

Minnesota Agrarian Commons

BYLAWS

Table of Contents

ARTICLE 1: NAME AND PURPOSE	3
ARTICLE 2: MEMBERSHIP	3
Section 1: Classes of Members	3
Section 2: Members are Non-Voting and Advisory Only	3
Section 3: Dues	4
Section 4: Manner of Acting	4
Section 5: Membership Meetings	4
ARTICLE 3: BOARD OF DIRECTORS	5
Section 1: Number	5
Section 2: Qualification	6
Section 3: Composition	6
Section 4: Compensation	6
Section 5: Nomination of Directors	6
Section 6: Election of Directors	8
Section 7: Vacancies	8
Section 8: Terms of Directors	9
Section 9: Resignation	9
Section 10: Removal of Directors	9
Section 11: Duties of the Board of Directors	10
Section 12: Powers of the Board of Directors	12
Section 13: Limitation on the Powers of the Board of Directors	12
ARTICLE 4: BOARD of DIRECTORS MEETINGS	13
Section 1: Annual and Regular Meetings	13
Section 2: Notice of Meetings and Waiver of Notice	13
Section 3: Participation by Telephone	13
Section 4: Special Meetings and Emergency Meetings	14
Section 5: Quorum	14
Section 6: Decision-Making	14

Section 7: Actions by Unanimous Consent in Lieu of Meeting	14
ARTICLE 5: OFFICERS	15
Section 1: Designation	15
Section 2: Election	15
Section 3: Tenure	15
Section 4: Removal from Office	15
Section 5: Duties of the President	15
Section 6: Duties of the Vice President	16
Section 7: Duties of the Secretary	16
Section 8: Duties of the Treasurer	16
ARTICLE 6: MAINTENANCE OF LAND	17
Section 1: Encumbrance of Land	17
Section 2: Transferring Land	17
ARTICLE 7: AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS	18
ARTICLE 8: DISSOLUTION	19
ARTICLE 9: MISCELLANEOUS PROVISIONS	19

ARTICLE 1: NAME AND PURPOSE

- A. **Name.** The name of this organization shall be Minnesota Agrarian Commons, hereinafter referred to as the “Commons.”
- B. **Purpose.** The purpose of the Commons shall be to own and preserve ecologically significant agricultural land and agrarian community real estate and property assets (hereinafter “Agricultural Land” or “Land”) as a title holding corporation exempt from federal income tax under IRC 501(c)(2). All income collected from the leasing and rental of such Agricultural Land, sale of any infrastructure owned by the Commons on such Land, and all other funds collected by the Commons, less expenses, shall be turned over to Agrarian Land Trust (EIN# 47-5508054), an organization qualifying as exempt under IRC 501(c)(3).

ARTICLE 2: ADVISORY MEMBERSHIP

Section 1: Members Are Non-Voting and Advisory Only

The Articles provide that the Corporation has Advisory Members, which are not Members as defined by Minnesota Statutes Chapter 317A, as amended, supplemented or replaced.

The intention of Advisory Membership is to provide a voice to lessees, farm workers, Commons supporters, and the larger community in the actions and activities of the Commons, while maximizing inclusivity and transparency. Advisory Members may advise the Commons as to matters brought to them for advice by the Commons and pertaining to their categories of membership, but do not have voting rights in the Commons and shall not be considered Members of the Corporation within the meaning of Minnesota Statutes Chapter 317A for any purpose.

Section 2: Categories of Advisory Members

The Commons shall have the following categories of Advisory Members (hereafter “Members”):

- a. Lessee Members, who shall all be persons or other entities, and the employees of such entities, who lease Agricultural Land from the Commons.
- b. Community Members, who shall be any non-leasing person who is a resident of Minnesota, who is committed to actively furthering the purposes of Agrarian Land

Trust and the Commons, and who has been accepted as a member by the Commons following a letter of interest submitted by the individual pursuing membership.

- c. General/Support Members who shall be any non-leasing and non-resident who is committed, experienced, and aligned with the purposes of Agrarian Land Trust and the Commons, in ways which may include, but are not limited to providing legal, accounting, fundraising, marketing, donation, investment, and education support, and who has been accepted as a member by the Commons following a letter of interest, submitted by the individual pursuing membership, and accompanied by payment of dues for a general/support membership (or financial contribution to the Commons if no general/support membership dues schedule has yet been approved by the Board of Directors).
- d. Additional categories of members, the manner of election or appointment of each category of members, and the qualifications and rights of each categories of members may be established by amendment to these Bylaws, so long as such amendments are not inconsistent with the Minnesota Nonprofit Corporation Act, or the Commons' Articles of Incorporation, as amended.

Section 3: Dues

The Board of Directors may require dues to be paid by Members of the Commons. The dues need not be equal for each category of members. The decision to require dues and the initial amount of dues must be approved by the Board of Directors and, in the case of Lessee Member membership dues, Lessee Members should be consulted before the Board of Directors approves the dues schedule.

Section 4: Manner of Acting

The Board of Directors is obligated to seek advice from the Lessee Advisory Members with regard to a) selection of Lessee Board Director Representatives (Article 3, Section 3); and b) Lessee Membership dues schedule. The Board of Directors may seek advice from individual Members, a specific category of Members, or the Membership as a whole with regard to any other matter. Advisory Members consulted shall make every effort to reach consensus on those matters referred to them by the Board of Directors.

Section 5: Membership Meetings

- A. **Annual Meetings.** The Members are expected to meet annually, during the fourth quarter of each year, to discuss, among other things, reports to the Membership by the Board of Directors and Officers, the assessment of dues, and other business as

determined by the Board of Directors or suggested by the Members. The location and specific time of the Annual Meeting of the Membership shall be determined by the Board of Directors.

- B. **Notice of Meetings.** Written or email notice of every Membership Meeting shall be given to all members in an accessible format and shall include an agenda for the meeting. Notice will be mailed at least seven days prior to a Membership Meeting, and/or notice may be given through additional, alternate communication forms if those forms are more accessible for members. If mailed, the notice shall be deemed delivered when deposited in the United States mail addressed to the member at their address as it appears on the records of the Commons with postage thereon prepaid.
- C. **Regular Meetings.** A regular meeting is any Membership Meeting other than the Annual Meeting of the Membership or any special or emergency meetings. Regular meetings may be scheduled by the Membership at such times and places as they shall establish at the Annual Meeting.
- D. **Participation by Telephone.** Members may participate in a meeting of Members by means of a conference telephone or similar communication equipment provided all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.
- E. **Open Meetings.** The Board of Directors may authorize the attendance of any guests at a Membership Meeting, but only Members may verbally participate.
- F. **Minutes.** Minutes of all Membership Meetings will be recorded by the Secretary of the Commons or by another person designated by the Board of Directors. Minutes for every meeting shall be approved by voice affirmation of the membership at the next Membership Meeting. The Secretary will share all minutes after each meeting with all members.

ARTICLE 3: BOARD OF DIRECTORS

Section 1: Number

The Agrarian Commons Board of Directors ("Board") will have no less than six (6) and no more than eighteen (18) Directors, as designated by resolution of the Board from time to time.

Section 2: Qualification

Directors shall be individuals who have reached the age of majority and shall have such other qualifications as the Board of Directors may prescribe by resolution or amendment of these Bylaws.

Section 3: Composition

Two-thirds ($\frac{2}{3}$) of the total Board shall be designated by Agrarian Land Trust and one-third ($\frac{1}{3}$) of the total Board shall be elected by the Board. Agrarian Land Trust and the Board shall select Directors from within the Members of the Commons, at such time as there are Members of the Commons and Lessee Members of the Commons, so that at least one third ($\frac{1}{3}$) of the total Board is composed of lessee Members, a majority of the total Board is composed of Community Members or Lessee Members of the Commons, and no more two (2) of the total Board are General/Support Members. In addition, Agrarian Land Trust shall ensure that at least two (2) Directors are also Agrarian Land Trust Directors. The Board shall prioritize community stakeholders and racial and economic diversity in alignment with Agrarian Trust's Statement on Racial and Economic Equity.

Section 4: Compensation

Directors shall not receive compensation for their services as such, although the reasonable expenses for attendance at meetings of the Board of Directors or otherwise directly incident to their duties as Directors may be paid or reimbursed by the Commons. Directors shall not be disqualified from receiving reasonable compensation for services rendered to or for the benefit of the Commons in any other capacity.

Section 5: Nomination of Directors

Prior to each Annual Board Meeting, a Nominating Committee of the Board shall establish how many Directors will need to be elected to the Board, after consideration of vacancies, the number of Directors to be appointed by Agrarian Land Trust, Board composition requirements, and objectives of diverse constituencies. Any Board Member can nominate a candidate to the slate of nominees.

For all regular elections, Member Representative Directors shall be nominated as follows:

a. Lessee Member Representatives.

- i. Any Directors may nominate Lessee Member Representatives to the Board. These nominations must either be submitted in writing to the Secretary of the Commons at least ten (10) days prior to the Annual Meeting of the Board, or be made from the floor at such a Meeting. The Secretary of the Commons or staff of the Commons is responsible for soliciting nominations from the Board of Directors at least twenty (20) days prior to the Annual Meeting of the Board.
- ii. In making such nominations, the Board shall select actual Lessees to the extent that they are available to serve on the Board of Directors. Otherwise the Board shall select representation by a proxy who can reasonably be expected to represent the typical interests and concerns of Lessees.

b. Community Member Representatives.

- i. Any Directors may nominate Community Member Representatives to the Board. These nominations must either be submitted in writing to the Secretary of the Commons at least ten (10) days prior to the Annual Meeting of the Board, or be made from the floor at the Annual Meeting of the Board. The Secretary of the Commons or staff of the Commons is responsible for soliciting nominations from the Board of Directors at least twenty (20) days prior to the Annual Meeting of the Board.
- ii. If the number of nominations for Community Member Representative is less than the number of Community Member Representative seats to be filled, the Board of Directors shall nominate enough candidates so that the total number of candidates is sufficient to fill the number of seats to be filled.

c. General/Support Member Representatives

- i. All Directors may nominate General/Support Member Representatives to the Board. These nominations must either be submitted in writing to the Secretary of the Commons at least ten (10) days prior to the Annual Meeting of the Board, or be made from the floor at the Annual Meeting of the Board. The Secretary of the Commons or staff of the Commons is responsible for soliciting nominations from the Board of Directors at least twenty (20) days prior to the Annual Meeting of the Board.
- ii. If the number of nominations for General/Support Representatives is less than two (2) nominees, the maximum allowable on the Board, the Board of Directors may nominate additional candidates to fill General/Support Member seats, or choose Community Member Representatives instead.

d. Notice of Nominations. A list of all persons nominated in all three of the Member Representative categories, together with a listing of the Directors to be appointed by Agrarian Land Trust, shall be included with the notice of the Board Meeting where elections will occur.

Section 6: Election of Directors

Directors shall be elected by the Directors present and voting at the Annual Meeting of the Board, a quorum being assembled, in accordance with the following procedures and specific to the one-third ($\frac{1}{3}$) composition, as defined in Section 3.

- a. A separate vote shall be taken for each of the three categories of elected Board Member Representatives. A non-officer shall collect the votes using secret ballot procedures if in-person and ensuring anonymity if voting takes place online.

A Board Nominating Committee shall be responsible for nominating a slate of prospective Directors representing the Commons' diverse constituency. In addition, any Board Member can nominate a candidate to the slate of nominees. In each of the three categories, positions shall be filled by those candidates receiving the largest numbers of votes in the category even if such numbers constitute less than a majority of the total votes cast in the category.

Section 7: Vacancies

- A. If any elected Director vacates their term or is removed from the Board, the remaining Directors (they may constitute less than a quorum) may elect a person to fill the vacancy from the same class as the vacating Director, or may, by unanimous agreement, decide to leave the position vacant until the next Board Meeting, except as provided in Section 7(d) of this Article.
- B. Any person elected to fill a vacancy on the Board of Directors must be one who can be reasonably expected to represent the interests of the constituents and Agrarian Land Trust mission of diversity in the category (Lessee, Community, or General/Support) in which the vacancy occurs.
- C. Replacement Directors elected by the Board shall serve out the remaining term of the person who has vacated the position.
- D. If any Director designated by Agrarian Land Trust vacates their term or is removed from the Board, the Board of Agrarian Land Trust shall, within thirty days from the date on which they shall have vacated that office, appoint a replacement representative to fill the vacancy.

Section 8: Terms of Directors

- A. **Terms of First Directors.** After the election of Directors, each elected and designated Directors shall be assigned, by mutual agreement or by lot, to a three-year or four-year term. Roughly half of the Directors shall be assigned a three-year term and the other half shall be assigned a four-year term.
- B. **Terms of Successor Directors.** Except as otherwise provided in these bylaws, each Director shall serve a full term of three years.
- C. **Re-election.** No elected Board Member Representative shall serve as a Director for more than three consecutive elected terms, unless extended on a case-by-case basis by the Board of Directors. After a year's absence from the Board, however, a person who has served three consecutive terms may return to the Board, if re-elected, and may serve up to three additional consecutive elected terms.

Section 9: Resignation

- A. Any Director may resign at any time by giving written notice to the President, or in the case of the President's resignation, by written notice to the Vice President. Unless otherwise specified, such resignation shall be effective upon the receipt of notice by the President.
- B. A Director shall be considered to have given notice of resignation and his, her, or their position shall be declared vacant by the Board of Directors if he, she, or they fails to attend three regular meetings of the Board in a calendar year, with the exception of emergency meetings, unless good cause for absence and continuing interest in participation on the Board are recognized by the Board.

Section 10: Removal of Directors

An elected Director may be removed with or without cause by a majority of the Board of Directors. An Agrarian Land Trust Representative may be removed with or without cause by either the Board of Directors or by the Board of Agrarian Land Trust.

Section 11: Duties of the Board of Directors

The business and affairs of the Commons shall be conducted under the direction of, and the control and disposal of the Common's properties and funds shall be vested in, its Board of Directors, except as otherwise provided in the Minnesota Nonprofit Corporation Act or the Commons' Articles of Incorporation. Agrarian Land Trust Representatives may provide support, under the direction of the Board of Directors and in consultation with the Members, to ensure Board responsibilities are completed. In carrying out its duties, the Board shall:

- a. Approve a written Annual Report to the Membership, and make this report available to all members. This report shall include a summary of the Commons' activities during the previous year, the Commons' most recent financial reports, and a list of all real estate held by the Commons. This report shall be provided to Agrarian Land Trust as requested and at least annually.
- b. Adopt an annual operating budget prior to the beginning of each fiscal year and act upon requested expenditures not included in the budget.
- c. Communicate and report to Agrarian Land Trust quarterly, or as needed, an up-to-date Commons Agricultural Land file, which may include deeds, surveys, leases, conservation easements, farm practice certifications and/or farm or ranch management plans, forest management plans, soil quality tests, Minnesota Corporate Farm Law annual reports, and more as requested or as needed for management of Agrarian Commons.
- d. Carry out data collection, assessments, evaluation, and related activities to support soil and ecosystem regeneration and carbon sequestration capacity, as necessary to conserve and maintain the property held by the Commons.
- e. Select all Officers of the Commons.
- f. Supervise the activities of all Officers, agents, and committees of the Commons in the performance of their assigned duties and investigate any possible conflicts of interest within the Commons.
- g. Hire, supervise, and evaluate employees, and adopt and implement personnel policies pertaining to such activities.
- h. Provide for the deposit of funds in accordance with these Bylaws.

- i. Determine by whom and in what manner deeds, leases, contracts, checks, drafts, endorsements, notes and other instruments shall be signed on behalf of the Commons. (*see NOTE at end of document for further context under MN law)
- j. Acquire such parcels of land, with or without buildings and other improvements, through donation, purchase, transfer from Agrarian Land Trust, or otherwise, as the Board shall determine that it is useful and prudent to acquire in furtherance of the purposes of the Commons.
- k. Collaboratively decide how to steward and nourish land, ecology, and community including supporting soil regeneration, carbon sequestration, ecosystem diversification, and food production, as necessary to conserve and maintain the property held by the Commons.
- l. Convey the right to use Agricultural Land, through leases or other limited conveyances, in accordance with these Bylaws, Good Faith Agreement, the Minnesota Corporate Farm Law, and with the primary goal of racial and economic equity, secure and affordable tenure based on agricultural enterprise viability, and lease tenure equity buildings mechanisms.
- m. Convey ownership of housing, agricultural buildings, and other improvements on the Common's Agricultural Land to qualified lessees, as possible, through a ground lease, consistent with Minnesota law.*
- n. Convey residential and/or agricultural housing, buildings, and other improvements on the Common's Agricultural Land to qualified renters or buyers, aligned with and connected to leaseholder agriculture and agrarian enterprises, consistent with Minnesota law.
- o. Exercise, as appropriate, the Common's option to repurchase (or arrange for the resale of) improvements on the Common's Agricultural Land.
- p. Assure the sound management of the Common's finances to invest and steward soil and ecosystem health and farm viability, and in accordance with the Good Faith Agreement and federal and state regulations.
- q. Ensure that all income collected from holding title to Agricultural Land, less expenses, is turned over to Agrarian Land Trust, in accordance with IRC regulations.
- r. Own Agricultural Land as a Commons, keeping land outside of market transfers and mortgage debt, consistent with Minnesota law. Specifically, the Commons is

prohibited from selling Commons land and restricted from acquiring mortgage-based debt.

- s. Ensure compliance with the Minnesota Corporate Farm Law.
- t. Prudently delegate the performance of these duties to agents or staff.
- u. Ensure communication with, and accountability to, larger community.

Section 12: Powers of the Board of Directors

In addition to the power to carry out the duties enumerated above, the Board of Directors shall have the power to:

- a. Appoint and discharge advisors and consultants.
- b. Create such committees as are necessary or desirable to further the purposes of the Commons. Any member of the Commons may be appointed to any committee and a committee must include at least two (2) or more Directors. No committee may take action on behalf of the Commons except as authorized by the Board of Directors. The provisions of these Bylaws shall apply to committees and members thereof to the same extent they apply to the Board of Directors and Directors, including, without limitation, the provisions with respect to meetings and notice thereof, absent members, written actions and valid acts. Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors.
- c. Call special meetings of the membership.
- d. Approve the borrowing, lending, and investing of money as necessary to further the purposes of the Commons.
- e. Exercise all other powers necessary to conduct the affairs and further the purposes of the Commons in accordance with the Articles of Incorporation, these Bylaws and Minnesota Statutes Chapter 317A.

Section 13: Limitation on the Powers of the Board of Directors

An action taken by the Board on any motion for the sale of land, the amendment of the Articles of Incorporation or these Bylaws, the establishment or alteration of the “resale formula,” or the dissolution of the Commons, shall not become effective unless and until such action is approved by the Board of Agrarian Land Trust.

ARTICLE 4: BOARD OF DIRECTORS MEETINGS

Section 1: Annual and Regular Meetings

The Directors shall meet, without notice, immediately after the annual meeting of the members for the “Annual Meeting of the Board”. Thereafter during the year, the Board shall meet no less often than twice per year, including the Annual Meeting of the Board where election of Directors occurs, and in addition to the Annual Meeting of the Membership, at such times and places as the Board may establish.

Section 2: Notice of Meetings and Waiver of Notice

Except as provided below for emergency meetings, written notice of a Board meeting shall be mailed to all Directors at his, her, or their address shown on the records of the Commons at least [seven days] prior to the meeting, or shall be delivered in person or emailed at least [five days] prior to the meeting. The Board of Directors and membership may establish alternative communication protocols in the event mail or email is not adequate to communicate with the Board of Directors and members. If the notice of a meeting does not include an agenda for the meeting, an agenda shall be provided separately in advance of the meeting.

Any Director may waive any notice required by these Bylaws. Any Director who has not received notice of a Board meeting but has attended that meeting shall be considered to have waived notice of that meeting, unless he, she, or they requests that his, her, or their protest be recorded in the minutes of the meeting.

Section 3: Participation by Telephone or Video Conference

Members of the Board of Directors may participate in a meeting of such Board of Directors by means of a conference telephone or video, or similar communications equipment by which means all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

Section 4: Special Meetings and Emergency Meetings

Special meetings may be called by the President or by any [three] Directors. Notice must be given as provided above, unless any three (3) Directors determine that the matter at hand constitutes an emergency. When so determined, an emergency meeting may be called with 24-hour notice. Notice of emergency meetings, including an announcement of the agenda, shall be given by telephone or in person to all Directors. At any special or emergency meeting of the Board, only those matters included in the announced agenda may be acted upon unless all of the Directors are present at the meeting and unanimously agree to take action on other matters.

Section 5: Quorum

At any meeting of the Board, a quorum shall consist of a majority of the Board of Directors, provided that at least one representative from each of the three categories of representatives is present.

Section 6: Decision-Making

The Board shall attempt to reach unanimous agreement on all decisions, per its Consensus Policy and Procedures. In the event that unanimous agreement cannot be achieved, a decision may be made by a majority of the Directors present and voting, except as otherwise provided in these Bylaws.

Section 7: Actions by Written Consent in Lieu of Meeting

An action required or permitted to be taken at a Board meeting 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. If any written action is taken by less than all of the Directors entitled to vote, all Directors entitled to vote shall be notified immediately of its text and effective date. The failure to provide such notice, however, shall not invalidate such written action. A Director who has not signed or consented to the written action has no liability for the action or actions taken thereby. A written action is effective when it is signed by all of the Directors required to take the action unless a different effective time is provided in the written action. For purposes of this Section, an electronic signature satisfies the requirement of a signature so long as the electronic communication containing the electronic signature sets forth

sufficient information from which the Commons can reasonably conclude that the communication was actually sent by the purported sender.

ARTICLE 5: OFFICERS

Section 1: Designation

The Officers of the Commons shall be: President, Vice President, Secretary, and Treasurer. Any two or more offices may be held by the same person, except the offices of President and Treasurer.

Section 2: Election

The Officers of the Commons shall be elected by a majority vote of the Board, from among themselves, at the Annual Meeting of the Board. Any vacancies occurring in any of these offices shall be filled by the Board for the unexpired term.

Section 3: Tenure

The Officers shall hold office until the next Annual Meeting of the Board after their election, unless, before such time, they resign or are removed from their offices, or unless they resign or are removed from the Board of Directors. Any Officer who ceases to be a member of the Board of Directors shall thereby cease to be an Officer.

Section 4: Removal from Office

The Officers shall serve at the pleasure of the Board of Directors and may be removed from office at any time by an affirmative vote of two thirds of the entire Board of Directors.

Section 5: Duties of the President

The President shall:

- a. Preside at all meetings of the Board of Directors and the membership when able to do so.
- b. Consult with the other Officers and the committees of the Commons regarding the fulfillment of their duties.

- c. Ensure that an agenda is prepared for every meeting of the membership and the Board of Directors.
- d. Call special meetings of the membership or Board of Directors when petitioned to do so in accordance with these Bylaws.
- e. Carry out the duties assigned to the President regarding the removal of a Director.
- f. Perform such other duties as the Board of Directors may assign.

Section 6: Duties of the Vice President

The Vice President shall:

- a. Perform all duties of the President in the event that the President is absent or unable to perform these duties.
- b. Perform those duties assigned to the President regarding the resignation or removal of a Director when the President is disqualified from performing these duties.
- c. Ensure that up-to-date copies of these Bylaws (incorporating any duly approved amendments) are maintained by the Commons; answer all questions from the Board regarding these Bylaws; and ensure that all actions of the membership and Board of Directors comply with these Bylaws.
- d. Ensure that any and all committees established by the Board of Directors are constituted as the Board has directed and meet as necessary and appropriate.
- e. Perform such other duties as the Board of Directors may assign.

Section 7: Duties of the Secretary

The Secretary shall:

- a. Ensure that a list of all members and their mailing and email addresses are maintained by the Commons.
- b. Ensure that proper notice of all meetings of the membership and the Board of Directors is given.
- c. Ensure that motions and votes in meetings of the Board are accurately represented to those present and are accurately recorded in the minutes.
- d. Ensure that minutes of all meetings of the membership and the Board of Directors are recorded and kept on permanent record.
- e. Ensure that all deeds, title papers, leases, and other documents establishing the Common's interest in Agricultural Land and rights in particular matters are systematically and securely maintained.
- f. Perform such other duties as the Board of Directors may assign.

Section 8: Duties of the Treasurer

The Treasurer shall oversee the finances of the Commons. Specifically, the Treasurer shall:

- a. Ensure that the financial records of the Commons are maintained in accordance with sound accounting practices.
- b. Ensure that funds of the Commons are deposited in the name of the Commons in accordance with these Bylaws.
- c. Ensure that all money owed to the Commons is duly collected and that all gifts of money or Agricultural Land to the Commons are duly received.
- d. Ensure the proper disbursement of all income, less expenses, to Agrarian Land Trust.
- e. Ensure that accurate financial reports (including balance sheets and revenue and expense statements) are prepared and presented to the Board every six months of each fiscal year.
- f. Ensure that such reports and returns as may be required by various government agencies are prepared and filed in a timely manner.
- g. Ensure that an annual operating budget is prepared and presented to the Board for its approval prior to the beginning of each fiscal year.

ARTICLE 6: MAINTENANCE OF LAND

Section 1: Encumbrance of Land

The decision to mortgage or otherwise encumber Agricultural Land owned by the Commons shall require the approval of the Board of Directors, the unanimous consent of any parties to whom such land is leased, and allowable by Agrarian Land Trust bylaws, and approved by Agrarian Land Trust Board, and shall not exceed 20% of the equity in land. Any such encumbrance shall be subordinated to any leases relating to such land. Allowable exceptions include: conservation or affirmative easements, Agrarian Land Trust Option and/or Right to Recovery, and other similar and aligned encumbrances that enhance the mission and intent of Agrarian Land Trust and the Commons and comply with Minnesota law.

Section 2: Transferring Land

If Agrarian Commons should dissolve as a corporation for any reason, or cease to engage in carrying out the purposes set forth in its Articles of Incorporation, all of its properties shall be transferred to Agrarian Land Trust, consistent with the Minnesota Corporate Farm Law. Provided, however, that if Agrarian Land Trust has dissolved as a corporation prior to the dissolution of the Commons, or is otherwise not eligible to own or hold the properties under applicable law, such properties shall be transferred to the entity

designated by Agrarian Land Trust which is organized and operated exclusively for charitable purposes, which has established its tax-exempt status under IRC 501(c)(3), consistent with the Minnesota Corporate Farm Law.

Provided further that if such entity has also dissolved or is unable to steward the Common's properties, the Commons shall make every reasonable effort to (in order of priority and as consistent with its tax-exempt status):

- Transfer to the people who have been stewarding the land as an Agrarian Commons, especially if those people are indigenous or people of color.
- Transfer to an indigenous community located near each parcel, regardless of whether such community is federally recognized.
- Transfer to a people of color-led land-based organization.
- Transfer to a land-based organization near the location of each parcel.
- Transfer to a land-based organization that has adequate funding, knowledge, resources, and demonstrated commitment to manage the land as a commons.
- Transfer to a land-based organization that is highly democratic.

Notwithstanding the above, a parcel of land may be sold on the open market when it is not a viable or integral component of agriculture, agrarian, community, and/or ecological health and viability of the whole Commons pursuant to a resolution adopted by an affirmative vote by at least two-thirds ($\frac{2}{3}$) of the entire Board of Directors and with the approval of the Board of Agrarian Land Trust and agreement to waive the Option, Right to Recover, or other similar deed encumbrance rights held by Agrarian Land Trust.

If any of the Common's land is to be sold on the open market, any lessees of the Commons on that land shall have a first right to purchase the land at its current appraised value. Any and all sales are subject to existing leases, and subsequent buyers are bound by existing leases at the time of sale.

Any transfer made pursuant to this section will comply with the Minnesota Corporate Farm Law.

ARTICLE 7: AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS

The Articles of Incorporation may be amended and these Bylaws may be amended or may be repealed and new Bylaws adopted only by:

- a. An affirmative vote by two-thirds ($\frac{2}{3}$) of the entire Board of Directors at any regular or special Board meeting, provided that written or email notice of such meeting has set forth the proposed amendment or replacement, with appropriate explanations thereof; and
- b. Approval by the Board of Agrarian Land Trust;

Provided, however, that the Board of Directors shall amend the Articles of Incorporation or Bylaws if directed by Agrarian Land Trust in order to maintain the Common's recognition as a 501(c)(2) title holding organization.

ARTICLE 8: DISSOLUTION

A decision to dissolve the Commons and to distribute the Common's assets in a particular manner in accordance with the Articles of Incorporation shall require:

- a. An affirmative vote of a resolution that includes a plan of dissolution by a majority of the entire Board of Directors at any regular or special Board meeting, provided that written or email notice of such meeting has included a full description of a proposed plan of dissolution;
- b. Approval by the Board of Agrarian Land Trust.

If the Commons should dissolve for any reason, all of the Agricultural Land, business, assets, and income of the Commons remaining after payment of all debts and liabilities of the Commons shall be distributed in accordance with Article 6, Section 2 above.

ARTICLE 9: MISCELLANEOUS PROVISIONS

- A. **Fiscal Year.** The fiscal year of the Commons shall begin on January 1 of each year, and shall end on December 31 of each year.
- B. **Office.** The principal office of the Commons shall be located at its principal place of business or such other place as the Board of Directors may designate. The Commons may have such other offices, either within or outside the State of Minnesota as the Board of Directors may designate or as the business of the Commons may require from time to time.
- C. **Deposit of Funds.** All funds of the Commons not otherwise employed shall be deposited in such banks, trust companies, or other reliable depositories as the

Board of Directors from time to time may determine, with a preference for credit unions and other cooperative financial institutions.

- D. **Checks, etc.** All checks, drafts, endorsements, notes and evidences of indebtedness of the Commons shall be signed by such Officers or agents of the Commons and in such manner as the Board of Directors from time to time may determine. Endorsements for deposits to the credit of the Commons shall be made in such manner as the Board of Directors from time to time may determine.
- E. **Loans.** No loans or advances shall be contracted on behalf of the Commons, and no note or other evidence of indebtedness shall be issued in its name, except as authorized by the Board of Directors. Any such authorization shall relate to specific transactions.
- F. **Contracts.** Any Officer or agent of the Commons specifically authorized by the Board of Directors may, on behalf of the Commons, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board of Directors. Without the express and specific authorization of the Board of Directors, no Officer or other agent of the Commons may enter into any contract or execute and deliver any instrument in the name of the Commons.
- G. **Indemnification.** Any person (and/or the heirs, executors and administrators of such person) made or threatened to be made a party to any action, suit or proceeding by reason of the fact that he, she, or they is or was a Director or Officer of the Commons shall be indemnified by the Commons against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him, her, or their (or his, her, or their heirs, executors, or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director or Officer is liable for negligence or misconduct in the performance of his, her, or their duties.
- H. **Books and Records.** The Commons shall keep the following records at its registered office or its principal office in the State of Minnesota.
- a. Current copies of its Articles of Incorporation and Bylaws, as amended;
 - b. Correct and adequate records of accounts and finances;
 - c. A record of Officers' and Directors' names and addresses;
 - d. Minutes of the proceedings of its members and Board of Directors, and any minutes that may be maintained by committees having any of the authority of the Board of Directors;
 - e. Copies of such documents as may be required to be made publicly available under the Code, including copies of its application for recognition of tax-exempt status on Form 1024 and copies of its Form 990; and

- f. Such other records as may be necessary or advisable, including but not limited to: property tax invoices and payment, annual monitoring report, building/property/site assessment and plan, conservation easement monitoring reports, and soil and ecosystem data.

Such records may be made available in any manner and by any means permitted under the Act and the Code, as applicable. All books and records of the Commons shall be open at any reasonable time to inspection by any Director.

- I. **Loans to Directors and Officers Prohibited.** No loans or advances shall be made by the Commons to any of its Directors or Officers.
- J. **Taxes, Fees, Insurance, Endowments.** The Commons shall keep current property taxes and fees, maintain insurance on all real estate and assets, and maintain land and building endowment funds. If Agrarian Land Trust is maintaining endowments for the Commons, then the Commons shall fund maintenance of land and buildings with such endowments.
- K. **Applicable Law.** This corporation has been formed under and pursuant to the provisions of Chapter 317A of the Minnesota Statutes. All references in these Bylaws to Chapter 317A shall mean and include such chapter as currently enacted or hereafter amended.

Adopted on: (DATE)

Amended on: (DATE)

Amended on: (DATE)

Amended on: (DATE)

***NOTE:** Under Minnesota law, there is a presumption that the board president can “sign and deliver in the name of the corporation deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the articles or bylaws or by the board to another officer or agent of the corporation.”

And the Treasurer can “deposit money, drafts, and checks in the name of and to the credit of the corporation in the banks and depositories designated by the board;

(3) endorse for deposit notes, checks, and drafts received by the corporation as ordered by the board, making proper vouchers for the deposit;

(4) disburse corporate funds and issue checks and drafts in the name of the corporation, as ordered by the board”