

CHAPTER 304

CORPORATIONS ORGANIZED FOR RECLAIMING TIMBER LANDS

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304.01 ORGANIZATION; GENERAL CORPORATION LAWS TO APPLY.

Any seven or more persons of lawful age, inhabitants of this state and owning not less than 5,000 acres of land, no part of which is distant more than two miles from some other part thereof, who are desirous of developing the land by clearing it, or parts of it, of timber, brush, and stumps and by otherwise preparing the same for agriculture, may form a corporation for that purpose by complying with the conditions hereinafter described.

The general corporation laws of this state shall apply to all such corporations in so far as they are applicable and not inconsistent with the provisions of this chapter.

[1917 c. 502 ss. 1, 17] (7779) (7795)

304.02 CERTIFICATE. These persons shall subscribe and acknowledge a certificate specifying:

(1) The name of the proposed corporation, which shall be in this form: "The Reclamation and Development Association," and the place of its principal office;

(2) That it is organized to clear, grub, and plow and to do all other things necessary to reclaim and put in condition for immediate agricultural use certain described lands now unavailable for such use because of timber and brush thereon;

(3) The names and places of residence of the incorporators, with a statement of the amount of land owned by each in such development project, together with a description thereof;

(4) That the management of the corporation shall be vested in a board of five directors, the date of the annual meeting at which the board shall be elected, and the names and addresses of those composing the board until the first election;

(5) That the indebtedness to which the corporation shall at any time be subject shall not exceed a sum equal to \$7.00 for every acre of land included within such project;

(6) That no capital stock shall ever be issued, but that membership in the corporation shall depend upon ownership of land in the development project; and

(7) It may also contain any other lawful provisions defining and regulating the powers or business of the corporation, its officers, directors and members.

[1917 c. 502 s. 2] (7780)

304.03 FILING AND RECORD OF CERTIFICATE. The certificate of every such corporation shall be filed for record with the secretary of state, who, if he finds that it conforms to law, shall record the same and certify that fact thereon. After such record the certificate shall be filed for record with the register of deeds of each county in which any of the land included in the project shall be located. No fee shall ever be charged for such incorporation.

[1917 c. 502 s. 3] (7781)

304.04 PUBLICATION OF CERTIFICATE. Every such certificate of incorporation shall be published in a qualified newspaper in each of such counties, for two successive days, if in a daily, or for two successive weeks, if in a weekly, newspaper. Upon filing with the secretary of state proof of such publication, its corporate organization shall be complete.

[1917 c. 502 s. 4] (7782)

304.05 GENERAL POWERS. Every corporation formed under the provisions of this chapter shall have power:

- (1) To have succession by its corporate name for the period of 30 years;
- (2) To sue and be sued in any court;
- (3) To have and use a common seal and to alter the same at pleasure.

[1917 c. 502 s. 5] (7783)

304.06 ELECTION OF OFFICERS AND ADOPTION OF BY-LAWS. The board of directors named in the certificate of incorporation shall, as soon after such incorporation has been perfected as it is practicable, elect from its number a president, a secretary, and a treasurer, and shall adopt by-laws, which shall remain effective until and except as amended by the members at any regular or special meeting thereof.

[1917 c. 502 s. 6] (7784)

304.07 REGULATION AS TO VOTING. At every meeting of the members of any such corporation each member shall be entitled to one vote in person, or by proxy made within one year, for each acre of land in the development project owned by him in his individual, corporate, or representative capacity.

[1917 c. 502 s. 7] (7785)

304.08 DUTY OF BOARD; LIMITATION. It shall be the duty of the board of directors to clear, grub, and plow a portion of the land of each member of such corporation included within such project, the portion to be designated by the owner thereof; but in no case shall a greater amount of money be expended upon any piece of land separately owned than is equal to \$7.00 for every acre in such piece of land; and in no case shall more than 25 per cent of any such piece of land separately owned be cleared by the board in the manner herein provided.

[1917 c. 502 s. 8] (7786)

304.09 ISSUE AND REDEMPTION OF BONDS. For the purpose of providing funds for clearing, grubbing, and plowing such parts of the land as may be determined upon and for acquiring the property necessary to accomplish that purpose and for otherwise carrying out the provisions of this chapter, the board of directors of any such corporation must, as soon after its organization as may be practicable and whenever thereafter the construction fund has been exhausted by expenditures herein authorized therefrom, and the board deem it expedient or necessary to raise additional money for such purposes, estimate and determine the amount of money necessary to be raised, and shall immediately thereafter call a special election, at which shall be submitted to the members of such corporation the question whether or not the bonds of the district, in the amount as determined, shall be issued. Notice of such election must be given by mailing a notice thereof to each member in a securely closed, postpaid envelope, addressed to him at his last known place of residence. Such notice must specify the time of holding the election, not less than 20 days after the mailing thereof, the amount of bonds proposed to be issued and the rate of interest proposed to be paid thereon. At such election the ballots shall contain the words "bonds" "yes" and "bonds" "no," or words equivalent thereto. If a majority of the votes cast are "bonds—yes" the board of directors shall cause bonds in said amount to be issued; if the majority of the votes cast at any bond election are "bonds—no" the result of such election shall be so declared and entered of record, and whenever thereafter the board in its judgment deems it for the best interests of the districts that the question of issuance of bonds in such amount, or any amount, shall be submitted to the members, it shall so declare of record in its minutes, and may thereupon submit such questions to the members in the same manner and with like effect as at such previous election. The bonds shall be payable in gold coin of the United States in ten series, as follows: At the expiration of 11 years, five per cent of the whole number of said bonds; at the expiration of 12 years, six per cent; at the expiration of 13 years, seven per cent; at the expiration of 14 years, eight per cent; at the expiration of 15 years, nine per cent; at the expiration of 16 years, ten per cent; at the expiration of 17 years, 11 per cent; at the expiration of 18 years, 13 per cent; at the expiration of 19 years, 15 per cent; at the expiration of 20 years, 16 per cent; and shall bear interest at a rate not exceeding six per cent per annum, payable annually, on the first day of January.

The principal and interest shall be payable at the place designated therein. The bonds shall be each of a denomination of not less than \$100.00, and not more than \$500.00; shall be negotiable in form, signed by the president and secretary, and the

seal of the board of directors shall be affixed thereto. Each issue shall be numbered consecutively as issued, and the bonds of each issue shall be numbered consecutively and bear date as of the time of their issue. Coupons for the interest shall be attached to each bond, signed by the secretary. The bonds shall express on their face that they were issued by authority of this chapter, stating its title and date of approval, and shall also state the number of the issue of which the bonds are a part. The secretary shall keep a record of the bonds sold, their number, the date of sale, the price received, and the name of the purchaser.

[1917 c. 502 s. 9] (7787)

304.10 BONDS; HOW DISPOSED OF. The board of directors may sell the bonds from time to time, in such quantities as may be necessary and most advantageous, to raise money for the purpose of clearing, grubbing, and plowing the lands and otherwise fully to carry out the objects and purposes of this chapter. The board shall never sell such bonds for less than 90 per cent of the face value thereof.

[1917 c. 502 s. 10] (7788)

304.11 ASSESSMENT FOR INTEREST AND PRINCIPAL; HOW MADE. The bonds and the interest thereon shall be paid by revenue derived from an annual assessment upon the real property comprised within such project. Each piece of property separately owned shall be assessed in an amount equal to the fraction of the whole amount then necessary to be raised which the labor performed upon such piece of land is of the whole amount of labor performed upon all the land in the project.

The board of directors shall, each year, levy an assessment sufficient to raise the annual interest on the outstanding bonds, and at the expiration of ten years after the issuing of bonds of any issue must, each year, increase the assessment to an amount sufficient to raise a sum sufficient to pay the principal of the outstanding bonds as they mature. In case of the neglect or refusal of the board of directors to cause such levy to be made as in this chapter provided, any person interested in having such levy made may institute mandamus proceedings in the proper court to compel such levy to be made.

[1917 c. 502 s. 11] (7789)

304.12 ASSESSMENTS; NOTICE AND PAYMENT. On or before the fifteenth day of November, in each year, the secretary shall give notice, in writing, to each member of such corporation, stating the amount assessed against his property, that such assessment is due and payable, the time and place at which payment of assessment may be made, that it will become delinquent at six o'clock p. m., on the last Monday of December next thereafter, and that, unless paid on that date or prior thereto, five per cent will be added to the amount thereof. The treasurer must attend at the time and place specified in the notice to receive assessments, and must keep and deliver to the secretary a complete record of all moneys received, by whom paid, and for what land and must give receipt for all moneys so received.

[1917 c. 502 s. 12] (7790)

304.13 ASSESSMENTS BECOME LIENS. The assessments upon real property and all penalties for delinquencies shall be liens against the property assessed from and after the first day of January for any year next after the same become due and payable, and the lien for the bonds of any issue shall be a preferred lien to that for any subsequent issue and such lien is not removed until the assessments are paid or the property sold for the payment thereof.

[1917 c. 502 s. 13] (7791)

304.14 FORECLOSURE OF LIENS; REDEMPTION. Upon failure to pay any assessment herein provided for when the same shall become due, the board of directors of any such corporation may proceed to enforce such lien in favor of the corporation and the provisions of law applicable to the foreclosure of liens given to those who contribute to the improvement of real estate and the provisions for the redemption for sales made thereunder shall be followed as nearly as possible in the enforcement thereof.

[1917 c. 502 s. 14] (7792)

304.15 WHEN BONDS MAY BE ISSUED. No such corporation shall be entitled to issue bonds except during the first ten years of its existence.

[1917 c. 502 s. 15] (7793)

304.16 DURATION. Every such corporation shall be formed for a period of 30 years, but at the expiration of such period it shall nevertheless continue in exist-

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ence for three years thereafter for the sole purpose of prosecuting and defending actions, closing its affairs, redeeming its bonds, and disposing of its property. If all of the bonds of the corporation and all other obligations thereof have been paid before the expiration of the term of its charter, a majority of the members may vote that it be dissolved; whereupon the board of directors shall cause appropriate actions to be taken to effect such dissolution.

[1917 c. 502 s. 16] (7794)