

308C.411 ELECTION OF DIRECTORS.

Subdivision 1. **First board.** Unless appointed by a developer, the organizer or organizers shall elect and obtain the acknowledgment of the first board to serve until directors are elected by members. Until election by members, the first board shall appoint directors to fill any vacancies. The first board may be named in the articles.

Subd. 2. **Generally.** (a) Directors shall be elected for the term, at the time, and in the manner provided in this section and the bylaws.

(b) Except for the first board, all of the directors shall be members and shall be elected exclusively by the members holding occupant membership interests.

(c) The voting authority of the directors may be allocated according to equity classifications of the cooperative provided that at least two-thirds (2/3) of the voting power on general matters of the cooperative shall be allocated to the directors who are members holding occupant membership interests.

(d) A director holds office for the term the director was elected and until a successor is elected and has qualified, or until the earlier death, resignation, removal, or disqualification of the director.

(e) The expiration of a director's term with or without election of a qualified successor does not make the prior or subsequent acts of the director or the board void or voidable.

(f) Subject to any limitation in the articles or bylaws, directors shall not be compensated, but may be reimbursed reasonable and necessary expenses incurred when they are acting on behalf of the board of directors.

(g) Directors may be divided into or designated and elected by class or other distinction as provided in the articles or bylaws.

(h) A director may resign by giving written notice to the chair of the board or the board. The resignation is effective without acceptance when the notice is given to the chair of the board or the board unless a later effective time is specified in the notice.

Subd. 3. **Election at regular meeting.** Directors shall be elected at the regular member meeting for the terms of office prescribed in the bylaws. Except for directors elected at special meetings to replace a vacancy, all directors shall be elected at the regular member meeting.

Subd. 4. **Vote by mail or alternative ballot.** The following shall apply to voting by mail or alternative ballot voting:

(1) a member may not vote for a director other than by being present at a meeting or by mail ballot or alternative ballot authorized by the board;

(2) the ballot shall be in a form prescribed by the board;

(3) the member shall mark the ballot for the candidate chosen and mail the ballot to the cooperative in a sealed plain envelope inside another envelope bearing the member's name, or shall vote designating the candidate chosen by alternative ballot in the manner prescribed by the board; and

(4) if the ballot of the member is received by the cooperative on or before the date of the regular member meeting or as otherwise prescribed for alternative ballots, the ballot shall be accepted and counted as the vote of the absent member.

Subd. 5. **Business entity members may nominate persons for director.** If a member of a cooperative is not a natural person, and the bylaws do not provide otherwise, the member may appoint or elect one or more natural persons to be eligible for election as a director.

Subd. 6. **Acts not void or voidable.** The expiration of a director's term with or without the election of a qualified successor does not make prior or subsequent acts of the director void or voidable.

History: 2024 c 96 art 1 s 25