

## **AMENDED ARTICLES OF INCORPORATION OF FRENCH LAKE IMPROVEMENT ASSOCIATION**

I, the undersigned, being of full age, for the purpose of forming a nonprofit corporation under chapter 317A of Minnesota Statutes as amended, do hereby form a body corporate and adopt these Articles of Incorporation.

### **ARTICLE I** **NAME**

The name of this corporation shall be French Lake Improvement Association, Inc.

### **ARTICLE II** **PURPOSE**

This corporation is organized and shall be operated exclusively for charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The specific purpose of this corporation is to:

The purpose of this corporation is:

1. To provide for the betterment and well-being of property abutting and adjoining the shores of French Lake and to protect and preserve the resources contributing to the natural beauty and attraction of French Lake.
2. To preserve and improve the water quality of French Lake.
3. To cooperate and work with the Minnesota State Department of Natural Resources to maintain and improve the fish and wild life habitat of French Lake and the surrounding area.
4. To take such steps as may be deemed necessary to eliminate run-off or dumping of sewage effluent or other pollutants into French Lake.
5. To cooperate with and encourage law enforcement and conservation officials in the promotion of boating and water safety on French Lake, and to undertake programs and action for the betterment and enjoyment of French Lake.
6. To take such steps as may be necessary to preserve in their present form wet lands and emergent vegetation areas around French Lake and to discourage indiscriminate and undesirable development, dredging, drainage, or alteration of any such areas.
7. Said corporation is organized exclusively for charitable, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

8. To do and engage in any lawful activities that may be reasonably necessary for the accomplishment of any of the foregoing purposes and to do and exercise all other power and authority now and hereafter conferred upon non-profit corporations under the laws of the State of Minnesota.

### **ARTICLE III** **POWERS**

Section 3.1 Notwithstanding any other provisions of these Articles of Incorporation, all of the work of this corporation shall be carried on, and all funds of this corporation, whether income or principal and whether acquired by gift or contribution or otherwise, shall be used and applied exclusively for charitable, educational, or scientific purposes directly or indirectly benefiting this corporation, and in such manner that no part of the net earnings of this corporation will in any event inure to the benefit of any officer or director of this corporation or of any other corporation, organization, foundation, fund or institution, or any other individual.

Section 3.2 This corporation shall not engage, otherwise than as an insubstantial part of its total activities, in activities that in themselves are not in furtherance of one or more of the exempt purposes specified in § 501(c)(3) of the Code, and regulations issued thereunder. No part of the principal, assets or net income of this corporation shall in any event be paid or contributed to any other corporation, organization, foundation, fund, institution or governmental body, any substantial part of the activities of which consists of carrying on propaganda or otherwise attempting to influence legislation or which participates or intervenes in any political campaign on behalf of any candidate for public office, nor shall this corporation itself engage in such activities in any way, directly or indirectly, except to the extent, if any, permitted by the Code.

Section 3.3 No officer or director of this corporation or other private individual shall be entitled to share in the distribution of the corporate assets on liquidation, dissolution, or winding up of this corporation. However, nothing contained in these Articles of Incorporation shall be construed to prevent distribution of the properties of this corporation to another distributee, otherwise properly made in accordance with the provisions of these Articles and the purposes herein stated, solely by reason of the fact that one or more of the directors or officers of this corporation may be connected or associated with the distributee as shareholder, member, director, officer, or in any other capacity.

### **ARTICLE IV** **NONDISCRIMINATION**

This corporation shall not discriminate on the basis of race, color, creed, religion, national origin, sex, marital status, sexual preference, and status with regard to public assistance, disability, or age.

### **ARTICLE V** **DURATION**

The duration of this corporation shall be perpetual.

## **ARTICLE VI** **REGISTERED OFFICE**

The registered office of this corporation shall be located at 3310 Northrup Ave NW, Annandale, MN 55302.

## **ARTICLE VII** **MEMBERS**

This corporation shall have one or more classes of Members as provided for in the Bylaws of this corporation. The conditions, qualifications and rights of Members shall be set forth in the Bylaws. Members of this corporation shall have no personal liability for corporate obligations.

## **ARTICLE VIII** **DIRECTORS**

Section 8.1 Management. The management of this corporation shall be vested in a Board of Directors.

Section 8.2 Composition. The Board of Directors shall initially consist of five (5) directors, as set forth herein. Thereafter the Board of Directors shall consist of the number of directors provided in the Bylaws of this corporation.

Section 8.3 Initial Board. The following named persons shall comprise the initial Board of Directors:

Joshua Engelmann, 13699 36<sup>th</sup> Street NW, Annandale, MN 55302

Daniel Halverson, 13061 45<sup>th</sup> Street NW, Annandale, MN 55302

Daniel Pommerenke, 13561 36<sup>th</sup> Street NW, Annandale, MN 55302

Thomas van der Hagen, 3310 Northrup Avenue NW, Annandale, MN 55302

Gretchen Nelson, 5576 Regis Drive NE, Fridley, MN 55432

A member of the initial Board of Directors shall continue in office until the first meeting of the members and thereafter until his or her successor is elected and qualified or until he or she is removed from office as provided by law or in the Bylaws of this corporation.

Section 8.4 The number, qualifications, and terms of office of the directors, [other than the members of the initial Board of Directors,] shall be fixed by the Bylaws of this corporation.

Section 8.5 Any action required or permitted to be taken at a meeting of the Board of Directors may be taken by written action signed, or consented to by authenticated electronic communication, 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 does not invalidate the written action.

## **ARTICLE IX** **DISSOLUTION**

In the event of liquidation, dissolution or winding up of this corporation, whether voluntary or involuntary, or by operation of law, except as and to the extent otherwise provided or required by law, the remaining property and assets of this corporation shall be distributed as provided in the Bylaws of this corporation, or in the absence of any such provision in the Bylaws, in such manner as the Board of Directors of this corporation, as constituted at the date of entry of the order allowing or directing the liquidation of this corporation's affairs, in their discretion shall by the affirmative vote of a majority of the directors determine to be best calculated to carry out the objects and purposes for which this corporation is formed; provided, however, that none of the property or assets of this corporation shall be distributed for purposes other than exclusively for charitable, scientific, literary, or education purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or such other provisions of Minnesota or Federal Law as may from time to time be applicable

## **ARTICLE X** **AMENDMENT**

These Articles may be amended at any time and from time to time by the affirmative vote of a majority of directors then in office, at a meeting for which notice of the meeting and the proposed amendment have been given.

When authorized by the Members, these Articles may be amended by the Board of Directors by the affirmative vote of a majority of the directors then in office, at a meeting for which notice of the meeting and the proposed amendment have been given. The Members may prospectively revoke the authority of the Board to exercise the power of the Members to amend the Articles.]

## **ARTICLE XI** **INCORPORATORS**

The name and address of the incorporator of this corporation is:

Thomas van der Hagen, 3310 Northrup Avenue NW, Annandale, MN 55302

IN WITNESS WHEREOF, I have hereunto executed these Articles of Incorporation this \_\_\_\_ day of \_\_\_\_\_.  
\_\_\_\_\_  
Incorporator

## **BYLAWS OF FRENCH LAKE IMPROVEMENT ASSOCIATION**

This instrument constitutes the Bylaws of French Lake Improvement Association, adopted for the purpose of regulating and managing the internal affairs of the corporation.

### **ARTICLE I** **CORPORATE SEAL**

This corporation shall not have a seal.

### **ARTICLE II** **MEMBERS**

Section 2.1 Classes of Members. The membership of the corporation shall consist of the following class(es) of Members:

The Association shall have one category of membership. Members of the Association shall be natural persons, generally consisting of property owners on or adjacent to the Lake and other individuals interested in the wellbeing of the Lake and lake management and who pay annual dues in the amount determined by the Board of Directors from time to time. Each membership shall be entitled to one vote. Two people with either person allowed to cast that vote may share a membership.

Section 2.2 Members' Rights/Term of Membership. Members are entitled to vote and have equal rights and preferences in matters not otherwise provided for by the Board so long as the member is in good standing and has paid their dues. The term of membership shall be for one year, starting at the June meeting and extending until the following June meeting.

Section 2.3 Non-transferability of Memberships. A Member may not transfer a membership in the corporation or a right arising from it.

Section 2.4 Membership Fees. The Board of Directors may determine from time to time the amount and method of collection of the annual membership fee payable to the corporation. The Board of Directors may establish different dues for different Members or different classes of Members.

Section 2.5 Resignation. A Member may resign at any time. The resignation of a Member does not relieve the Member from any obligations the Member may have to the corporation for membership fees, assessments, or fees or charges for goods or services.

Section 2.6 Termination of Membership. Membership in the corporation may be terminated as follows:

2.6.1 Membership in the corporation may be terminated by the Board of Directors, following sixty (60) days' written notice, for nonpayment of the annual membership fee.

2.6.2 In the event a Member fails to comply with the conditions of membership as established by the Board of Directors (other than the requirement to pay annual fees), the membership of such Member may be revoked or suspended by the Board of Directors, provided that the Member is given: (1) not less than fifteen (15) days' prior written notice of the revocation or suspension, and the reasons for it; and (2) an opportunity to be heard by the Board of Directors, orally or in writing, not less than five (5) days before the effective date of the revocation or suspension.

Section 2.7 Emblems of Membership. All emblems of membership or reproductions thereof, in any form whatsoever, shall remain at all times and for all purposes the exclusive property of the corporation. A Member (and its designated representatives) is hereby deemed to have agreed that in the event its membership is terminated, revoked, or suspended the corporation shall be authorized to proceed in any appropriate manner to recover all such emblems, and to undertake appropriate action (including legal action) to prevent the former Member's continued use of such emblem.

Section 2.8 Acceptances of Membership. A person or organization shall not be deemed to be a Member of the corporation unless and until the person or organization has been accepted as a Member in accordance with policies and procedures established by the Board of Directors.

### **ARTICLE III** **MEETINGS OF MEMBERS**

Section 3.1 Annual Meetings. The Board of Directors shall cause a meeting of the Members to be held on an annual basis for the transaction of such business as may come before the meeting. The President and Treasurer shall also report at the annual meeting on the activities and financial condition of the corporation. Such annual meeting shall be held on the date and at the time and at a place, within or without the State of Minnesota, fixed from time to time by the Board of Directors. If an annual meeting of Members has not been held during the immediately preceding fifteen (15) months, at least fifty (50) Members or ten percent (10%) of the Members, whichever is less, may also demand an annual meeting of Members.

Section 3.2 Special Meetings. Special meetings of the Members may be called for any purpose or purposes at any time, by: the President; the Board of Directors; or at least fifty (50) Members or five percent (5%) of the Members, whichever is less. Special meetings shall be held on the date and at the time and at a place, within or without the State of Minnesota, fixed by the President or the Board of Directors, except that a special meeting called by or at the demand of the Members pursuant to Section 3.3 of these Bylaws shall be held in the county where the corporation's registered office is located. The business transacted at a special meeting shall be limited to the purposes stated in the notice of the meeting.

Section 3.3 Demand by Members. The demand for an annual or a special meeting of Members shall be given in writing to the President. Within thirty (30) days after receipt of the demand by the President, the Board of Directors shall cause a meeting of Members to be called and held no later than ninety (90) days after receipt of the demand, all at the expense of the corporation. If the

Board of Directors fails to cause a meeting of the Members to be called and held as required by this Section, the Members making the demand may call the meeting by giving notice as required by Section 3.4 of these Bylaws, all at the expense of the corporation.

**Section 3.4 Notice.** Notice of all meetings of Members shall be given to every Member, except where the meeting is an adjourned meeting and the date, time and place of the meeting were announced at the time of adjournment. The notice shall be given at least ten (10) days before the date of the meeting, and not more than ninety (90) days before the date of the meeting. The notice shall contain the date, time, and place of the meeting, and any other information required by these Bylaws or applicable law. In the case of a special meeting, the notice shall contain a statement of the purposes of the meeting. The notice may also contain any other information deemed necessary or desirable by the Board of Directors, or by any other person or persons calling the meeting. Notice may be sent by United States mail and shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Notice may also be given by a form of electronic communication consented to by the Member to whom the notice is given. Consent by a Member to notice given by electronic communication may be given in writing or by authenticated electronic communication. The corporation is entitled to rely on any consent so given until revoked by the Member, provided that no revocation affects the validity of any notice given before receipt by the corporation of revocation of the consent. Electronic notice is deemed given:

3.4.1 If by electronic mail, when directed to an electronic mail address at which the Member has consented to receive notice;

3.4.2 If by a posting on an electronic network on which the Member has consented to receive notice, together with separate notice to the Member of the specific posting, upon the later of: (i) the posting; and (ii) the giving of the separate notice; and

A Member may waive notice of a meeting of Members. A waiver of notice by a Member shall be effective whether given before, at or after the meeting, and whether given in writing, orally, or by attendance. Attendance by a Member at a meeting shall be a waiver of notice of that meeting, unless the Member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item may not lawfully be considered at that meeting and does not participate in the consideration of the item at that meeting.

**Section 3.5 Quorum.** The presence of sixty percent (60%) of the Members shall constitute a quorum for the transaction of business at any meeting of the Members. If a quorum is present when a duly called or held meeting is convened, the Members present may continue to transact business until adjournment, even though the withdrawal of a number of Members originally present leaves less than the proportion or number otherwise required for a quorum.

**Section 3.6 Manner of Acting.** Except as otherwise required by law, the Members shall take action by the affirmative vote of a majority of the Members present at a duly held meeting.

Section 3.7 Members' List for Meeting. After fixing the date for a meeting of the Members, the corporation shall prepare an alphabetical list of the names of its Members. The list of Members shall be available for inspection by Members beginning two (2) business days after notice of the meeting is given, and continuing through the meeting, at the corporation's registered office or at a reasonable place identified in the notice of meeting in the city where the meeting will be held. The list shall also be available at the meeting. A Member, or a Member's agent or attorney may on written demand inspect and copy the list, at a reasonable time and at the Member's expense, during the period it is available for inspection and at any time during the meeting or an adjournment.

Section 3.8 Voting Rights. Each Member shall have one (1) vote on each matter voted on by the Members. Proxy voting is not allowed.

Section 3.9 Action by Written Ballot. Any action that may be taken at an annual or special meeting of the Members may be taken without a meeting by written ballot. A ballot may be sent to a Member electronically if the corporation complies with the requirements for electronic notices as set forth in Section 3.4 above. Each written ballot shall:

3.9.1 set forth each proposed action and indicate the proposed action has been approved by the Board of Directors or endorsed by one-third (1/3) of the Members;

3.9.2 indicate the number of responses needed to meet the quorum requirements;

3.9.3 state the percentage of ballots which would need to be cast in favor of a matter in order to approve each matter; and

3.9.4 specify the time by which a ballot must be received by the corporation in order to be counted.

Approval by written ballot is valid only when the ballot provides an opportunity to vote for or against each proposed action and the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting of the Members, and the number of ballots cast in favor of the action equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. A written ballot may not be revoked.

## **ARTICLE IV** **BOARD OF DIRECTORS**

Section 4.1 Management. The business and charitable affairs of the corporation shall be managed by or under the direction of a Board of Directors.

Section 4.2 Number. The Board of Directors shall consist of five (5) individuals, or such greater number as may be established by the Board.

Section 4.3 Election of the Board. The members of the Board of Directors shall be elected by the Members. At least sixty (60) days prior to the next annual meeting of the Members, the Board

shall cause to be delivered to the Members, a notice of the right of each Member to submit to the Board the names of one or more eligible persons to serve as Directors of the corporation. Not sooner than thirty (30) days following the date of such notice, and prior to the date of such annual meeting, the Board shall meet and elect persons to serve as Directors. The Board may elect a person whose name was not submitted by the Members. Any person elected as a Director shall have given prior consent to the person's election as a director.

Section 4.4 Terms of Directors. Directors shall serve for a term of three (3) years each and shall be so elected that approximately one-third (1/3) of the directors within each group of directors is elected each year.

Section 4.5 Resignation. A director may resign at any time by giving written notice to the corporation. The resignation shall be effective without acceptance when the notice is given to the corporation, unless a later effective time is specified in the notice.

Section 4.6 Removal. A director may be removed at any time, with or without cause, by the affirmative vote of two-thirds (2/3) of the remaining directors provided that the director is given

4.6.1 Not less than fifteen (15) days' prior written notice of the proposed removal, and the reasons for it; and

4.6.2 An opportunity to be heard by the Board of Directors, orally or in writing, at the meeting of the Board of Directors at which such removal is to be considered.

Section 4.7 Vacancies. Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of a majority of the members, even though less than a quorum. A director elected to fill a vacancy shall hold office until his or her successor is elected, or until his or her earlier death, resignation, removal, or disqualification provided.

Section 4.8 Compensation. Directors shall not receive compensation for their services to the corporation.

Section 4.9 Regular Meetings. Regular meetings of the Board of Directors shall be held no less than three (3) times during the year, either within or without the State of Minnesota, at such times as may be prescribed by the Board of Directors. Any meetings involving the Board of Directors and members shall count towards the regular meetings.

Section 4.10 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors, provided that any such request shall specify the purpose or purposes for the meeting. The President shall set the date for the special meeting within three (3) working days of making or receiving such a request.

Section 4.11 Notice. Notice of any meeting of the Board of Directors shall be given at least five (5) days prior to the date of the meeting by written notice mailed to each director at his or her business address, or by notice delivered personally. Notice may also be given by a form of electronic communication consented to by the director to whom the notice is given. Consent by a

director to notice given by electronic communication may be given in writing or by authenticated electronic communication. The corporation is entitled to rely on any consent so given until revoked by the director, provided that no revocation affects the validity of any notice given before receipt by the corporation of revocation of the consent. Electronic notice is deemed given:

4.11.1 If by electronic mail, when directed to an electronic mail address at which the director has consented to receive notice;

4.11.2 If by a posting on an electronic network on which the director has consented to receive notice, together with separate notice to the director of the specific posting, upon the later of: (i) the posting; and (ii) the giving of the separate notice; and

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. The notice need not state the purpose of the meeting.

Section 4.12 Waiver of Notice. Any director may execute a written waiver of notice of any meeting required to be given by statute or by any provision of these Bylaws before, at or after that meeting, and such waiver when signed and filed as hereinafter provided shall be equivalent to notice. Such waiver shall be filed with the Secretary, who shall enter it upon the minutes or other records of that meeting. Appearance at a meeting by a director shall be deemed a waiver of notice thereof unless the appearance is solely for the purpose of asserting the illegality of the meeting.

Section 4.13 Quorum. A majority of the directors currently holding office shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the directors present may adjourn a meeting from time to time until a quorum is present. If a quorum is present when a duly called meeting is convened, the directors present may continue to transact business until adjournment, even though the withdrawal of a number of directors originally present leaves less than the number otherwise required for a quorum.

Section 4.14 Manner of Acting. Except as otherwise required by law, the Board of Directors shall take action by the affirmative vote of a majority of directors present at a duly held meeting. Voting by proxy is not permitted.

Section 4.15 Presumption of Assent. A director who is present at a meeting of the Board of Directors when an action is approved by the affirmative vote of a majority of the directors present is presumed to have assented to the action approved, unless the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting, votes against the action at the meeting or is prohibited from voting on the action due to a stated conflict of interest.

Section 4.16 Action Without a Meeting. An action required or permitted to be taken at a meeting of the Board of Directors may be taken by written action signed by all of the directors, and in the case of an action which need not be approved by the Members, such action may be taken

by written action signed by the number of directors that would be required to take the same action at a meeting of the Board of Directors at which all directors were present. The written action shall be effective when signed by the required number of directors, unless a different effective time is provided in the written action. When written action is permitted to be taken by less than all directors, all directors shall be notified immediately of its text and effective date. Failure to provide the notice shall not invalidate the written action. A director who does not sign or consent to the written action shall have no liability for the action or actions taken thereby.

**Section 4.17 Action by Electronic Communication.**

4.17.1 Any meeting among directors may be conducted solely by one or more means of remote communication through which all of the directors may participate in the meeting, if the same notice is given of the meeting required by Section 4.11, and if the number of directors participating in the meeting is sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence at the meeting.

4.17.2 A director may participate in a board meeting by means of conference telephone or, if authorized by the Board, by such other means of remote communication, in each case through which that director, other directors so participating, and all directors physically present at the meeting may participate with each other during the meeting. Participation in a meeting by that means constitutes presence at the meeting.

Section 4.18 Committees. The Board of Directors may establish one or more committees having the authority of the Board in the management of the business of the corporation to the extent determined by the Board. Members of a committee need not be directors and shall hold such office for a term of one (1) year from their appointment or until their successors are appointed, whichever occurs first. Meetings of a committee may be called, from time to time, upon request of the Chair, the President, the chair of the committee or any two (2) committee members. Notice requirements shall be the same as for special meetings of the Board of Directors, except that notice may be given orally or in writing.

**ARTICLE V**  
**OFFICERS**

Section 5.1 Officers. The officers of the corporation shall be a President, a Vice-President, a Secretary, a Treasurer, and such other officers as the Board of Directors may, from time to time, appoint. Officers shall be elected by the members and must own property adjacent to French Lake.

Section 5.2 Duties. The duties of the officers of this corporation shall be:

5.2.1 The President shall preside at all meetings and shall oversee the long-term goals and purposes of the corporation. He or she shall be the chief executive officer of the corporation and shall be responsible for the day-to-day operations. In addition, he or she shall perform such other duties as may be determined from time to time by the Board of Directors.

5.2.2 The Vice-President shall perform such duties as may be determined from time to time by the Board of Directors. The Vice-President shall be vested with all powers of and perform all the duties of the President in the President's absence or inability to act, but only so long as such absence or inability continues.

5.2.3 The Secretary shall attend all meetings of the Board of Directors and any committee thereof, and keep the minutes of such meetings, give notices, prepare any necessary certified copies of corporate records, and perform such other duties as may be determined from time to time by the Board of Directors.

5.2.4 The Treasurer shall have charge of the corporate treasury, receiving and keeping the monies of the corporation, and disbursing corporate funds as authorized. The Treasurer shall perform such other duties as may be determined from time to time by the Board of Directors.

Section 5.3 Compensation. The Board and all officers of the corporation shall serve without pay, but may be reimbursed for actual expenses while conducting corporation business, provided that such expenses are authorized by the Board and such expenses are supported by adequate documentation.

Section 5.4 Service on the Board. All officers shall be members of the Board of Directors.

Section 5.5 Resignation. An officer may resign at any time by giving written notice to the corporation. The resignation is effective without acceptance when the notice is given to the corporation, unless a later effective date is named in the notice.

Section 5.6 Removal. Any officer may be removed, with or without cause, by the affirmative vote of a majority of the directors present at a duly held meeting of the Board of Directors for which notice stating such purpose has been given.

Section 5.7 Vacancies. A vacancy in an office because of death, resignation or removal may be filled by the Board of Directors.

## ARTICLE VI **STANDARD OF CARE AND DEALING WITH OTHER CORPORATIONS AND ORGANIZATIONS**

Section 6.1 Duty of Care. It is the responsibility of each officer and director of this corporation to discharge his or her duties as a director in good faith, in a manner the person reasonably believes to be in the best interests of this corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

Section 6.2 Duty of Loyalty. A contract or other transaction between this corporation and one or more of its directors, or between this corporation and an organization in or of which one or more of this corporation's directors are directors, officers, or legal representatives or have a material financial interest, is not void or voidable because the director or directors or the other organizations

are parties or because the director or directors are present at the meeting of the Board of Directors or a committee at which the contract or transaction is authorized, approved, or ratified, if:

6.2.1 The contract or transaction was, and the person asserting the validity of the contract or transaction sustains the burden of establishing that the contract or transaction was, fair and reasonable as to the corporation at the time it was authorized, approved or ratified; or

6.2.2 The material facts as to the contract or transaction and as to the director's or directors' interest are fully disclosed or known to the Board or a committee, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a majority of the Board or committee, but the interested director or directors shall not be counted in determining the presence of a quorum and shall not vote.

For the purpose of this Section: (1) a director does not have a material financial interest in a resolution fixing the compensation of the director or fixing the compensation of another director as a director, officer, employee, or agent of the corporation, even though the first director is also receiving compensation from the corporation; and (2) a director has a material financial interest in each organization in which the director, or the spouse, parents, children and spouses of children, brothers and sisters and spouses of brothers and sisters of the directors, or any combination of them have a material financial interest.

## **ARTICLE VII** **FINANCE**

Section 7.1 Receipt of Monies. Any dues, contributions, grants, bequests, or gifts made to the corporation shall be accepted or collected only as authorized by the Board of Directors.

Section 7.2 Deposit of Funds. All funds of the corporation shall be deposited to the credit of the corporation under such conditions and in such banks as shall be designated by the Board of Directors.

Section 7.3 Contracts and Funds. All contracts, checks and orders for the payment, receipt, or deposit of money, and access to securities of the corporation shall be as provided by the Board of Directors.

Section 7.4 Annual Budget. The annual budget of estimated income, income expense and capital expense shall be approved by the Board of Directors.

Section 7.5 Title to Property. Title to all property shall be held in the name of the corporation.

Section 7.6 Report to the Board. A summary report of the financial operation of the corporation shall be made by the Treasurer at least annually to the Board of Directors and members of the corporation.

## **ARTICLE VIII** **INDEMNIFICATION**

To the full extent permitted by the Minnesota Nonprofit Corporation Act, as amended from time to time, or by other applicable provisions of law, each person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, wherever and by whomsoever brought (including any such proceeding, by or in the right of this corporation), whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a director or officer of this corporation, or he or she is or was serving at the specific request of the Board of Directors of this corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall be indemnified by this corporation by the affirmative vote of a majority of the directors present at a duly held meeting of the Board of Directors for which notice stating such purpose has been given against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding; provided, however, that the indemnification with respect to a person who is or was serving as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise shall apply only to the extent such person is not indemnified by such other corporation, partnership, joint venture, trust, or other enterprise. The indemnification provided by this Article shall inure to the benefit of the heirs, executors, and administrators of such person and shall apply whether or not the claim against such person arises out of matters occurring before the adoption of this provision of the Bylaws. No person shall have a right to indemnification or indemnification advances by this corporation with respect to any threatened, pending, or civil, administrative, arbitration, investigative, or other proceeding brought by or in the right of this corporation against such person.

## **ARTICLE IX** **AMENDMENT**

The Board of Directors may from time to time adopt, amend or repeal all or any of the Bylaws of this corporation; except that after the adoption of the initial bylaws, amendments to these bylaws shall be approved by both the Board of Directors and the Members with the right to vote with respect to Bylaws amendments.

---

Secretary

Adopted: \_\_\_\_\_

Revised: \_\_\_\_\_