

## CHAPTER 300

### GENERAL PROVISIONS

300.025 Organization, certificate.  
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#### 300.025 ORGANIZATION, CERTIFICATE.

Any three or more persons may form a corporation for any of the purposes specified in section 47.12 by applying to the department of commerce and complying with all applicable organizational requirements and the conditions hereinafter prescribed; however, no corporation may be formed under this section which might be formed under the Minnesota business corporation act. The incorporators must subscribe and acknowledge a certificate specifying:

(1) The name, the general nature of its business, and the principal place of business. The name must distinguish it from all other corporations, domestic or foreign, authorized to do business in this state and shall contain the word "company," "corporation," "bank," "association," or "incorporated."

(2) The period of its duration, if limited.

(3) The names and places of residence of the incorporators.

(4) In what board its management will be vested, the date of the annual meeting at which it will be elected, and the names and addresses of those composing the board until the first election, a majority of whom shall always be residents of this state.

(5) The amount of capital stock, if any, how it is to be paid in, the number of shares into which it is to be divided, and the par value of each share, and, if there is to be more than one class, a description and the terms of issue of each and the method of voting thereon.

(6) The highest amount of indebtedness or liability to which the corporation will at any time be subject.

It may contain any other lawful provision defining and regulating the powers and business of the corporation, its officers, directors, trustees, members, and stockholders. However, corporations subject to provisions of sections 48.27 and 51A.22, subdivision 2, may show their highest amount of indebtedness to be 30 times the amount of its capital and actual surplus.

**History:** 1983 c 250 s 30

#### 300.083 INDEMNIFICATION.

*[For text of subds 1 to 5, see M.S.1982]*

Subd. 6. **Determination of eligibility.** (a) All determinations whether indemnification of a person is required because the criteria set forth in subdivision 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 shall be made:

(1) By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;

(2) If a quorum under clause (1) cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;

(3) If a determination is not made under clause (1) or (2), by special legal counsel, selected either by a majority of the board or a committee by vote pursuant to clause (1) or (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;

(4) If a determination is not made under clauses (1) to (3), by the shareholders, excluding the votes of shares held by parties to the proceeding; or

(5) If an adverse determination is made under clauses (1) to (4), or if no determination is made under clauses (1) to (4) within 60 days after the termination of a proceeding or after a request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

(b) With respect to a person who is not, and was not at the time of the acts or omissions complained of in the proceedings, a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria set forth in subdivision 2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.

*[For text of subs 7 to 9, see M.S.1982]*

**History:** 1983 c 368 s 1

### **300.115 MORTGAGES AND DEEDS OF TRUST OF PIPELINE COMPANIES, FILING AND RECORDING.**

Subdivision 1. A mortgage or deed of trust to secure a debt executed by a pipeline company engaged in the business of transporting oil, gas, petroleum products, or other commodities that may be transported by pipeline other than a "public utility" as defined in Minnesota Statutes 1982, section 300.111 covering the whole or any part of its easements or other less than fee simple interests in real estate used in the transportation or distribution of oil, gas, petroleum products, or other commodities that may be transported by pipeline, and also covering the fixtures of the pipeline company which are annexed to the pipeline, may be filed in the office of the secretary of state along with or as a part of the financing statement covering the fixtures. The filing of the mortgage or deed of trust shall

have the same effect, and shall be notice of the rights and interests of the mortgagee or trustee in the easements and other less than fee simple interests in real estate to the same extent as if the mortgage or deed of trust were duly recorded in the office of the county recorder, or duly registered in the office of the registrar of titles of the county or counties in which the real estate is situated. The mortgages or deeds of trust may by their terms include after acquired property, real and personal, and shall be as valid and effectual for that purpose as if the after acquired property were owned by, and in possession of, the company giving the mortgage and deed of trust at the time of the execution. Notwithstanding the uniform commercial code the filing and recording of the mortgage and deed of trust in the office of the secretary of state shall be notice of the rights of all parties in the real and personal property and fixtures covered by the filing and will so remain until satisfied or discharged without further affidavit, continuation statement, or proceeding whatever.

Subd. 2. For the purposes of this section, any mortgage or deed of trust filed under this section shall be deemed to contain a sufficient description to give notice of the rights and interest of the mortgagee or trustee in the easements and other less than fee simple interests in the real estate used for the transmission of oil, gas, petroleum products, or other commodities which may be transported by pipeline if the mortgage and deed of trust states that the security includes rights-of-way, transmission systems, or lines of the pipeline company, or all property owned by the pipeline company.

Subd. 3. This section shall not apply to any real estate owned by a pipeline company in fee simple.

*History: 1983 c 87 s 1*

### **300.20 BOARD OF DIRECTORS, ELECTION; VACANCY, HOW FILLED.**

The business of the corporation must be managed by a board of at least three directors, unless a greater number is otherwise required by law, elected by ballot by the stockholders or members. Any board of directors of a financial institution referred to in section 47.12 which has less than five members may be increased to not more than five members by order of the commissioner of banks. If the certificate of incorporation or the bylaws so provides, a vacancy in the board of directors may be filled by the remaining directors. Not more than one-third of the members of the board may be so filled in any one year. The business of a savings bank must be managed by a board of at least seven trustees, residents of this state, each of whom, before being authorized to act, shall file a written acceptance of the trust. A majority of the directors or trustees constitute a quorum for the transaction of business. Any action which might be taken at a meeting of the board of directors, trustees, or managers may be taken without a meeting if done in writing signed by all of the directors, trustees, or managers.

*History: 1983 c 250 s 31*