

SNOWSHOE GUN CLUB, INC.  
Incorporated March 10, 1971

Report of Directors (February 17, 2007).

In the fall of 2004 the Kenai Peninsula Borough informed the Directors of Snowshoe Gun Club, Inc., that the Borough wished to divest itself of potential liability from Borough Lands being used for the purposes of a gun club in the central Kenai Peninsula, and with the expiration of the 20 year lease, which the Borough stated would not be renewed, that the club might wish to file an application for purchase.

A Land Acquisition Committee was formed by the Board of Directors, and following a number of Committee Meetings and Meetings of the Board of Directors discussing the matter, the Board of Directors met on December 9, 2004 to approve the development of an Application To Purchase. On December 27, 2004, the first Application for a Special Use Permit, granting continued use of the property until the sale could be finalized was submitted to the Borough. The Application to purchase was submitted to the Kenai Peninsula Borough on March 2, 2005, and the Borough commenced the process of obtaining surveys and title from the State of Alaska in order to bring our application for purchase before the Borough Assembly. The special use permits were renewed in February of 2006 and again in February of 2007. The Board of Directors believe that the Application To Purchase may come before the Borough Assembly for approval some time this year.

The application process was an agenda item at the Annual Meeting of Members held on April 4, 2005, and the concept was enthusiastically approved by the members. It was also an agenda item at the Annual Meeting of Members held on May 29, 2006.

Copies of the Articles of Incorporation were obtained from the State Department of Corporations to make sure that there was nothing prohibiting the corporation from owning real property, and diligent search was undertaken to discover the existence of Bylaws although no member, Officer or Director had any knowledge of Bylaws having ever been adopted. At a meeting with the firm of Mikunda, Cottrell & Co., CPA's it was determined that the Articles of Incorporation adopted March 10, 1971 were not in compliance with the IRS code to permit the corporation to accept title to the lands as a 501(c) corporation, and would need significant amendment. Unfortunately, however, amendment of Articles of Incorporation require the affirmative vote of 2/3rds of a quorum of the members entitled to vote, and a quorum required by state law is 10 percent of members entitled to vote. At any given time there are 400 to 450 or more key holders of the Corporation, and attendance at the Annual Meeting of Members held in 2004 and 2005 resulted in less than a dozen attendees, including the officers and directors. It was apparent that the corporation would

never have authority to amend the Articles necessary to complete the purchase.

A review of Article IV of the Articles Of Incorporation approved by the State on March 10, 1971 provided the answer. That provision gave the Board of Directors the ability to create classes of membership. A review of the Internal Revenue Code in Section 501(c)(7) provides that classes of membership are permitted, provided that the difference in dues and fees is not substantially lower for general membership not entitled to vote.

Because it does not appear that the Corporation has ever adopted Bylaws, the Board of Directors met on February 17, 2007, and adopted Resolution 2007-1: Bylaws, which created two classes of membership. The Shooting Class, which is anyone who is over the age of 18 who purchases a gate key and signs acknowledgment of the Range Rules, and a second class of membership, known as Voting Members. Voting members are comprised of any member of the Shooting Class who is interested in participating in club business, and pays an additional administrative fee to cover the cost of maintaining a Voters Membership Ledger and to provide personal notification of meetings, and who signs a pledge of good faith and general intent to attend annual and special meetings of the members entitled to vote either in person or by proxy. Shooting Members may become Voting Members at anytime before a matter requiring a vote is moved for adoption, by paying the administrative fee and signing the Pledge. That can be done at anytime, including at the start of any Annual or Special Meeting of Members. Resolution 2007-5, set the administrative fee at \$5.00.

At the same meeting of the Board of Directors on February 17, 2007, the Board adopted Resolution 2007-2: Bylaws, which provides that notice of annual and special meetings of the members is to be given by publication in a newspaper of general circulation, as has been done for several years, and further provides for notice to Voting Members by email or regular mail. Although not a part of the Resolution, the Board decided to also post the Notice of Meetings on the new web site: [snowshoegunclub.com](http://snowshoegunclub.com). A quorum in person or by proxy of Voting Members is now assured for the 2007 Annual Meeting, where the approval of amendments and the Amended and Restated Articles of Incorporation will be on the agenda for adoption.

Those Shooting Members who wish to become Voting Members should contact Susan Carr, the Treasurer, at R&S Protective Services: 283-7001.

Dated February 17, 2007.

Bob Seymour  
President