

**ARTICLES OF INCORPORATION  
OF  
BLACKDUCK DEVELOPMENT CORPORATION**

We, the undersigned, for the purpose of forming a corporation under and pursuant to the provisions of Chapter 317, as amended, of the Laws of the State of Minnesota, known as the Minnesota Nonprofit Corporation Act, do hereby associate ourselves together as a body corporate and adopt the following Articles of Incorporation:

**ARTICLE I**

The name of this corporation shall be BLACKDUCK DEVELOPMENT CORPORATION.

**ARTICLE II**

The purpose of this corporation is exclusively for the civic betterment and development of the City of Blackduck for benevolent purposes; and in connection therewith the corporation shall have the power to lease, purchase and own land and buildings and other property which may be advisable and necessary to encourage and promote development and industries, commercial and other types of business in Blackduck, Minnesota, and the surrounding territory so as to give employment; and further to manage such property and care for same and to lease, rent and sell the same in connection with the operation of its business; to subscribe for, buy, acquire in any manner, trade in and for, sell, mortgage, pledge, own, transfer, deal in and with and dispose of the shares, bonds, securities, and other evidence of indebtedness of any other firm or corporation; and to borrow money for any of the purposes of this corporation and to issue bonds, debentures, notes and other obligations therefor, either with or without security;

the corporation shall have power and authority to do such acts and things as may be necessary and advisable in connection with the affairs and purposes for which the corporation is organized.

### **ARTICLE III**

This corporation shall not afford pecuniary gain, incidentally or otherwise, to its members or directors, and no part of the corporation's net earnings shall ensue to the benefit of any member or director.

### **ARTICLE IV**

The period of duration of this corporation shall be perpetual.

### **ARTICLE V**

The registered office of this corporation shall be in the City of Blackduck, Beltrami County, Minnesota.

### **ARTICLE VI**

Any person interested in the objectives and purposes of this corporation may become a member of the corporation by paying a membership fee as set by the corporation. There shall be no limit to the number of members, and each member shall have one vote in the affairs of the corporation.

### **ARTICLE VII**

The names and addresses of the incorporators of this corporation are:

|                                     |                                |
|-------------------------------------|--------------------------------|
| A.L. Gerner, Blackduck, MN          | Orin J. Wolden, Blackduck, MN  |
| Fred Magnuson, Blackduck, MN        | H.A. Palmer, Blackduck, MN     |
| Luther C. Montgomery, Blackduck, MN | Herman Gregg, Blackduck, MN    |
| Clarence Gulseth, Blackduck, MN     | Herbert J. Lien, Blackduck, MN |
| O.E. Jamtaas, Blackduck, MN         | W.L. Oberg, Blackduck, MN      |

**ARTICLE VIII**

The number of directors constituting the first Board of Directors of this corporation shall be ten (10), and they shall serve until the first annual meeting of the corporation, or until their successors are elected and qualified. Thereafter, the Board of Directors shall consist of not less than five nor more than twelve members who shall be elected for terms of three (3) years, provided at the first annual meeting of the corporation, one-third of the Board of Directors shall be elected for terms of three (3) years, provided at the first annual meeting of the corporation, one-third of the Board of Directors shall be elected for one-year terms, one-third for two-year terms, and one-third for three-year terms, so that one-third of the directors may be elected each year. The name and address of each such director is:

- |                                 |                                     |
|---------------------------------|-------------------------------------|
| A.L. Gerner, Blackduck, MN      | Orin J. Wolden, Blackduck, MN       |
| Fred Magnuson, Blackduck, MN    | Luther C. Montgomery, Blackduck, MN |
| Clarence Gulseth, Blackduck, MN | O.E. Jamtaas, Blackduck, MN         |
| H.A. Palmer, Blackduck, MN      | Herman Gregg, Blackduck, MN         |
| Herbert J. Lien, Blackduck, MN  | W.L. Oberg, Blackduck, MN           |

**ARTICLE IX**

Members of this corporation shall have no personal liability for corporate obligations.

**ARTICLE X**

This corporation shall have no capital stock.

IN TESTIMONY WHEREOF, we have hereunto set our hands this \_\_\_\_\_  
day of \_\_\_\_\_, 1998.

**BY-LAWS  
OF  
BLACKDUCK DEVELOPMENT CORPORATION**

**MEMBERS**

SECTION 1. Any person interested in the objectives and purposes of this corporation may become a member of the corporation by paying a membership fee as set by the corporation. There shall be no limit to the number of members, and each member shall have one vote in the affairs of the corporation.

SECTION 2. Place of Meeting. Meetings of the members shall be held at the registered office of the corporation or at such other place within or without the State of Minnesota as may be designated by the corporation from time to time, or by written consent of a majority of the members entitled to vote thereat.

SECTION 3. Annual Meeting. The annual meeting of the members shall be held on the third Tuesday of January each year at a time to be set by the Board of Directors. At each annual meeting the members shall elect directors and transact such other business as may properly come before it, provided, however, that no business in respect to which special notice is required by law shall be transacted unless such notice shall have been given. It shall not be necessary to give notice of the annual meeting of the members.

SECTION 4. Special Meetings. Special meetings of the members may be called for any purpose or purposes at any time by the Board of Directors or ten percent (10%), but not less than 5, of the voting members. Upon receipt by the President or Secretary from any person or persons entitled to call a special meeting of the members, of a written request that such a meeting be called, stating the purpose thereof, the officer receiving such request shall cause such meeting to be called by giving notice thereof in the manner hereinafter provided. The officer receiving such request shall fix the time of such meeting, which shall be not less than fifteen (15) nor more than sixty (60) days after the receipt of such request. The required notice for calling a special meeting of the members shall be by mailing notice to each member by first class mail, or by publishing such notice once in the Blackduck American.

SECTION 5. Adjournments. If any meeting of the members be adjourned to another time or place, no notice as to such adjournment of the meeting need be given other than by announcement at the meeting at which such adjournment is taken.

SECTION 6. Notices of Meetings. Notice of each special meeting of the members shall be given in the manner herein provided, and such notice shall state the time, place and purpose of such meeting. In lieu of published notice, if the Directors should so decide, written notice may be mailed to each member at his last known address as shown by the books of the corporation, not less than five (5) days nor more than thirty (30) days before such meeting.

SECTION 7. Quorum. The presence in person of five percent (5%) of the members entitled to vote at any meeting, but not less than five persons, shall constitute a quorum for the transaction of business. In the absence of such a quorum, any meeting may be adjourned from time to time. The members present at a duly called or held meeting, at which a quorum is present, may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum.

## DIRECTORS

SECTION 8. Number-Qualifications. The business of the corporation shall be managed by a Board of Directors made up of not less than five nor more than twelve directors who shall be elected in the manner provided in the Articles of Incorporation. All directors must be members of the corporation.

SECTION 9. Term. The term of the directors of this corporation shall be as provided in the Articles of Incorporation.

SECTION 10. Disqualification. Any director of the corporation may be disqualified from his/her position by a unanimous vote of the remaining directors or a majority of the members present at a duly called special meeting.

SECTION 11. Vacancies. In the event of the death or disqualification of a director, his successor shall be appointed by the remaining members of the Board, and each person so appointed shall serve in that capacity until his successor is elected by the members at their next annual meeting or at any special meeting called for that purpose.

SECTION 12. Place of Meeting. Meetings of the Board of Directors shall be held at the registered office of the corporation or at such other place within or without the State of Minnesota as a majority of the members of the Board may from time to time determine.

SECTION 13. Annual Meeting. The annual meeting of the Board of Directors shall be held on the third Tuesday of January of each year immediately following the adjournment of the annual meeting of the members; at this meeting the Board shall elect the officers of the corporation and shall transact such other business as may properly come before the meeting.

SECTION 14. Special Meetings. Special meetings of the Board of Directors may be called for any purpose or purposes at any time by any three (3) of the directors. Upon receipt by the President or Secretary from any person or persons entitled to call a special meeting of the Directors, of a written request that such a meeting be called, stating the purpose thereof, the officer receiving such written request shall cause such meeting to be called by giving oral or written notice thereof to each director. The officer receiving such

written request shall fix the time of such meeting, which shall be not less than two (2) nor more than ten (10) days after the receipt of such written request.

SECTION 15. Notice of Special Meetings-Waiver. Not less than two (2) days notice shall be given to each Director of the time and place of each special meeting of the Board, but any director may, in writing, either before or after the meeting, waive notice thereof; and a director by his attendance at and participation in any meeting, shall be deemed to have waived notice thereof.

SECTION 16. Quorum. The general membership of the corporation shall be encouraged but not required to participate in the direction of corporation business. As such, a quorum for the transaction of business may be composed of members and directors. The presence in person of five percent (5%) of the membership, but not less than 5, including a minimum of three (3) directors, shall constitute a quorum. The acts of a majority of those present shall stand as the acts of the corporation.

SECTION 17. Action in Writing. Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting if done in writing signed by all of the directors.

SECTION 18. Compensation of Directors. All directors of this corporation shall serve without compensation. Nothing herein shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

SECTION 19. Indemnification of Directors and Officers. Each director and officer of the corporation, whether or not then in office, shall be indemnified by the corporation against reasonable costs and expenses (including counsel fees) incurred by him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a director or officer of the corporation, except in relation to matters as to which he shall finally be adjudged in such action, suit, or proceeding to have been derelict in the performance of his duties as such director or officer; and the foregoing right of indemnification shall not be exclusive of other rights to which he shall be entitled as a matter of law.

SECTION 20. Duties of Directors. The Board of Directors shall have the duty of managing the business and affairs of the corporation, and such other duties as may be prescribed by the laws of the State of Minnesota for non-profit corporations. In this connection, the Board of Directors shall have power and authority to do all lawful acts necessary and expedient in the conduct of the business of this corporation, that are not explicitly conferred upon the members by these by-laws, the Articles of Incorporation, or by the laws of the State of Minnesota.

## OFFICERS

SECTION 21. Election-Term-Qualification. The Board of Directors at its first meeting shall elect from its own number, a president, a vice-president, a secretary, and a treasurer, who shall hold office until the first annual meeting of the corporation, or until their successors are elected and qualified. Thereafter, the term of office of all officers shall be one (1) year, and they shall be elected by the Board of Directors from its own number.

SECTION 22. Other Officers. The Board of Directors may appoint such other officers and agents from time to time as it shall deem necessary, who shall hold their offices for such time and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 23. Duties. The officers of the corporation shall have such authority and perform such duties as is hereinafter set forth:

- A. President. The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the members and directors; he shall have general active management of the business of the corporation, and see that all orders and resolutions of the Board are carried into effect.
- B. Vice-President. The vice-president shall in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties as the Board of Directors shall prescribe.
- C. Secretary. The secretary shall attend all sessions of the Board of Directors and all meetings of the members and record all votes and minutes of all proceedings in a book kept for that purpose. He shall give, or cause to be given, notice of all meetings of the members and of the board of Directors, when notice is required, and shall perform such other duties as may be prescribed by the Board of Directors.
- D. Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of the receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation, in such depositories as may be designated by the board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board, taking the proper vouchers for such disbursements, and shall render to the president and directors at the regular meetings of the Board, or whenever they may require, an account of all of his transactions as treasurer and the financial condition of the corporation. If the Board of Directors shall require it, he shall give the corporation bond in such amount as the board may determine, and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and for the restoration to the

corporation, in case of his death, resignation, or retirement or removal from office, of all books, papers, vouchers, money and other property, of whatever kind in his possession or under his control, belonging to the corporation.

SECTION 24. Vacancies. If the office of any officer becomes vacant by reason of death, disability, or other disqualification, the directors may choose a successor or successors who shall hold office for the unexpired term in respect of which such vacancy occurred.

SECTION 25. Salaries. The salaries of all officers of the corporation shall be fixed by the Board of Directors. In the absence of any provision for officers salaries in accordance herewith then such officers shall serve without compensation.

SECTION 26. Corporate Seal. This corporation shall have no corporate seal.

SECTION 27. Membership. Membership in this corporation is not transferable.

SECTION 28. Amendments. The Board of Directors shall have authority to make or alter the by-laws of the corporation, subject to the power of the members to change or repeal the same; provided, however, that the Board of Directors shall not make or alter any by-laws fixing the number, qualifications, classifications or term of office of directors. The by-laws may be changed or amended at any annual or special meeting of the Board.

SECTION 29. Dissolution or Liquidation. Upon dissolution or liquidation of this corporation, all of its assets remaining after payment of all of its obligations shall belong to and be the property of the Village of Blackduck, a Municipal Corporation of Beltrami County, Minnesota, and shall be transferred to it for its general corporation purposes.

The foregoing by-laws, as amended, were approved and adopted by the Board of Directors of the Blackduck Development Corporation at a special meeting on the \_\_\_\_\_ day of \_\_\_\_\_, 19xx.

BLACKDUCK DEVELOPMENT CORPORATION

By \_\_\_\_\_

Attest: \_\_\_\_\_  
Secretary