

The following document is AN EXAMPLE ONLY, intended to help you better understand the kind of provisions typically included in this type of agreement. It is not intended as a substitute for consulting with an experienced attorney and receiving legal advice based on the facts and circumstances of a particular case. It also does not necessarily represent the only possible way to structure the business relationship or the range of deal terms that might be available in a particular situation.

It is important to remember that just as every transaction is unique, so is the proper structure of the agreement documenting that transaction. Rarely does a so-called “standard” or “boilerplate” legal form fit the particular needs of the parties to a transaction. When a party says their contract is “standard” what they usually mean is that it is in a format that they are accustomed to using. There is some value in starting from a common ground, but never assume that a “standard” contract is not negotiable. It is all too common for parties to employ a “standard” form agreement without carefully considering the implications of its terms or its failure to address critical issues until a dispute arises. There are those who believe that the process of negotiating the terms of agreements is tedious and is a waste of time and money – they often try to cut corners by employing “standard” forms. However, in our experience the process of careful drafting and thorough negotiation is as valuable (or more so) than the final product. Those who take the time to clearly discuss their expectations, and to memorialize those expectations in a written agreement, forge stronger relationships and are much less likely to find themselves in a dispute later on.

BYLAWS OF MINNESOTA NONPROFIT

ARTICLE I - NAME AND PURPOSE

Section 1 - Name: The name of the organization shall be MINNESOTA NONPROFIT ("MINNESOTA NONPROFIT"). It shall be a nonprofit organization incorporated under the laws of the State of Minnesota.

Section 2 - Purpose: MINNESOTA NONPROFIT is organized exclusively for charitable, scientific and educational purposes. The purpose of MINNESOTA NONPROFIT is: _____

ARTICLE II - MEMBERSHIP

Section 1 - Eligibility for membership: Application for voting membership shall be open to _____. Membership is granted after completion and receipt of a membership application and annual dues. All memberships shall be granted upon a majority vote of the board.

Section 2 - Annual dues: The amount required for annual dues shall be \$_____ each year, unless changed by a majority vote of the members at an annual meeting of the full membership. Continued membership is contingent on being up-to-date on membership dues.

Section 3 - Rights of members: Each member shall be eligible to appoint one voting representative to cast the member's vote in association elections.

Section 4 - Resignation and termination: Any member may resign by filing a written resignation with the secretary. Resignation shall not relieve a member of unpaid dues, or other charges previously accrued. A member can have their membership terminated by a majority vote of the membership.

Section 5 - Non-voting members: The board shall have the authority to establish and define non-voting categories of membership. Non-voting membership shall be open to all other individuals and organizations (except governmental entities) interested in mineral exploration and development in Minnesota.

ARTICLE III - MEETINGS OF MEMBERS

Section 1 - Regular meetings: Regular meetings of the members shall be held annually, at a time and place designated by the chair.

Section 2 - Annual meetings: An annual meeting of the members shall take place in the month of _____, the specific date, time and location of which will be designated by the chair. At the annual meeting the voting members shall elect directors and officers, receive reports on the activities of the association, and determine the direction of the association for the coming year.

Section 3 - Special meetings: Special meetings may be called by the chair, the executive committee, or a simple majority of the board of directors. A petition signed by five percent of the voting members may also call a special meeting.

Section 4 - Notice of meetings: Printed notice of each meeting shall be given to each voting member, by mail, fax or e-mail not less than two weeks prior to the meeting.

Section 5 - Quorum: The members present at any properly announced meeting shall constitute a quorum.

Section 6 - Voting: All issues to be voted on shall be decided by a simple majority of those present at the meeting in which the vote takes place.

ARTICLE IV - BOARD OF DIRECTORS

- Section 1 - Board role, size, and compensation: The board is responsible for overall policy and direction of the association, and delegates responsibility of day-to-day operations to the officers, staff and committees. The board shall have up to ___ but not fewer than ___ directors. The board receives no compensation other than reasonable expenses.
- Section 2 - Terms: All directors shall serve ___ year terms, but are eligible for re-election for an unlimited number of terms. Terms shall be staggered as determined by the board.
- Section 3 - Meetings and notice: The board shall meet at least once during each fiscal year, at an agreed on time and place. An official board meeting requires that each director have written notice by mail, fax or e-mail at least two weeks in advance.
- Section 4 - Board elections: New directors and current directors shall be elected or re-elected by the voting representatives of members at the annual meeting. Directors will be elected by a simple majority of the voting members present at the annual meeting.
- Section 5 - Election procedures: The officers shall be responsible for nominating a slate of prospective directors representing the association's constituency. In addition, any voting member can nominate a candidate to the slate of nominees. All voting members will be eligible to send one representative to vote for each candidate.
- Section 6 - Quorum: A quorum must be attended by at least one-third of the directors currently holding office for business transactions to take place and motions to pass.
- Section 7 - Officers and duties: There shall be up to four officers of the board, consisting of a chair, vice chair, secretary and treasurer. Their duties are as follows:
- The chair shall convene regularly scheduled board meetings and shall preside or arrange for other members of the executive committee to preside at each meeting of the board in the following order: vice-chair, secretary, treasurer.
- The vice-chair shall chair committees on special subjects as designated by the board.
- The secretary shall be responsible for keeping records of board actions, including overseeing the taking of minutes at all board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each director, and assuring that corporate records are maintained.
- The treasurer shall make a report at each board meeting. The treasurer shall chair the finance committee, assist in the preparation of the budget, help develop fundraising activities, and make financial information available to directors and the public.
- The offices of secretary and treasurer may be combined.
- Section 8 - Vacancies: When a vacancy on the board exists mid-term, the secretary must receive nominations for new directors from present directors two weeks in advance of a board meeting. These nominations shall be sent out to directors with the regular meeting announcement, to be voted upon at the next board meeting. These vacancies will be filled only to the end of the particular director's term.
- Section 9 - Resignation, termination, and absences: Resignation from the board must be in writing and received by the secretary. A director shall be terminated from the board due to excess absences as determined by the board. A director may be removed for other reasons by a three-fourths vote of the remaining directors.
- Section 10-Special meetings: Special meetings of the board shall be called upon the request of the chair or one-third of the board. Notices of special meetings shall be sent out by the secretary to each director at least two weeks in advance.

Section 11-Conflicts of Interest: A contract or transaction between the organization and one or more directors or between the organization and any other corporation, partnership, association, or other organization in which one or more directors are directors or officers, or have a financial interest, shall not be void or voidable solely for such reason, or solely because the conflicted or interested director is present at or participates in a the meeting of the board which authorizes the contract or at which the transaction is authorized, or solely because his, her or their votes are counted for that purpose, if: (i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board and the board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors even though the disinterested directors are less than a quorum; or (ii) the contract or transaction is fair as to the organization as of the time that it is authorized, approved, or ratified by the board. Conflicted or interested directors may be counted in determining the presence of a quorum at a meeting of the board which authorizes the contract or transaction. The board may adopt a Conflicts of Interest policy which may be incorporated as an addendum to these Bylaws, in which case the provisions of that policy shall be controlling.

Section 12-Indemnification: The organization shall indemnify any director who is or is threatened to be made a party to any proceeding, including but not limited to any threatened, pending, or completed action whether civil, criminal, administrative, or investigative (other than an action by or in the right of the organization) by reason of the fact that such a person was or is an authorized representative of the organization against expenses (including reasonable attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such director in connection with such action or proceeding if such person acted in good faith and in a manner such director reasonably believed to be in, or not opposed to, the best interests of the organization and, with respect to any criminal proceeding, had no reasonable cause to believe that such director's conduct was unlawful. The organization may advance expenses on behalf of any such director, and may maintain insurance or other fund or account or use any other mechanism or arrangement as security for its indemnification obligations under this section. The indemnification and advancement of expenses provided under this section shall continue as to any person who has ceased to be a director and shall inure to the benefit of heirs, executors, and administrators of any such former director.

ARTICLE V - COMMITTEES

Section 1 - Committee formation: The board may create committees as needed. The chair shall appoint all committee chairs.

Section 2 - Executive committee: The officers shall serve as the members of the Executive Committee. Except for the power to amend the Articles of Incorporation and these Bylaws, the Executive Committee shall have all the powers and authority of the board of directors in the intervals between meetings of the board, and is subject to the direction and control of the full board.

ARTICLE VI - DIRECTOR AND STAFF

Section 1 - Hiring: The board may hire an executive director. The executive director shall have the day-to-day responsibility for the organization, including carrying out the organization's goals and policies. The executive director will attend all board meetings, report on the progress of the organization, answer questions of the directors and carry out the duties described in the job description. The board may designate other duties and hire other staff as necessary to carry out the purposes of the organization.

ARTICLE VII - AMENDMENTS

Section 1 - Amendments: These Bylaws may be amended when necessary by two-thirds majority of the board. Proposed amendments must be submitted to the secretary and sent out with regular board announcements.

CERTIFICATION

These Bylaws were approved at a meeting of the board of directors by a two-thirds majority vote on _____, 200_.

Date: _____, 200_

Secretary