized signatures of the Board.
- 7.) Enter into no binding business agreements of a verbal nature in excess of \$500.00.
- 8.) Declare to the membership in writing the balance, if greater than \$1,000.00, owed to any party or entity that has not been paid in full at the end of the fiscal year. Said declaration shall include the name and address of the party or entity.
- 9.) Be authorized by the members to have the power of amendment regarding the articles of incorporation for the purpose of maintaining the non-profit and tax exempt status of the corporation. Amendments to the articles of incorporation, made by the Board and without membership approval, shall be subject to an 80% or greater majority vote of the full Board. Amendments to the articles of the incorporation made in this manner must be disclosed in writing to all members within thirty days of the amendment taking effect. The active members in good standing, at a meeting duly called for the purpose, may prospectively revoke the authority of the Board to exercise the power of the members to amend the articles.
- 10.) Any action required or permitted to be taken at a meeting of the Board of Directors may be taken by written action signed by the number of directors required to take the same action at a meeting of the Board of Directors at which all directors were present. The written action is effective when signed by the required number of directors unless a different effective date is provided in the written action. When written action is taken by less than all of the directors, all directors shall be notified immediately of its text and effective date, except that failure to provide such notice shall not invalidate the written action.
- 11.) Except where otherwise required by law, the Articles of Incorporation, or these By-Laws, the affirmative vote of a majority of the directors present at a duly held meeting shall be sufficient for any

action. Directors may not vote by proxy, nor designate a representative to attend meetings and vote on their behalf.

12.) It shall be the policy of this corporation that the Directors of the corporation shall be and act as fiduciaries with respect to all funds held or administered by this corporation and as to all matters engaged in by or on behalf of the corporation.

SECTION 4 – Removal of Board Members; No Confidence

Any member of the Board who fails to maintain active membership in good standing with the corporation, as provided in these By-laws is subject to removal for cause for such failure. A complaint against any board member for neglect of duty or unfaithful performance shall be submitted in writing to the Board of Directors and signed by the active member or members with direct knowledge of the infraction. A special membership meeting must be called for removal of a Board member. All members of the Corporation must be notified of the special meeting where the vote necessary to remove a Board Member shall be 2/3 of the active members in attendance.

SECTION 5 – Required Officers and Their Duties

The Board shall appoint the following officers whose duties may be revised by the Board as necessary to conduct operations and management of the corporation pursuant to Minnesota Statutes 317A. Officers may or may not be board members and an individual may hold one or more offices at one time. All officers shall serve via resolution adopted by the board on an ongoing basis but may be removed at any time, with or without cause. All officers shall be subject to the Conflict of Interest Policy as executed by the Board.

1.) President – The president shall have general active management of the business of the corporation and shall preside at all meetings of the board and general membership. The president shall appoint all Committees, except for the Audit Committee, which shall be established by vote of the active membership in good standing.

2.) Vice President – The vice-president shall perform the duties of the president in his/her absence, shall oversee the Safety Committee training programs for the membership, and other duties as required.

3.) Treasurer – The treasurer shall have custody and control of all funds subject to the direction and control of the Board of Directors, give receipt thereof, and shall keep accurate and correct records of moneys received and disbursed and the financial condition of the Corporation. All records and books of the treasurer shall be: open at all times to any Board member upon request; open at all times to the Audit Committee upon request; and, open to any active member in good standing but only at regular meetings. The treasurer shall maintain all records sufficient to complete all necessary reports and returns to the IRS and Minnesota Department of Revenue.

4.) Secretary – The secretary shall keep a correct roll of all members and their addresses. The secretary shall keep record of the attendance of members as apprised by the event chair for determining member status and shall be given a copy of all display reports for the purpose of reporting to the membership their display experience with the Minnesota State Fire Marshal. The secretary shall keep a correct and accurate account of the minutes for all meetings, including meetings of the Board of Directors, and shall be given a written copy of Committee Meeting minutes for entry into the record.

ARTICLE IV – Member Business Meetings

SECTION 1 – Calling of Meetings

For the purpose of conducting business, meetings will be called by the president or by any member in good

standing, subject to the approval of the Board of Directors. The Board of Directors shall call at least one meeting annually as required by Minnesota Statute 317A. More than one meeting may be held per year as necessary. Elections shall be held at a designated meeting which shall occur in the final four months of the calendar year. All meetings shall be announced at least fourteen (14) days in advance of the meeting date through the mail and clearly posted on the membership website.

SECTION 2 – Quorum & Decorum

A quorum at a meeting of the membership, by physical presence or proxy, shall consist of at least 15% of the active members in good standing. Whenever the members meet, order shall be preserved and the current edition of Robert's Rules of Order and Parliamentary Procedure will be the reference. A designated Parliamentarian, familiar with Robert's Rules of Order and Parliamentary Procedure, shall be appointed by the Board prior to any meeting, to proctor all elections and settle disputes. The Parliamentarian shall be an active member in good standing not subject to election.

SECTION 3 – Voting Rights

All active members in good standing shall have one vote. Any active member in good standing, who will be unable to attend any meeting, shall have the right to vote by personal proxy. Votes by proxy must be declared in advance by written appointment and clearly identify the active member in good standing who shall carry their vote. Active members in good standing in attendance at any meeting will be limited to carrying two proxy votes of other members. Votes by proxy will be considered null in the event the active member in good standing designated to cast such votes is absent from any meeting.

ARTICLE V – Membership

SECTION 1 – General Qualifications

Any person, 18 years of age or older, may be eligible for membership subject to the conditions set forth in the by-laws. The corporation shall not discriminate against any person in any manner on the basis of sex, race, age, religion, handicap or ethnic orientation.

SECTION 2 – Application Process

All persons wishing to become a member shall be required to: submit application on the standard form; duly sign the annual disclaimer; remit in full the Board fixed dues, fees and assessments; satisfactorily pass a criminal background check, the cost of which is to be borne by the applicant; accept and satisfactorily pass basic safety training from the Safety Committee; and, demonstrate a commitment to the furtherance of the corporate purpose. The Board may revise forms, disclaimer and policies at their discretion.

SECTION 3 – Membership Types

There are three types of membership. All membership types require annual disclaimer and bi-annual basic safety training requirements in order to handle fireworks which are classified as explosives. All members will receive the member mailings and may access the member website upon meeting the dues and disclaimer requirements. The membership types are:

- 1.) Charter membership is defined as members joining during our charter year and having maintained their membership since then. They shall be considered to have an active membership in good standing for as long as they are members and all dues and activity requirements shall be waived. Safety and training requirements may be reviewed for Board waiver. This membership type has full voting rights.
- 2.) Active membership is defined as those who pay dues, actively participate in the safety and training programs, and meet the activity requirements. This membership type has full voting rights in good standing subject to continuing safety training and activity requirements. If a member lapses on their training and/or

activity requirements, they will temporarily lose their right to vote and enter the B shooting zones/display sites without supervision until they are able to meet the requirements. Application to and formal approval from the Board of Directors is required to become an active member.

3.) Associate membership is defined as those who pay dues and show an interest in the activities of the Corporation. New member applicants begin as an associate member. ALL associate members are required to participate in a basic safety training program before they may enter the B lines and/or display sites under the direct supervision of an active member in good standing. Associate members do not have voting rights.

At events where live firework materials are handled, each member will host a particular identification badge or wrist band which uniquely differentiates between active and associate status. Any member who does not constructively participate in set-up and coordination of a fireworks display presentation may be limited to viewing the display presentation with the general public at the discretion of the show chair, display operator of record and/or the authority having jurisdiction.

SECTION 4 – Individual and Family Memberships

Membership and associated voting status is on an individual basis. An individual member may opt for a family membership including their spouse or significant other and/or minority age children. Family membership shall have dues set at one and one-half times the individual membership. A spouse over the age of 18, who has met safety training and activity requirements, shall have their own vote at business meetings of the membership and shall be qualified to hold elected office.

Any person under age 18 shall be eligible for junior membership if their parent or legal guardian is a member. A disclaimer and consent form signed by the parent or legal guardian shall be required for all junior members. Junior membership is a subclass of family membership. Junior members will be limited to handling consumer pyrotechnic material at designated club shoots. Junior members who reach the age of 18 will be encouraged to apply for individual membership, the fees and dues of which may be waived by the Board.

SECTION 5 – Renewal of Membership

If a member quits or lapses their dues and wishes to rejoin, a request must be made to the Board of Directors. Depending on the reason for the original resignation or lapse in dues, the Board of Directors may approve the rejoining renewal without a member vote. If the Board does not approve the request for rejoining, then a vote shall occur at a meeting of the membership. A 2/3 majority of active members in good standing who are present at the meeting is required to approve the request for rejoining renewal. If approved, the member may renew their membership in their previous status.

SECTION 6 – Membership Safety and Training Program Requirements

All members agree to abide by the safety rules and training requirements as adopted by the Corporation and applicable federal, state and local laws. In recognition of the corporate purpose, all members are required to take and periodically renew basic safety training if they wish to enter the B shooting lines and/or public display presentation fallout zones. Basic safety and training programs will be held at least twice annually. To maintain good standing, members are required to renew this training every two years. This training program shall be specifically oriented to practical field set-up and safe loading techniques and shall be under review and updating by the safety committee.

Associate members may not enter the B shooting lines or assist in set-up of public display performances unless they are under the direct supervision of an active member in good standing. An applicant or associate member who wishes to become an active member in good standing after the effective date of these by-laws must take the PGI Shooter Certification Course. This course is classroom based and includes field

malfunction training. The applicant for active member status must also be mentored by a trained active member in good standing for a minimum of six public display firework presentations. An active member may mentor more than one individual with Board approval.

SECTION 7 – Membership Activity Requirements

To maintain good standing, active members are required to attend a minimum of seven (7) events or activities over a two year period, which include, but are not limited to: Business Meetings; Board Meetings; Committee Meetings; shell sorts; equipment maintenance events; product demos at corporate events; safety training; building and instructional seminars, club shoots; or public display firework presentations. The Board of Directors may exercise discretion in awarding experience credits based on the complexity of the event and the member time commitment to engaging in the educational, research and scientific purposes of the corporation.

SECTION 8 – Waiver by the Board of Directors

The Board of Directors, with the input of the Safety Committee, retains the right to review the experience or skills of an applicant, associate member or active member in good standing in slotting the membership type of an individual. Consideration of experience and skills may result in the full or partial waiver of safety training and activity requirements, or, referral for additional training and activity requirements. Examples of experience and qualifications which may result in partial or full waiver of training and activity requirements include, but are not limited to, previous fireworks experience to include participation in at least six public firework displays; Minnesota Fireworks Display Operators Certificate; PGI Shooters Certification; valid membership in regional fireworks clubs that require educational training programs; Commercial Driver's License with Hazardous Materials Endorsement, ATF explosive permit, or other special skills/background.

SECTION 9 – Discipline and Membership Termination

While recognizing the voluntary nature of membership, a certain level of knowledge, competent manner and common courtesy are expected from members who participate in corporate activities. Individuals who do not exhibit safe and conscientious behavior may be removed from any event at the discretion of the display operator of record, a safety committee member and/or a Board member. Disciplinary actions shall be at the discretion of the Board of Directors when a member displays conduct not in the best interests of the corporation. Actions for review include but are not limited to:

- 1.) Safety violations;
- 2.) Interference with the regulatory compliance of the corporation; and/or,
- 3.) Interference with the financial welfare of the corporation, either directly or indirectly.

The Board may suspend a member for actions not in the best interest of the corporation with this suspension effective immediately. The suspension may be for a set period of time or indefinite depending on the Board interpretation of the situation. The member may appeal the suspension at the next membership meeting where the voting members, upon hearing the complaint and position of both the member and Board, shall resolve the issue by secret ballot as follows:

- 1.) If 2/3 majority supports the member position, the member is reinstated;
- 2.) If 2/3 majority supports the board position, the membership is terminated; or,
- 3.) If neither has 2/3 majority, the suspension remains in effect. The member may appeal again at each future meeting until the issue is resolved.

Article VI – Committees

Committees shall consist of two types: Standing and Ad Hoc. The Board may confer authority of action to a committee for a purpose aligned with the purpose of the corporation but it is noted that all committees, with one exception, are subject at all times to the direction and control of the Board.

SECTION 1 – Standing Committees shall have a continuous function and members shall be appointed to them and remain on them until they are replaced. Such changes shall be made at formal Business Meetings, except where circumstances warrant, the Board may vote a temporary replacement. A Standing Committee may only be formed at a member business meeting. Standing Committees include, but are not limited to:

Safety Committee -- The purpose of this committee is to develop/review safety guidelines, prepare and offer safety training and to assist the membership in operating in a safe and legal manner when dealing with regulatory agencies and energetic materials.

Web Committee -- The purpose of this committee is to continue development and maintenance of the corporate web presence with emphasis on communication and the sharing of information/ideas.

Media Committee -- The purpose of this committee is to stress the safety aspects of fireworks to the public and to assist the media in accurately reporting the positive, safe and joyous use of fireworks.

Audit Committee -- The purpose of this committee is to review corporate financial information with emphasis on: a) verification of accuracy; and b) to recommend best practices to the Board of Directors. This committee is nominated and elected by the membership during a business meeting. The verification of accurate records is not subject to the direction and control of the Board.

Shell and Device Committee -- The purpose of this committee is to: a) assist in the maintenance of accurate fireworks inventory records; b) assist in the maintenance of accurate equipment records; c) serve as the foundation pool of talent for repair and maintenance of equipment; and d) assist in the seeking out of various firework effects/suppliers/builders/resources which are in keeping with the corporate mission of developing and presenting beautiful and unusual fireworks.

Program Committee -- The purpose of this committee is to: a) assist in the maintenance and development of display events; b) develop seminars and workshops of interest to the members; and c) develop programs contributing to the mission of the organization in promoting safety, research, education and improvement of the art and beauty of pyrotechnics.

SECTION 2 – Ad Hoc Committees shall be formed by the president as needed and shall function for the length of time required to complete their set task and then they shall dissolve. Ad Hoc Committees include, but are not limited to Membership, Special Projects and By-laws.

ARTICLE VII -- Amendments

Amendments to these by-laws may be submitted to the Board of Directors by any active member in good standing and requires a simple majority of those active members in good standing to be ratified. They must be submitted at least 14 days before a meeting but may not be voted upon until the next meeting unless a vote of at least 2/3 of the active membership in attendance waives this requirement.

ARTICLE VIII -- Dissolution

Upon dissolution, all assets will be sold or otherwise distributed in accordance with Minnesota and Federal law for one or more exempt purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Service Code of 1986, or corresponding or subsequent provision of United States Code in the Code of Federal Regulations. Preference shall be given by the last duly elected Board of Directors to those tax qualified, charitable organization(s) that have a purpose related to the advancement of safety, education and research associated with the pyrotechnic arts.