

**BY LAWS
OF NORTHERN MINNESOTA BUILDERS ASSOCIATION**

ARTICLE 1. NAME AND LOCATION

SECTION 1. The name of this Corporation shall be the Northern Minnesota Builders Association.

SECTION 2. Its principal office shall be located at:

802A S Pokegama Ave S
Grand Rapids, MN 55744

SECTION 3. Other offices for the transaction of business shall be located at such places as the Board of Directors may from time to time be determined.

ARTICLE II. MEMBERSHIP

SECTION 1. Member in the Association shall consist of two classes: Builder Members and Associate Members.

SECTION 2. Builder Members shall be limited to licensed contractors engaged in the construction or remodeling trade.

Associate Members shall be available to any person or firm engaged in any trade, industry, or profession who supplies or serves the construction or remodeling industry. All trades persons are required to hold any licensure requirements in accordance with the state of Minnesota.

Members are simultaneously members of the National Association of Home Builders and the Builders Association of Minnesota.

SECTION 3. Procedure for becoming a member shall be as follows:

Every applicant for membership shall submit to the Association an application for membership on a form to be prescribed and furnished by the Association. The questions to be answered, the information to be supplied, as well as the conditions to be complied with by each applicant; shall be accompanied by the payment of dues for the current year, and at the prevailing rate. Every applicant must be endorsed by one member (member sponsor in good standing), have two reference contacts (other than the sponsor name); each applicant will be published in the monthly newsletter for the general membership to review and comment prior to the first Thursday of each month board meeting. Every application for membership shall be promptly transmitted to the Membership Committee which shall make a thorough investigation of the applicant and report its findings to the Board of Directors, together with its recommendation. Thereupon the Board of Directors shall consider the application and determine by a majority vote of those present at a meeting at which a quorum is present whether such application shall be accepted. The

power to elect applicants to membership including the power to reject applicants shall be vested in the Board of Directors. There will be no territory limitations for membership.

SECTION 4. Suspension, Termination, Reinstatement.

In the event that dues to the Association are not paid in full within two months after the same become due and payable, at the discretion of the Board of Directors, the membership may be terminated by the Board of Directors by a majority vote of those present at a meeting at which a quorum is present.

For any act or deed by a member which is in violation of, or in conflict with, any city, state or federal law, the Code of Ethics or by-laws of this Association, any member, at the discretion of the Board of Directors, may be expelled from membership, after a hearing held pursuant to Minnesota Statute 317A.411 at which the member has been accorded an opportunity to appear and be heard in person or by counsel, by a majority vote of those Board members present at which a quorum is present.

If a member's membership is revoked for any reason the member cannot reapply for five years after the termination date. Upon the five years the member will need to abide by the membership application process. The Board has the authority to impose membership conditions prior to any reinstatement.

Upon the death of a member his or her membership may be transferred to any other person, firm, or corporation who succeeds or takes over the deceased's business and who is eligible for membership in the Association, for the balance of the year for which such deceased member's dues have been paid, subject, however, to approval of such transfer in the same manner as is provided for election to membership of applicants by the Board of Directors.

ARTICLE III. MEETING OF THE MEMBERS

SECTION 1. Annual Meeting. The corporation need not hold an annual meeting. However, directors shall be elected annually by the members at a meeting or by written ballot. Directors shall be elected on the third Thursday of November of each year at such time and place as the Board of Directors may determine. The meeting shall be held in the vicinity of Grand Rapids, Minnesota. A notice of the meeting shall be sent by mail to each member of the Association at the address of each such member last listed in the principal office of the Association, at least 10 days prior to the date of such meeting.

SECTION 2. Regular Meeting. The regular meetings of the members of the Association shall be held a time and places determined by the Board of Directors.

SECTION 3. Demand by Members. If an annual meeting of the members has not been held during the preceding fifteen (15) months, at least fifteen (15) members with voting rights or 10% of the members with voting rights, whichever is less, may demand a regular meeting of the members by written notice of demand given to the President or Treasurer of the Corporation. Within thirty (30) days after receipt of the demand, the Board shall cause a regular meeting of the members to be called and held no later than ninety (90) days after receipt of demand at the expense of the Corporation. If the Board fails to cause a meeting to be called and held as

required by this paragraph, the members making the demand may call the meeting by giving notice as required by Minnesota Statute 317A.435.

SECTION 4. Special Meeting. Special meetings of the members of the Association may be called by the Board or by 15 members or 10% of the members, whichever is less, delivered to the President or the Treasurer, a written demand describing the purpose for which the meeting is to be held. Notice shall be in accordance with Minnesota Statute 317A.433.

SECTION 5. Quorum. At the meetings of the membership all members present and in good standing shall be entitled to vote. Each membership is entitled to only one vote regardless of the number of representatives attending meetings from the firm. Ten percent of the membership present and in good standing shall constitute a quorum.

SECTION 6. Members List. After fixing a record date for notice of and voting at a meeting, the corporation shall prepare an alphabetical list of the names of its members who are entitled to vote. The list must show the address and number of votes each member is entitled to vote at the meeting. Each member is entitled to one vote regardless of the number of representatives attending the meeting from a firm. The list of members shall be available for inspection by a member beginning two business days after the meeting notice is given and continuing through the meeting at the corporation's registered office. The list must also be available at the meeting.

SECTION 7. The President shall preside at all member meetings.

ARTICLE IV. BOARD OF DIRECTORS

SECTION 1. The Board of Directors of this Association shall consist of no less than seven (7) members elected from the members in good standing, three *of* which shall be builder members and two associate members. Board members must be owners or employees involved in the day to day operations of a membership entity. Only one representative of a member entity may serve on the Board at one time.

The term of office, of said Directors, shall be three years each except at the outset when a rotation shall be set up to retire the first year, two Builders and one Associate; the third year two Builders and one Associate.

SECTION 2. Vacancies in the Board of Directors shall be filled by a majority vote of the remaining members of the Board, who are the same class as the director who is being replaced, who shall serve the remainder of the unexpired term of the terminated number.

SECTION 3. The Board of Directors shall have the power to manage and control the business, property and affairs of the Association.

SECTION 4. As soon as practicable after the election meeting, the Board of Directors shall meet and elect officers for the year commencing January 1. With the exception of the executive officer, all officers shall be members of the Board of Directors.

SECTION 5. The monthly meeting of the Board of Directors shall be held on a regular basis at such place as the Board of Directors determines.

SECTION 6. A majority of the Board of Directors shall constitute a quorum for the transaction of all business of the Board of Directors.

SECTION 7. Any Director who fails to attend three consecutive Board meetings without just cause and excuse, may be removed and replaced by a two-thirds vote of the Board of Directors.

SECTION 8. Board members serve their term as long as the membership entity they represent is a member in good standing. A Board member must inform the board within one month of any change in membership entity. The Board of Directors has the discretion at that time to either accept the status change or reject it and appoint a replacement.

ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS

SECTION 1. Not less than thirty (30) days prior to the date of the meeting for the election of Directors of the Association, the President, by and with the advice and consent of the Board of Directors, shall appoint the nominating committee consisting of three members of the Board of Directors. The President shall designate a chairman of the committee.

The Chairman shall call the first meeting of the nomination committee. The committee shall select a slate of candidates to fill the vacancies to occur in the Board of Directors. The committee shall report in writing the names of the persons nominated to the Board of Directors, and nominations mailed to all members of the Association at least ten (10) days prior to the election meeting.

SECTION 2. Additional nominations for membership on the Board of Directors may be made by the members at the election meeting provided written consent from the nominee is submitted to the President prior to the meeting.

SECTION 3. Election of the members of the Board of Directors shall be held by secret ballot at the election meeting in the event that more candidates for the vacancies are nominated than there are places to be filled.

ARTICLE VI. OFFICERS

SECTION 1. The officers of the corporation shall be:

A. Executive Officer. The Board of Directors shall elect an executive officer for the Association who shall be the principal administrative officer of the Association. The executive officer shall perform such duties as may be delegated by the Board of Directors and shall generally be in charge of the office of the Association and have and exercise supervision and direction over all personnel or administrative work of the Association.

B. President. The President shall preside at meetings of the Board and of die Members. The President shall be entitled to attend and to have right to vote at all meetings of standing and

special committees of the Association and shall perform such other duties as may be delegated by the Board of Directors,

The immediate past President shall serve as ex-officio member of the Board of Directors of the Association, with full voting privileges for one year.

C. Vice President. The Vice President shall perform and discharge the duties of the office of the President in the event of the absence of the President and in the event that a vacancy occurs in the office of the President, the Vice President shall succeed to the office of the President.

D. Secretary. The Secretary shall have such duties as are determined by the Board of Directors from time to time.

E. Treasurer. The Treasurer shall be responsible for insuring that accurate financial records are maintained for the corporation and shall, upon request, provide the President and the Board an account of transactions by the Treasurer and of the financial condition of the corporation and shall perform such other duties prescribed by the Board or the President

SECTION 2. The officers of the Corporation shall be elected by the Board of Directors. Vacancies may be filled or new offices filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner herein provided.

SECTION 3. An officer may resign at any time by giving written notice to the corporation. An officer may be removed at any time with or without cause by resolution approved by the affirmative vote of a majority of the Directors present. A vacancy in an office because of death, resignation, removal or disqualification or other cause may, or in the case of vacancy in the office of the President or Treasurer, shall be filled for the unexpired portion of the term by the Board.

SECTION 4. An officer shall discharge the duties of an office in good faith, in a manner the officer reasonably believes to be in the best interests of the Corporation, and with the care an ordinary prudent person in a like position would exercise under similar circumstances.

SECTION 5. The office of president may be filled by either a builder or an associate member.

ARTICLE VII. STANDING COMMITTEE

SECTION I. The standing committee shall be established by the Board of Directors from time to time. The President shall designate which member of each committee shall serve as chairman. Committee membership is unrestricted, i. e. any employee or associate of a member entity is allowed to be a member of a committee.

ARTICLE VIII. GENERAL PROVISIONS

SECTION 1. The Association shall operate as a not for profit Corporation under the laws of the State of Minnesota and is intended to operate as a tax-exempt business pursuant to Section 501

(c) (6) of the Internal Revenue Law. No part of the net earnings of the Association shall inure to the benefit of any private shareholder, member or individual.

SECTION 2. Amendment to By-laws.

a. The power to adopt, amend or repeal the By-laws is vested in the Board. The power of the Board is subject to the power of the members with voting rights under paragraph b, of this Section 1, to adopt, amend, or repeal By-laws adopted, amended, or repealed by the Board. The Board may not adopt, amend, or repeal a By-law fixing a quorum for meetings of members, prescribing procedures for removing directors or filling vacancies on the Board, or fixing the number of directors or their classifications, qualifications, or terms of office, but may adopt or amend a By-law to increase the number of directors.

b. If at least fifteen (15) members with voting rights or 10% of the members with voting rights, whichever is less, propose a resolution for action by members to adopt, amend or repeal By-laws adopted, amended, or repealed by the Board and the resolution sets forth the provisions proposed for adoption, amendment or repeal, the limitation and procedure for submitting, considering, and adopting the resolution are the same as provided in Minnesota Statute 3 17 A. 133, for amendment of the articles, except that Board approval is not required

ARTICLE IX. MISCELLANEOUS

SECTION 1. Fiscal year. The fiscal year of this Corporation shall end on December 31st.

SECTION 2. Corporate Books. All proper and necessary books of account and other books requisite to a full and complete record of the business transactions of the Corporation shall be kept in such manner as is usual in like Corporations or as shall be directed by the Board of Directors.

SECTIONS. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such a manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Adopted March 29, 1993

Revised June 6, 1996

Revised June 3, 1998.

Revised May 4, 2006

Revised February 1, 2007

Revised February 7, 2008

Revised June 5, 2008