

***AMENDED & RESTATED
BY-LAWS
OF
LAKE MINNIE BELLE
IMPROVEMENT ASSOCIATION***

**A corporation governed by the
Minnesota Non-Profit Corporation Act**

TABLE OF CONTENTS

- 1. IDENTIFICATION**
 - 1.1. Name
 - 1.2. Offices
 - 1.3. Seal
 - 1.4. Stock
 - 1.5. Purpose
 - 1.6. Membership
 - 1.7. Members Annual Meeting

- 2. DIRECTORS**
 - 2.1. General Powers
 - 2.2. Number
 - 2.3. Term of Office
 - 2.4. Vacancies
 - 2.5. Annual Meeting
 - 2.6. Special Meetings
 - 2.7. Quorum
 - 2.8. Actions by Absent Directors
 - 2.9. Participation by Electronic Communication
 - 2.10. Action Without a Meeting

- 3. OFFICERS**
 - 3.1. Officers Required
 - 3.2. Term
 - 3.3. Vacancies
 - 3.4. President
 - 3.5. Vice President
 - 3.6. Treasurer
 - 3.7. Secretary
 - 3.8. Other Officers
 - 3.9. Transfer of Authority
 - 3.10. Delegation by Officers

- 4. LOANS AND INDEMNIFICATION**
 - 4.1. Loans and Guaranties
 - 4.2. Indemnification
 - 4.3. Insurance

- 5. CORPORATE BOOKS AND RECORDS**
 - 5.1. Required Books and Records
 - 5.2. Financial Statements

- 6. AMENDMENT OF ARTICLES**
 - 6.1. Amendments

- 7. AMENDMENT OF BY-LAWS**
 - 7.1. By the Board

- 8. REQUIRED REPORTS**
 - 8.1. Income Tax Filings
 - 8.2. Annual Report
 - 8.3. Change of Registered Office

BY-LAWS
OF
LAKE MINNIE BELLE IMPROVEMENT ASSOCIATION

**A non-profit corporation governed
by Chapter 317A of the
laws of the State of Minnesota**

ARTICLE 1
Identification

- 1.1. **Name.** The name of this Corporation is Lake Minnie Belle Improvement Association, and all references in these By-laws to the Corporation are to Lake Minnie Belle Improvement Association, also known as LMBIA.
- 1.2. **Offices.** The registered office of the Corporation shall be as designated in the Articles of Incorporation. Its principal executive office shall be the place where the President of the Corporation has his office. In addition, the Corporation may have any other offices as the board of directors shall from time to time determine.
- 1.3. **Seal.** The Corporation may, but need not, have a corporate seal. If the Corporation does obtain a corporate seal, then the following provisions shall apply:
 - 1.3.1. **Requirements.** The seal may consist of a mechanical imprinting device, or a rubber stamp with a facsimile of the seal affixed thereon, or a facsimile or reproduction of either. The seal need include only the word "Seal". However, if desired, the seal may include (i) the name of the Corporation, (ii) the phrase "corporate seal," and (iii) a designation that the Corporation is incorporated in the State of Minnesota.
 - 1.3.2. **Use of Seal.** The use of the seal by the Corporation on a document is not necessary. The use or nonuse of a corporate seal shall not affect the validity, recordability, or enforceability of a document or act. If a corporate seal is used, it or a facsimile of it may be affixed, engraved, printed, placed, stamped with indelible ink, or in any other manner reproduced on any document.
- 1.4. **Stock.** The corporation shall not have any capital stock or issue any shares.
- 1.5. **Purpose.** The Corporation is organized exclusively for charitable, educational, religious or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, 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. Within the framework and limitations of the foregoing, the purpose for which the Corporation is formed and the business and the objects to be carried on by it is to cooperatively protect, preserve and promote the purity, natural beauty and recreational and residential desirability of Lake Minnie Belle in Greenleaf Township, Meeker County, Minnesota, within the framework of the laws relating to pollution, zoning, health, and to maintain a desirable level of the waters of the aforesaid Lake Minnie Belle.

1.6. Membership. Membership shall be open to anyone who has an interest in maintaining and or improving the quality of water and/or watershed in or around Lake Minnie Belle in Greenleaf Township, Meeker County, Minnesota. A membership shall be acquired by payment of annual dues of \$_____ per individual or family membership as directed by the Board of Directors together with any special assessments which may be voted by the Board of Directors to cover the cost of operation of the corporation.

1.7. Members Annual Meeting.

1.7.1. The annual meeting of the members shall be held at a time and place designated each year by the Board of Directors prior to the annual meeting. The annual meeting of the Board of Directors shall commence upon adjournment of the member's annual meeting.

1.7.2. A quorum at any meeting of the members shall consist of a majority of the members represented in person or by proxy. A majority of such a quorum shall decide any questions that may come before the meeting.

1.7.3. The election of the directors to replace those whose terms shall have expired, shall be held at the annual meeting of the members and shall be by written ballot with each member being entitled to cast one vote. Formal notice of all regular and special meetings of the membership shall be mailed to each member at least ten days and not more than thirty days prior to the date of such meeting.

ARTICLE 2
Directors

2.1. General Powers. The property, affairs and business of the Corporation shall be managed by or under the direction of its board of directors.

2.2. Number. The board shall consist of not less than 8 or more than 11 directors. The number of directors may be increased or decreased at any time by amendment of these By-Laws (pursuant to Article 7 hereof). Until the number of directors is changed by a majority vote of the members, the number of directors shall consist of 11 directors.

2.3. Term of Office. Each director shall be elected for a term of three years or until his or her successor is duly elected and qualified, or until the director's earlier death, removal, or resignation.

- 2.3.1. Membership.** Membership on the board of directors shall require 75% attendance at all regular and special meetings. Failure to meet these requirements may be cause for termination at the discretion of the full board.
- 2.3.2. Removal by Directors.** A director may be removed at any time, with or without cause, if a two-thirds (2/3) majority of the remaining directors present affirmatively vote to remove the director.
- 2.3.3. Resignation.** A director may resign at any time by giving written notice to the Corporation. The resignation is effective as of the time stated in the notice; but if the notice fails to specify such a date, it is effective when received by the Corporation, whether or not the Corporation accepts the resignation.
- 2.4. Vacancies.** Any vacancy occurring in the board of directors (whether resulting from the death, removal, or resignation of a director or directors, or as a result of newly created directorships) shall be filled by majority vote of the board of directors. A director appointed to fill a vacancy shall be appointed for the unexpired term of that director's predecessor in office, or until that director's successor is duly elected and qualified if he had no predecessor in office.
- 2.5. Annual Meeting.** The board of directors shall meet at least once each year and shall convene immediately after adjournment of the annual meeting of the members. At such annual meetings, the board shall (i) elect the Corporation's officers whose terms have expired, and (ii) consider any other business that may properly be brought before the meeting. Notice is required for any annual meeting of the board.
- 2.6. Special Meetings.** A special meeting of the board of directors may be called from time to time by the Chairman and Secretary of the Corporation, or by any three (3) directors of the Corporation.
- 2.6.1. Notice of Special Meetings.** No notice is required for any special meeting of the board if (i) the date, time, and place are announced at a prior meeting of the board; or (ii) the meeting is an adjourned meeting and the date, time, and place of the meeting were announced at the time of adjournment. All other meetings require written notice by personal service, fax, mail or electronic mail (Email).
- 2.6.2. Time of Notice.** Any such notice shall be given at least 3 days before the day of the meeting if the notice is given by personal service, fax, or Email. However, if the notice is given by mail or Email, then that notice must be mailed or electronically sent at least 5 days before the day of the meeting.
- 2.6.3. Contents of Notice.** The notice shall contain the date, time, and place of the meeting. However, the notice need not state the purpose of the meeting.
- 2.6.4. Waiver of Notice.** A director may waive notice of a meeting of the board. A waiver of notice by a director entitled to notice is effective whether given before, at, or after the meeting, and whether given in writing or orally. Attendance by a director at a meeting shall constitute a waiver of notice of that meeting unless (i) the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, and (ii) the director does not thereafter participate in the meeting.

- 2.7. **Quorum.** A majority of the number of directors currently holding office shall constitute a quorum for the transaction of business. Once a quorum is present, the directors may continue to transact business until adjournment (even if a number of directors withdraw so that a quorum is no longer present). The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors (unless the act of a greater number is required by the Articles of Incorporation or by statute).
- 2.8. **Actions by Absent Directors.** A director may give advance written consent or opposition to a proposal to be acted on at a board meeting. If a director is not present at the meeting, consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum. However, the director's consent or opposition shall be counted as a vote in favor of or against the proposal, and shall be entered in the minutes or other record of action at the meeting, if the proposal acted on at the meeting is substantially the same or has substantially the same effect as the proposal to which the director has consented or objected.
- 2.9. **Participation by Electronic Communication.** Meetings may be conducted wholly or partially by electronic means, so long as notice and quorum requirements are met. A meeting held by a telephone conference call is valid, as are all actions taken at that meeting. An individual director shall be deemed physically present at any meeting (both for quorum and voting purposes) if he or she attends that meeting by telephone or other electronic means, so long as all other directors present (in person or by electronic means) can hear and speak to all other participants.
- 2.10. **Action Without a Meeting.** Any action that may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before the action by all of the directors (or any lesser number permitted by the Articles of Incorporation). Any such action is effective when it is signed by the required number of directors, unless a different effective time is provided in the written action.

ARTICLE 3

Officers

- 3.1. **Officers Required.** The officers of the Corporation shall consist of (i) a Chairperson, (ii) Vice Chairperson, (iii) a Treasurer, (iv) a Secretary, and (v) such other officers as the board of directors may from time to time determine. The same person may hold two offices.
- 3.2. **Term.** Officers shall hold office for such term of one year or as the directors may specify at the time of their election or appointment. Officers shall in all cases serve until their successors are elected and qualified or until the officer's earlier death, removal, or resignation.
- 3.2.1. **Removal.** Any officer elected or appointed by the board of directors may be removed from office, with or without cause, by two-thirds (2/3) majority vote of the board of directors.
- 3.2.2. **Resignation.** An officer may resign at any time by giving written notice to the board. The resignation is effective as of the time stated in the notice. If the notice fails to specify such a date, then the resignation is effective when received by the board (whether or not the board accepts the resignation).

- 3.3. Vacancies.** Any vacancy occurring in any office whether resulting from the death, removal, or resignation of an officer, or as a result of newly created offices shall be filled by the affirmative vote of a majority of the board of directors. An officer elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office unless the board fixes a different term, or until his or her successor is duly elected and qualified if he or she had no predecessor in office.
- 3.4. Chairperson.** The Chairperson shall be the chief executive officer of the Corporation. The Chairperson shall:
- (a) Have general active management of the business of the Corporation;
 - (b) Preside as chairman at all meetings of the board of directors of the Corporation;
 - (c) See that all orders and resolutions of the board are carried into effect;
 - (d) Sign and deliver in the name of the Corporation any deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the corporation (except where the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated to some other officer or agent of the Corporation); and
 - (e) Perform any and all duties prescribed by the board.
- 3.5 Vice Chairperson.** The Vice Chairperson shall, in the absence or disability of the Chairperson, perform the duties and exercise the power of the Chairperson and perform such other duties as the directors shall prescribe.
- 3.6. Treasurer.** The Treasurer shall be the controller and the chief financial officer of the Corporation. The Treasurer shall:
- (a) Keep accurate financial records for the Corporation;
 - (b) Deposit all money, drafts, and checks in the name of and to the credit of the Corporation in the banks and depositories designated by the board;
 - (c) Endorse for deposit all notes, checks, and drafts received by the Corporation as ordered by the board, making proper vouchers therefor;
 - (d) Disburse corporate funds and issue checks and drafts in the name of the Corporation, as ordered by the board and the President;
 - (e) Render to the Chairperson and the board, whenever requested, an account of all transactions and of the financial condition of the Corporation; and
 - (f) Perform any and all other duties prescribed by the board or by the Chairperson.

3.7. Secretary. The Secretary shall be the custodian of the corporate books and records which are not held by the Treasurer. The Secretary shall:

- (a) Attend all meetings of the board of directors and shall keep, or cause to be kept, a true and complete record of the proceedings of those meetings;
- (b) Give, or cause to be given, any required notice of meetings of the board of directors;
- (c) Keep in safe custody the seal of the Corporation, if the Corporation obtains one, and affix the same to any instrument requiring it;
- (d) Certify any then existing resolutions of the board, incumbency certificates, officer signatures, the By-Laws, or similar documents whenever the Secretary's certification thereof is required;
- (e) Attest to the signature of the Chairperson or any other executive officer of the Corporation, whenever such attestation is required; and
- (f) Perform any and all other duties prescribed by the board or by the Chairperson.

3.8. Other Officers. The board may also appoint one or more Vice Chairpersons, Assistant Treasurers, and Assistant Secretaries. During any absence or disability, a Vice Chairperson may perform all acts that could have been performed by the Chairperson, an Assistant Treasurer may perform all acts that could have been performed by the Treasurer, and an Assistant Secretary may perform all acts that could have been performed by the Secretary.

3.9. Transfer of Authority. In the case of the absence of the required officer of the Corporation (i) the board of directors may transfer the powers or duties of that officer to any other officer or to any director or employee of the Corporation, and (ii) the Chairperson may appoint an Assistant Secretary without any need for board approval. The appointment of any such Assistant Secretary shall automatically terminate when the Secretary elected by the board returns from his or her absence.

3.10. Delegation by Officers. An officer shall have the power to assign or delegate any or all of his or her duties or powers to any other person, unless a majority of the board vetoes that delegation by an affirmative vote.

ARTICLE 4

Loans and Indemnification

4.1. Loans and Guaranties.

4.1.1. The Corporation may (i) lend money to any person, (ii) guarantee an obligation of any person, (iii) become a surety for any person, or (iv) otherwise financially assist any person. However, the Corporation may do so only if both of the following requirements are met.

First, the transaction must be approved by the affirmative vote of a majority of the board. Second, the transaction must satisfy at least one of the following:

- (a) It is in the usual and regular course of business of the Corporation;
- (b) It is with, or for the benefit of, an organization in which the Corporation has a financial interest, a business relationship, or the power to make donations;
or
- (c) It is with, or for the benefit of, any officer, director, or employee of the Corporation (or its subsidiary) and, in the judgment of the board, it may reasonably be expected to benefit the Corporation, and is authorized under Section 4.1.2.;

4.1.2. Limitation on Loans and Guarantees for Officers, Directors and Employees. The Corporation may not lend money to or guarantee the obligation of a director, officer, or employee of the Corporation or a related organization, or of the spouse, parents, children and spouses of children, brothers and sisters or spouses of brothers and sisters of the director, officer, or employee, unless the loan or guarantee may reasonably be expected, in the judgment of the Board, to benefit the Corporation. If a loan or guarantee is made in violation of this subdivision, the borrower's liability on the loan is not affected. The officers and directors who make a loan in violation of this subdivision or assent to it are jointly and severally liable for its repayment. This section does not prohibit an advance of money for expenses authorized by Minn. Stat. § 317A.505.

4.2. Indemnification. The Corporation shall indemnify and reimburse its officers and directors whenever such indemnification or reimbursement is permitted by Section 317A.521 of the Minnesota Statutes, as amended. The Corporation may reimburse or indemnify any other person for whom indemnification or reimbursement is permitted under Section 317A.521 of the Minnesota Statutes, as amended. This provision cannot be amended or deleted retroactively, or after an event has occurred, so as to deprive any present or former officer or director of indemnification or reimbursement.

4.3. Insurance. The Corporation may purchase and maintain insurance on behalf of its directors or any person for acts which may potentially leave the Corporation liable for reimbursement or indemnification pursuant to Section 4.2 above.

ARTICLE 5 Corporate Books and Records

5.1. Required Books and Records. The Corporation shall maintain at its principal executive office, and such place or places as the board of directors may determine, originals or copies of the following books and records:

- (a) Records of all proceedings of directors for the last three years;
- (b) Its current Articles and By-laws;

- (c) A statement of the names and usual business addresses of all its directors and principal officers;
- (d) Financial statements required by Section 5.2 below;

5.2. Financial Statements. The Corporation shall keep appropriate and complete financial statements.

- 5.2.1. Annual Statements.** The Corporation shall keep annual financial statements, including at least a balance sheet as of the end of each fiscal year and a statement of income for the fiscal year.
- 5.2.2. Other Statements.** The Corporation shall also keep financial statements for the most recent interim period, if any, that were prepared in the course of operation for distribution to either (i) the board of directors, or (ii) a government agency as a matter of public record.
- 5.2.3. Accounting Methods.** The statements shall be prepared on the basis of accounting methods reasonable in the circumstances (e.g. GAAP need not be applied while the Corporation is small). The statements may be consolidated statements of the Corporation and one or more of its subsidiaries.
- 5.2.4. Certification.** In the case of statements audited by a public accountant, each statement shall be accompanied by a report setting forth the opinion of the accountant on the statements. In other cases, each copy shall be accompanied by a statement of the chief financial officer (i) stating the reasonable belief of the person that the financial statements were prepared in accordance with accounting methods reasonable in the circumstances, (ii) describing the basis of presentation, and (iii) describing any respects in which the financial statements were not prepared on a basis consistent with those prepared for the previous year.

ARTICLE 6 Amendments of Articles

6.1. Amendments. The Corporation may amend its Articles of Incorporation as provided for below:

- 6.1.1. Resolution to Amend.** A resolution setting forth Amendments to the Articles may be submitted by any director.
- 6.1.2. Approval by Board.** The proposed Amendment is adopted when approved by affirmative vote of a majority of the directors with voting rights. However, if the Amendment proposes an Amendment to require a larger majority vote than that currently in existence, then that Amendment must receive the affirmative vote of that same larger majority in order to be approved.
- 6.1.3. Documentation of Amendments.** The approved amendments shall be documented by following the procedure set forth in Section 317A.139 of the Minnesota Statutes.

- 6.1.4. **Effective Date.** Articles of Amendment shall be filed with the Secretary of State. The Articles of Amendment are effective when so filed. However, the Articles of Amendment may state a later effective date, so long as that effective date is within 30 days of the filing date and complies with the provisions of Minn. Stat. § 317A.151.

ARTICLE 7 Amendment of By-Laws

- 7.1. **By the Board.** The board shall have power to amend or repeal the By-laws (except to the extent limited by subsections 7.1.1 below).
- 7.1.1. **Prohibited Amendments.** Unless otherwise provided in the Articles of Incorporation, if initial By-laws have been adopted, then the board cannot adopt, amend, or repeal provisions of the By-laws that (i) prescribe procedures to remove directors; (ii) prescribe procedures to fill board vacancies; (iii) decrease the number of directors; or (v) fix the qualifications, terms of office, or classification of directors.

ARTICLE 8 Required Reports

- 8.1. **Income Tax Filings.** The Corporation shall file any return required by Section 289A.08 of the Minnesota Statutes. However, if the Corporation is a small business corporation, then it shall file any return required by Section 289A.12 Subd 3 of the Minnesota Statutes.
- 8.2. **Annual Report.** Each year the Corporation shall file the Minnesota Corporate Registration required by Section 317A.823 of the Minnesota Statutes.
- 8.2.1. **Place of Filing.** The registration shall be filed with either (i) the Commissioner of Revenue along with the return described in Section 8.1 above, if any, or along with an affidavit that no such return need be filed; or (ii) the Secretary of State.
- 8.2.2. **Contents.** The registration that is filed by the Corporation shall contain all of the following information:
- (a) The name of the Corporation;
 - (b) The address of its principal executive office;
 - (c) The address of its registered office;
 - (d) The state of incorporation;
 - (e) The former name and address of the Corporation or its registered office, if changed since the Corporation filed its previous return;
 - (f) The name of its registered agent, if any; and

(g) The name and business address of the officer or other person exercising the principal functions of the chief executive officer of the Corporation.

8.2.3. Penalty. The failure to file once will result in loss of good standing and a \$25 fine. The failure to file in two consecutive years may lead to dissolution of the Corporation.

8.3. Change of Registered Office. The Corporation shall change its registered office in all cases where the registered office presently on file is no longer utilized by the Corporation. Every change of registered office shall be filed with the office of the Minnesota Secretary of State.

These By-laws are duly adopted by the Board of Directors this _____ day of _____, 2013.

Chairman

Vice-Chairman

Treasurer

Secretary