



May 9, 2019
11:00am CT/10:00am MT
Teleconference meeting
523 East Capitol Avenue, Pierre SD

Conference Call Information
Dial in number: 866.410.8397
Conference Code: 432.318.8383

<u>TOPIC</u>	<u>PAGES</u>	<u>ACTION</u>
CALL TO ORDER <ul style="list-style-type: none"> • Housekeeping, changes to agenda, declaration of conflict of interest • Roll call 		INFORMATION
REVIEW MINUTES FROM October 26, 2018 MEETING & APPROVE	Pages 1 - 4	ACTION ITEM
AMENDMENT TO ARTICLES OF INCORPORATION	Pages 5 - 9	ACTION ITEM
AMENDMENT TO BYLAWS	Pages 10 - 14	ACTION ITEM
NEXT MEETING DATE		DISCUSSION
ADJOURN		

SOUTH DAKOTA HABITAT CONSERVATION FOUNDATION
BOARD MEETING
PIERRE, SD
October 26, 2018

Board Members Present: Christine Hamilton, Steve Halverson, Doug Balvin, Tony Bour, DeLon Mork, Larry Ness, Terry Schultz, and Jack Theeler. Ex Officio Board Member Kelly Hepler. Board members elect: Dan Rykhus and Dr. Barry Dunn (via phone.)

Advisory Board Members: Jim Ristau (SD Corn), Neal Feeken (NC), Paul Lepisto (Izaak Walton League), Matt Morlock (PF), and Lynn Tjeerdsma (Thune-via phone). State Staff: Governor Dugaard, Hunter Roberts(Gov), Shuree Mortenson (GFP), Kevin Robling (GFP), Bill Smith (SDDA), Lindsey Hildebrand (GFP), Sean Blanchette (GFP), and Judy Smith (GFP).

Others Present: Angela Ehlers (Assoc of Conservation Districts), Brenda Forman (Assoc of Coops), Jodie Anderson (SD Cattlemen), Grace Beck (Redstone Law Firm), and Jeff Zimprich (NRCS-via phone).

CALL TO ORDER

President Christine Hamilton called the meeting of South Dakota Habitat Conservation Foundation board to order at 10:37am CT and a quorum was present. No declarations of conflict of interest were heard.

GOVERNOR'S ADDRESS

Governor Dugaard addressed the group to discuss potential funds he may contribute to the Foundation before his exit as Governor. Future funds are for research and economic development and he would like to see the Foundation come forward with a plan to include research and development work. He noted that it was important for the Foundation to be specific and concrete in the request to assure his confidence in the mission. In addition, he would like to see a full time staff member who will do fundraising, who is inspiring and has qualities to lead to success. The Governor committed \$100,000 towards that goal.

ELECTION OF BOARD MEMBERS

Motion to elect Christine Hamilton, Doug Balvin, Tony Bour, Dick Muth, Barry Dunn, and Dan Rykhus to terms ending in 2021 was moved and seconded. Motion passed.

Motion to accept Jan Nicolay's resignation from the board was moved and seconded. Motion passed.

ELECTION OF OFFICERS

Motion to elect Christine Hamilton as President, Delon Mork as Vice President and Steve Halverson as Secretary/Treasurer for 2019 was moved and seconded. Motion passed.

DEVELOPMENT REPORT

Grace Beck, Redstone Law Firm, who was hired to development work for the Foundation asked each board member to organize and get together with people within your community. She would come to that gathering, and help make the ask for dollars to get the fundraising efforts moving. She also stated that she was happy to continue to work with the Foundation until we are able to fulfill the Governor's direction.

Jeff Zimprich, NRCS , commented that there is a lot of potential for NRCS and the Foundation to work together. We can improve health of soil, habitat, provide jobs, improve water quality and assist landowners financially. NRCS have the resources to sit down and help to come up with projects that reach these goals.

FINANCIAL REPORT

Hildebrand provided the financial report from First National Bank and the South Dakota Community Foundation noting total assets and funds available. Motion to accept the financial report was moved and seconded. Motion passed.

PUBLIC RELATIONS REPORT

Handouts were provided for the marketing efforts the Foundation has partnered with GFP on over the last couple months. A mailer will go to 35 Preserve Operators that recently attended a forum that includes a brochure and donation cards and return envelopes. The hope is that hunters will begin to see our information and we know they see the importance of habitat conservation.

A proposal from Paulsen Ag was included in the meeting packet and is informational at this time. Hamilton also reached out to Fresh Produce, another SD agency. Her goal was to show the magnitude of resources it would take to initiate a marketing campaign and begin thinking about the future of the Foundation in terms of communicating the message.

ADVISORY BOARD

Roll call was taken to determine if a two thirds quorum was present, 10 of 15 members were accounted for.

Motion to accept the SD HCF bylaw amendment #1 to make the addition of Article VII as presented was moved and seconded. Motion passed.

Member organizations and representatives recommended were Ducks Unlimited, Steve Donovan; Izaak Walton League, Paul Lepisto; The Nature Conservancy, Neal Feeken; NRCS, Jeff Vander Wilt; Pheasants Forever, Matt Morlock; SD Corn, Jim Ristau; Federal Government Policy, Lynn Tjeerdsma. Motion to accept the Advisory Board Election of Members and Representatives as recommended for 2019 was moved and seconded. Motion passed.

PF GRANT FUNDING REALLOCATION REQUEST

Motion to approve PF request to reallocate \$27,000 of funding from Nesting/Rearing Habitat on Working Lands grant to the Saline Soils program was moved and seconded. Motion passed.

RESOLUTION TO APPOINT REGISTERED AGENT

Motion to accept resolution as presented to appoint Sean Blanchette as Registered Agent and Executive Director was moved and seconded. Motion passed.

OTHER BUSINESS

Jodie Anderson, SD Cattlemen's Association: Have been working with partners to create a land trust. This will go to the vote of the membership in November. The association has a long term commitment to conservation.

Brenda Foreman, Coop Association – The association is all about ag unity and is made of 27 ag organizations from conservation, ag, commodity groups. Have constant connection and conversations about what the each organization is doing.

Angela Ehlers, SD Association of Conservation Districts - Work with a lot of partners around the state and all citizens of SD are their members. They are working with FSA and NRCS to reach out to non-operating landowners to build interest in conservation and practices and to build local leadership potential for conservation planning and implementation.

Lowell Mesman, Farm Bureau - Grassland conservation is on the uptick. FB is also working with SD Cattlemen's and will know after a vote of their membership if they will be involved in the land trust.

Final comments on the meeting included:

- setting up a meeting to discuss proposal to Governor for more funds
- expanding the reach of the brochure that will go to the preserve operators to all pheasant hunters in the state following the season – will make request to GFP commission
- pushing the Foundation out in more GFP publications

- focusing efforts on conservation and increasing the economic value that is added to SD by conservation efforts
- creating a checkoff when purchasing a license
- sustaining hunting heritage and appealing to the emotional side of the importance of preservation
- inquiring on conservation funds at Cabelas/Bass Pro Shop

Ness and Hamilton praised Rykhus and Raven Industries for their donation of \$5 million to SDSU's Precision Ag program. Rykhus commented that the program was a big part of their business and the difficulty lies in convincing producers to convert. The challenge will be to come up with a model and take it to people to give them hard evidence. Anderson commented that there will be a lot of land in the next decade passing down to younger generations and she hopes to see the hurdles lessen. The next generation of operators is willing to look at data and has a different mindset. Rykhus agreed and commented that now we just need to generate the data and research.

Hamilton adjourned the meeting at 11:54 am.

**2019 AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
SECOND CENTURY HABITAT FUND, INC.**

We the undersigned, for the purpose of amending and restating the Articles of Incorporation of South Dakota Habitat Conservation Foundation, Inc., a South Dakota nonprofit corporation formed pursuant to SDCL § 47-22 (to be known as the Second Century Habitat Fund, Inc.), do hereby adopt the following Amended and Restated Articles of Incorporation:

**ARTICLE 1
NAME:**

The existing name of the Corporation is South Dakota Habitat Conservation Foundation, Inc.

After adoption hereof, the Corporation shall be known as Second Century Habitat Fund, Inc.

**ARTICLE 2
PERIOD OF DURATION:**

The period of duration of the Corporation shall be perpetual.

**ARTICLE 3
PURPOSE AND POWERS:**

The Corporation is organized exclusively for charitable purposes and is hereby formed to solicit and receive contributions, gifts, grants, devises, or bequests of real or personal property, or cash, from individuals, foundations, partnerships, associations, governmental bodies, or public or private corporations, and to maintain, use and apply the whole or any part of the income therefrom, and the principal thereof, to the purpose of conserving and improving the quantity and quality of habitat suitable for wildlife and for the improvement of water quality and other natural resources in the state of South Dakota. The Corporation will operate and function exclusively as a non-profit corporation, with the rights, powers, and privileges permitted by the South Dakota Non-Profit Corporation Act.

- A. Subject to, and limited by, the primary purpose contained in Article 3, the Corporation shall solicit and receive contributions of property, whether real, personal, or cash which the donor intends to improve the diversity, health, viability, utility, condition, or stability of natural resources in South Dakota. The Corporation shall apply any such funds or property to any project in support of those purposes described in Article 3. Methods to achieve the purposes of the Corporation may include, but not be limited to, habitat improvements, water quality improvements, research, educational programs and public awareness programs.

- B. The net earnings of the Corporation shall not inure to the benefit of any member, director, or officer of the Corporation, or to any private individual, except that reasonable compensation may be paid for services rendered to or for the Corporation in connection with one or more of its exempt purposes. No member, director, or officer of either the Corporation or any private individual shall be entitled to share in the distribution of any of the assets of the Corporation upon its dissolution. The private property of the members, incorporators, directors, and officers of the Corporation shall not be subject to debts or obligations of the Corporation to any extent.
- C. Notwithstanding any other provisions of these Articles to the contrary, the Corporation will not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations as they now exist or as they may hereafter be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such code and regulations as they now exist or as they may hereafter be amended. Specifically, the Corporation will not participate in or attempt to influence the election of any candidate for public office.
- D. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by a court of competent jurisdiction in the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.
- E. The Corporation shall not have any power at any time, the effect or purpose of which prevents the Corporation from qualifying as an exempt organization under Section 501(c)(3) or the Internal Revenue Code of 1954, and regulations thereunder, as they now exist, or any successor statute or regulations, or which prevents any gift, grant, devise, or bequest from qualifying as a charitable contribution for Federal Gift Tax, Federal Estate Tax, or Federal Income Tax purposes.

ARTICLE 4
PRIVATE FOUNDATION:

In the event that the Corporation should ever be determined to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law), the Corporation shall distribute its income for each taxable year in such manner as to avoid taxation under Section 4942 of the Internal Revenue Code of 1954, or any successor statute, and the Corporation shall not engage in any act or self-dealing, as defined in Section 4941(d) of the Internal Revenue Code of 1954, or any successor statute, and the Corporation further shall not retain any excess business holdings, as defined in Section 4943(c) of such code, nor shall it make any investments in such manner as to invoke Section 4944 of such code, nor shall it make

any taxable expenditures, as defined in Section 4945(d) of such Code, or any successor statutes or laws.

ARTICLE 5
REGISTERED OFFICE AND AGENT:

The current street address of the Corporation's registered office is 523 East Capitol Avenue, Pierre, South Dakota 57501.

The name of the registered agent at the time of these Amended and Restated Articles is Sean Michael Blanchette.

ARTICLE 6
MEMBERS:

The Corporation shall not have members with voting rights. There may be non-voting or honorary members as provided by the By-laws of the Corporation.

ARTICLE 7
THE BOARD OF DIRECTORS:

A. The affairs of the Corporation shall be conducted by a Board of Directors of at least five members, with the exact number of Directors fixed by the By-Laws of the Corporation. The Board of Directors shall serve until otherwise provided by the By-Laws or in this Article, or until their successors are duly elected and qualified.

At the time of the adoption of these Amended and Restated Articles, the following persons are members of the Board of Directors:

Delon Mork 117 NE 2nd St. Madison, SD 57042	Steve Halverson 118 Terri Lane Pierre, SD 57501	Doug Balvin 145 SW 3rd St. Huron, SD 57350
Dr. Barry Dunn Admin 222, PO Box 2201 Brookings, SD 57007	Tony Bour 158 Signal Hill Rd. Yankton, SD 57078	Tim Kessler 4644 NE 130th St. Aberdeen, SD 57401
Les Lindskov P.O. Box 17 Isabel, SD 57633	Dick Muth PO Box 1384 Mitchell, SD 57301	Larry Ness 225 Cedar St. Yankton, SD 57078
Dan Rykhus 205 E 6th St. Sioux Falls, SD 57104	Jeff Scherschligt 300 N. Cherapa Place, Suite 601 Sioux Falls, SD 57103	Terry Schultz 45485 234th St Madison, SD 57042

Jack Theeler
P.O. Box 1025
Mitchell, SD 57301

Kelly Hepler
Foss Building, 523 E. Capitol
Pierre, SD 57501

Gary Jensen
PO Box 9579
Rapid City, SD 57709

- B. The qualifications of members of the Board, their manner of selection, their exact number, and their terms of office shall be determined by the By-Laws, except that the ex officio members named in this Article shall also be members of the Board, and except that members of the Board of Directors, except said ex officio members, shall be elected by the Board of Directors at its annual meeting at the time of, or next following, the expiration of their terms, and each Director present and voting at the annual meeting shall have one vote for each director to be elected.
- C. There shall be no proxy voting, nor any voting by any Director not present at the annual meeting.
- D. Notwithstanding any provision of this Article, the Governor of the State of South Dakota shall have the power to appoint or remove a director in the Governor's sole discretion.
- E. The real and personal property of the Corporation, and all other affairs of the Corporation, shall be under the control and management of the Board of Directors, which is charged with the responsibility of administering and expending said property and funds in accordance with the purposes for which the Corporation has been organized and exists and in accordance with the terms and conditions of the gift, grant, devise, or bequest under which the Corporation has received the property in question.
- F. The Board of Directors may appoint an Investment Committee and other committees as provided in the By-Laws, and may also appoint a fiscal agent or agents to handle the investments of the Corporation and its financial affairs in such manner as may be determined advisable by the Board.
- G. A representative of South Dakota's Governor's Office and a representative from the South Dakota Game, Fish and Parks Commission shall be ex officio members of the Board of Directors of the Corporation and shall have full voting and other rights and privileges of members of the Board of Directors.

ARTICLE 8
INCORPORATORS:

The names and addresses of the initial incorporators of the Corporation at the time of the filing of the original Articles of Incorporation were as follows:

Jeff Scherschligt
300 N. Cherapa Place, Suite 601
Sioux Falls, SD 57103

Christine Hamilton
203 South Main
Kimball, SD 57355

Steve Halverson
118 Terri Lane
Pierre, SD 57501

ARTICLE 9
CAPITAL STOCK:

The Corporation will have no capital stock.

ARTICLE 10
AMENDMENTS:

These articles and bylaws may be amended in the manner authorized by the South Dakota Nonprofit Corporation Act; provided that no amendment of either these articles or the bylaws shall be effective without the written consent of the Governor of the State of South Dakota.

BE IT RESOLVED that, having no member entitled to vote thereon, and having received written consent of the Governor, these 2019 Amended and Restated Articles of Incorporation of Second Century Habitat Fund, Inc. are hereby adopted by a majority vote of the Directors in office, correctly set forth the provisions as amended, and supersede the original Articles and all amendments thereto, at the meeting of the Board of Directors on this ___ day of _____, 2019.

Delon Mork
Vice President (acting President)
Second Century Habitat Fund, Inc.
(f/k/a South Dakota Habitat Conservation
Foundation, Inc.)

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**2019 AMENDED AND RESTATED BYLAWS
of
SECOND CENTURY HABITAT FUND, INC.**

Pursuant to the provisions of the 2019 Amended and Restated Articles of Incorporation of the Second Century Habitat Fund, Inc. (the “Corporation”), the following bylaws are hereby adopted as the bylaws of the Corporation, to supersede all prior bylaws, and to remain in full force and effect until amended or repealed in the manner provided in these bylaws.

ARTICLE 1: PURPOSE

- a. The Corporation was initially incorporated as the South Dakota Wildlife [sic] Habitat Conservation Foundation, Inc. in October, 2016 and assumed the responsibilities of the previous South Dakota Habitat Conservation Fund Board established in 2014.
- b. Upon the adoption of these 2019 Amended and Restated bylaws and associated 2019 Amended and Restated Articles of Incorporation, the Corporation is now known as the “Second Century Habitat Fund, Inc.” The Corporation continues to act as a repository for funds contributed by private and public interests that will provide funding for conservation programs in South Dakota, especially for the improvement of pheasant habitat on public and private lands in the state, and for the improvement of water quality and other natural resources in the state of South Dakota.
- c. The Corporation’s Board of Directors is authorized to request distributions from permanently endowed funds and spendable contributions held by the South Dakota Community Foundation, formerly under the advisement of the South Dakota Habitat Conservation Fund and South Dakota Habitat Conservation Foundation, Inc.

ARTICLE 2: BOARD OF DIRECTORS

- a. The Corporation’s Board of Directors will represent stakeholders from both the public and private sectors. The Board of Directors will be comprised of the following members.

At-large Directors (Full Voting Rights). A maximum of 11 at-large directors can be elected or appointed. These directors are to be comprised of, but not limited to, sportsmen and women, farmers and ranchers, and representatives from agricultural businesses, agricultural education institutions, and nonprofit conservation organizations.

Ex-Officio Directors (Full Voting Rights). These directors are comprised of one representative of the South Dakota Governor’s Office, and one representative from the South Dakota Game, Fish and Parks Commission.

- b. Candidates to fill vacant at-large directorships shall be nominated by a member of the Board of Directors. New or existing at-large directors shall be elected or re-elected at a regular or special meeting of the Board of Directors. Directors elected or appointed to fill at-large directorships whose terms were unexpired, will serve for the balance of the term remaining from his or her predecessor.
- c. The length of a full term for at-large directors will be three years, and no at-large director may serve more than three consecutive terms.
- d. The Governor of South Dakota (i) shall appoint the Ex-Officio Directors, who will serve until replaced and (ii) may appoint one or more Legislators to serve on a legislative advisory board for the purpose of observing the meetings of the Board of Directors and making recommendations to the Board.
- e. No salary, compensation, or reimbursements for expenses shall be paid to directors for their services as a director.
- f. Notwithstanding anything to the contrary herein, the Governor of the State of South Dakota shall have the power (i) provided for in the Articles of Incorporation to appoint or remove a director in the Governor's sole discretion and (ii) to remove or replace any other person appointed or serving a formal role in the Corporation.
- g. The Board is authorized to establish special committees as it shall deem appropriate and in furtherance of the effective and efficient management of the Corporation. Each committee shall be chaired by a member of the Board of Directors and shall have the limited authority to make recommendations to the Board of Directors.

ARTICLE 3: OFFICERS

- a. The Board of Directors shall elect a president, vice president, and secretary/treasurer. These officers shall be elected annually from the Board of Directors.
- b. The president shall be the principal executive of the Corporation and shall in general supervise and direct all the business and affairs of the Corporation. The president will sign, with the secretary/treasurer or any other proper officer of the Board, any contract or other instrument that the Board of Directors has authorized by resolution to be executed.
- c. In the absence of the president, the vice president shall perform the duties of the president.
- d. The secretary/ treasurer or Registered Agent shall keep the minutes of meetings, serve as custodian of the records of the Corporation, give notice of meetings, and keep a list of contact information of the Board of Directors. The secretary/treasurer or Registered Agent shall also have charge and custody of and be responsible for all funds and securities received; issue receipts for moneys due and payable to the Corporation from any source; and forward for deposit all such moneys to the South Dakota Community Foundation or to

financial accounts held in the name of the Corporation. Records may be kept in electronic format.

ARTICLE 4: MEMBERS

The Corporation shall not have members with voting rights.

ARTICLE 5: FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of December each year.

ARTICLE 6: OPERATION

- a. The Board of Directors will govern the operation of the Corporation. A quorum of the directors consists of a majority of voting directors then serving on the Board. The number of voting directors shall not exceed 13 nor be fewer than 5 voting directors.
- b. All business, except business conducted as per Article 7 of these bylaws, may be conducted by a quorum and requires a simple majority vote of the quorum present. There shall be no proxy voting, nor any voting by any Director not present, as defined in this Article, at the annual or regular meeting.
- c. The directors shall determine the frequency of meetings but shall hold no fewer than two meetings annually. One meeting will be conducted on or about the second Tuesday of March and the other on or about the second Tuesday in September each year.
- d. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors.
- e. Notice of a meeting may be written, oral, electronic, or by telephone stating the place, day, and hour of any meeting and shall be given to all directors and members not less than five days before the date of the meeting. All notices of meetings may be waived.
- f. The Board of Directors may authorize accounts at financial institutions to include savings, checking, and other accounts. The Board of Directors shall name which officers are authorized to act on behalf of the Corporation in financial transactions and contract execution.
- g. Directors may approve distributions of funds at any meeting. Distributions of funds under the control of the Corporation must be signed by two officers authorized to act.
- h. Annual or regular meetings do not need to be held at a geographic location and may instead be held by any reasonable means of teleconference, electronic communication, or similar communication equipment which allows all persons participating in the meeting to hear

each other at the same time, vote as entitled on matters submitted to the directors, pose questions, and make comments. Those directors so participating are deemed present for the purpose of voting, and all votes taken when any two or more directors participate by such means shall be by roll call vote.

- i. All communications, notices, voting, consents, and other actions taken in the conduct of the business by the Board of Directors may be done by any reasonable means, including electronic mail, and will have the same effect as though performed in writing or in person.
- j. Whenever a director or officer has a financial or personal interest in any matter coming before the Board of Directors, the affected person shall a) fully disclose the nature of the interest and b) withdraw from discussion and lobbying, c) and recuse from voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested directors determine that it is in the best interest of the Corporation to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention, and rationale for approval.
- k. Once a year, the Corporation shall prepare an annual report that may be made available to the public by posting on the Corporation's website. The annual report may consist of a description of the Corporation's activities, planned activities for the future, and financial information, including funds awarded, fundraising, and administrative expenses.
- l. The Corporation does not have the authority to incur any indebtedness.
- m. All other business or matters not expressed within these bylaws shall be governed by the nonprofit corporation chapter under SDCL 47-22.

ARTICLE 7: AMENDMENTS

These bylaws may be amended if authorized by written consent of the Governor of the state of South Dakota and if, at any meeting, by an affirmative vote of at least two-thirds of the directors in office on such amendment.

Notice of a meeting on any proposed amendment shall include the language of the proposed amendment to these bylaws, and the place, day and hour of the meeting, and shall be mailed by United States mail, other commercial carrier, email, or facsimile to each director at his or her last known physical or electronic mail address not less than ten days preceding the meeting at which such amendment shall be submitted to a vote, or shall be personally delivered to each director within such time.

BE IT RESOLVED that, having no member entitled to vote thereon, and having received written consent of the Governor, these 2019 Amended and Restated Bylaws of Second Century Habitat Fund, Inc. represent the bylaws of the Corporation as approved and adopted by a two-thirds vote of the directors in office, correctly set forth the provisions as amended, and supersede the original Bylaws and all amendments thereto, at the meeting duly called of the Board of Directors on this ____ day of _____, 2019.

Delon Mork
Vice President (acting President)
Second Century Habitat Fund, Inc.
(f/k/a South Dakota Habitat Conservation
Foundation, Inc.)

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