

RESTATED ARTICLES OF INCORPORATION OF MINNESOTA CROP IMPROVEMENT ASSOCIATION

ARTICLE I

The name of this corporation shall be: Minnesota Crop Improvement Association.

ARTICLE II

This corporation is organized exclusively for promoting the interests for those engaged in agriculture as specified in section 501(c)(5) of the Internal Revenue code, or the corresponding section of any future federal tax code.

The purpose of this corporation is:

- to better the conditions of those engaged in agriculture or horticulture
- to develop programs that support and promote more efficiency in agriculture or horticulture production practices
- to improve agricultural and horticultural products

and:

1. To develop, establish and adopt rules, regulations and standards for the growing, conditioning, and certification of seeds.
2. To participate in interagency certification of seeds in accordance with the rules and regulation of the Association of Official Seed Certifying Agencies (AOSCA) and the United States Department of Agriculture (USDA).
3. To cooperate with the University of Minnesota in the introduction, licensing and distribution of seed stocks of improved varieties of agricultural crops.
4. To produce and distribute Foundation seed.
5. To act as a certification agency, accredited by the National Organic Program of the USDA, to certify organic agricultural products.
6. To provide quality assurance services to producers and handlers of agricultural products.
7. To provide certification services of forage and mulch products.
8. To provide 3rd party independent auditing services to producers and handlers of agricultural products.
9. All other activities consistent with or within the scope of this corporation's stated purpose.

ARTICLE III

At all times the following shall operate as conditions restricting the operations and activities of this corporation.

1. No part of the net earning of this corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and

distributions in furtherance of the purpose set forth in the purpose clause hereof.

2. No substantial part of the activities of this corporation shall constitute the carrying on of propaganda or otherwise attempting to influence legislation, or any initiative or referendum before the public, and this corporation shall not participate in, or intervene in (including by publication or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.
3. Notwithstanding any other provisions of this document, the organization shall not carry on any other activities not permitted to be carried on by an organization exempt from federal income tax under Section 501(c)(5) of the Internal Revenue code or corresponding section of any future tax code.
4. Except as permitted by Minnesota Statutes 317A.501, this corporation shall not lend any of its assets to any officer or director of this corporation or guarantee to any other person the repayment of a loan made to an officer or director of this corporation.

ARTICLE IV

The period of duration of this corporation's corporate existence shall be perpetual until dissolution.

ARTICLE V

The registered office of this corporation shall be located at 1900 Hendon Avenue, St. Paul, Minnesota 55108.

ARTICLE VI

This corporation shall have one or more classes of members. The eligibility, rights and obligations of the members shall be determined by the organization's bylaws.

ARTICLE VII

The management and direction of the business of this corporation shall be vested in its Board of Directors. The number, terms of office, powers, authorities and duties of the directors of this corporation, the time and place of their meetings, and such other regulations with respect to them as are not inconsistent with the express provisions of these Articles of Incorporation shall be as specified in the Bylaws of this corporation.

ARTICLE VIII

This corporation shall have no capital stock.

ARTICLE IX

The directors, officers and members of this corporation shall not be personally liable for the debts or obligations of this corporation of any nature whatsoever, nor shall any of the property of the directors, officers or

members be subject to the payment of the debts or obligations of this corporation to any extent whatsoever.

ARTICLE X

These Articles of Incorporation may be amended in the manner provided by law.

ARTICLE XI

This corporation may be dissolved in accordance with the laws of the State of Minnesota. Upon dissolution of this corporation any surplus property remaining after the payment of its debts shall be disposed of by transfer to one or more corporations, associations, institutions, trusts, or foundations organized and operated for one or more of the purposes of this corporation, or to the State of Minnesota or any political subdivision or agency thereof

for exclusively public purposes, in such proportions as the Board of Directors of this corporation shall determine. Notwithstanding any provision herein to the contrary, nothing herein shall be construed to affect the disposition of property and assets held by this corporation upon trust or other condition, or subject to an executory or special limitation, and such property, upon dissolution of this corporation, shall be transferred in accordance with the trust, condition or limitation imposed with respect to it.

ARTICLE XII

This corporation is organized under Chapter 317A of the Minnesota Statutes.

1-14-08

BYLAWS OF MINNESOTA CROP IMPROVEMENT ASSOCIATION

ARTICLE I – NAME, MISSION AND PURPOSE

The Minnesota Crop Improvement Association (hereinafter referred to as the "Association"), adopted the Mission Statement as set forth in the Articles of Incorporation, as amended from time to time.

The Association is a charitable organization and at all times and within such purposes, shall operate exclusively for charitable, social and educational purposes, within the meaning of Section 501(c)(5) of the Internal Revenue Code.

No part of the earnings or any of the assets of the Association shall inure to the benefit of or be distributed to any director or officer or private individual, except for the reimbursement of reasonable expenses incurred during the rendering of services to the Association in furtherance of its purposes.

The Association may not take any action prohibited by the laws of the State of Minnesota. The Association may not engage in any activities that do not further the Mission or its purposes as set forth in the Articles of Incorporation and these bylaws. The Association may not take any action that would be inconsistent with the requirements for an exemption under Section 501(c)(5) of the Internal Revenue Code and related regulations, rulings, and procedures.

ARTICLE II – OFFICE

2.1 Principal Office. The Principal Office of the Association shall be at such place in the State of Minnesota as shall be fixed by duly adopted resolutions of the Board of Directors. Until otherwise fixed by the Board of Directors, the principal is located at 1900 Hendon Avenue, St. Paul, Minnesota, 55108.

2.2 Registered Office. The Association shall have and continuously maintain in Minnesota a registered office. The registered office may be changed from time

to time by the Board of Directors and may be, but need not be, identical with the Principal Office.

2.3 Other Offices. The Association may have offices at such other places, either within or without the State of Minnesota, as the Board of Directors may from time to time determine, or as the affairs of the Association may require.

ARTICLE III – MEMBERSHIP

3.1 Classes of Members. The Association shall have one class of members. Membership may be granted to any individual or corporation that supports the mission and purposes of the Association and meets the qualifications as set forth herein.

3.2 Qualifications for Members. Any person or entity otherwise interested in promoting the purposes of this Association shall be eligible for membership. Those who desire to become members of this Association shall become members by applying for such membership and by paying the annual dues in advance as established from time to time by the Board of Directors.

3.3 Voting Rights. Each member shall be entitled to one vote on each matter submitted to a vote of the members; provided such member maintains good standing for voting purposes pursuant to Section 3.4 below.

3.4 Dues. The Board of Directors shall determine the dues or other payments to be made by the members of this Association to be eligible for membership and maintain good standing for voting purposes. The membership year shall be the same as the fiscal year of the Association. Membership shall terminate automatically on January 31 of the fiscal year immediately following the year for which a member's dues were last paid.

3.5 Termination of Membership. Membership in the Association may be terminated by the affirmative vote of a majority of the Board of Directors for failure to pay dues on time, for conduct unbecoming a member, for failure to pay a just debt to the Association, or for any other reason deemed necessary and proper by the Board. The Board of Directors shall provide the member with written notice of the termination and the reasons for it, and include in such notice an opportunity for the member to be heard, either verbally or in writing, not less than five (5) days before the effective date of the proposed termination, to the Executive Committee or a person authorized by the Executive Committee to decide whether the termination shall take place. The notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Association, with postage prepaid.

3.6 Resignation. Any member may resign by filing a written resignation with the Secretary; however, such resignation shall not relieve the member so resigning of the obligation to pay any dues or other charges theretofore accrued and unpaid, nor shall any resigning member be entitled to a refund or any dues or other payments made to the Association. Such resignation shall take effect at the date of the receipt of such notice or at any later time as specified in such notice; and, unless otherwise specified therein, the acceptance shall not be necessary to make it effective.

3.7 Interest in Property. The members of this Association shall not, as such, have any right, title or interest in or to any real or personal property of the Association.

ARTICLE IV – MEETING OF MEMBERS

4.1 Annual Meeting. The Annual meeting of the Association shall be held at such place, at such time as the Board of Directors of the Association may determine within the State of Minnesota during the month of January. The Annual meeting shall be for the purpose of a) receiving annual reports of the Board of Directors, Officers and various committees regarding the activities and financial condition of the Association; b) the election of the Board of Directors; and c) transacting such other business as may properly come before the meeting.

4.2 Special Meetings. Special meetings of the Association may be called by (a) the Chairman, (b) the Board of Directors, or (c) upon written request of at least fifty members or ten percent (10%) of the members of this Association, whichever is less. Anyone entitled to call a special meeting of the members shall make written request to the Chairman to call the meeting, specifically noting the purpose of the meeting and the business to be transacted at the same. The Secretary shall, within thirty (30) days of receipt of said notice, give written notice of the meeting, setting forth the date, time place and purpose thereof, to be held

no later than ninety (90) days after the receipt of such request. If the Secretary fails to give notice of the meeting within thirty (30) days from the date on which the request is received by the Chairman, the person or persons who requested the meeting may fix the time and place of the meeting and give notice thereof in the manner hereinafter provided. If the members demand a special meeting provided for herein, the meeting shall be held in the county where the registered office is located. The business transacted at a special meeting is limited to the purposes stated in the notice of the special meeting.

4.3 Notice. Written notice shall be provided to each member who is entitled to attend for any meeting of the members, whether a regular or special meeting, not less than five (5) nor more than sixteen (16) calendar days in advance thereof, excluding the day of the meeting; provided, however, that notice may be printed in an official publication or posted on the official website of this Association, but only if mailed or posted at least ten (10) days before the day of the meeting. The notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Association, with postage prepaid, or posted on the Association's official website for public viewing. The Board of Directors shall direct the manner by which notice will be given. The notice shall indicate the time and place of and the business to be transacted at the meeting.

4.4 Waiver of Notice. Any member may waive notice of a meeting before, at or after the meeting is held, in writing or by attendance. Attendance at such meeting is deemed a waiver unless the member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item may not lawfully be considered at that meeting and the member does not participate in the consideration of the item at that meeting.

4.5 Record Date. The Board of Directors shall fix a date not more than thirty (30) days before the date of a meeting of the members as the date for determination of the members entitled to notice of the meeting. If the Board of Directors fails to set such date, the date shall be the thirtieth (30th) day before the date of the meeting. After fixing a record date for a meeting, the Secretary shall prepare a list of the names (in alphabetical order), addresses, and number of votes of each member entitled to vote at the meeting. Beginning two (2) business days after notice of the meeting is given, the list shall be available at the principal office of the Association for inspection and copying on written demand by any member (or the agent or attorney of any member), at the member's expense, for the sole purpose of communication with other members concerning the meeting. The list shall be made available through the date of the meeting and at the meeting.

4.6 Quorum. Members eligible to vote holding five percent (5%) or twenty-five (25) members, whichever is less, of the votes which may be cast at any meeting shall constitute a quorum at the meeting. If a quorum is not present at any meeting of members, a majority of the members present at the meeting may adjourn the meeting. When any meeting of the members is adjourned to another time and place, notice of the adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.

4.7 Voting. At all meetings of the members, each member, provided such member is eligible and in good standing at the time of the vote taken, shall be entitled to cast one vote on any matter coming before the membership body. Cumulative voting shall not be permitted.

4.8 Proxies. Voting by proxy shall not be permitted.

4.9 Manner of Acting. A majority vote of the members present and entitled to vote at any meeting at which a quorum is present shall be sufficient to transact any business, unless the act of a greater number is required by law or by these bylaws.

4.10 Order of Meeting and Agenda. Insofar as possible, the order of business at the annual meeting of the members, and all other special meetings of the members, shall be:

- a. Registration of members
- b. Proof of notice of meeting
- c. Reading and approval of all unapproved minutes
- d. Annual reports of officers and committees
- e. Election of directors
- f. Unfinished business
- g. New business
- h. Announcements
- i. Adjournment

ARTICLE V – BOARD OF DIRECTORS

5.1 Authority of Directors. The Board of Directors is the policy-making body and may exercise all the powers and authority granted to the Association by law and provided for in the Articles of Incorporation and these Bylaws, as amended from time to time.

5.2 Number and Qualification of Directors. The authorized number of directors of the Association shall be eleven (11), until changed by amendment to these bylaws. Directors shall be selected as follows:

5.2.1 Category A Directors. Category A Directors shall be elected by and from the members of the Association pursuant to this Article. Category A Directors shall represent the membership as equally as possible considering the

geographic location and density of membership in throughout the state, and the type of business represented by the membership. Category A Directors shall be elected by ballot of the members at the annual meeting of the members as set forth in Section 5.3 below.

5.2.2 Category B Director. The Director of the Minnesota Agricultural Experiment Station shall nominate one staff member of the University of Minnesota to the Board of Directors, and such Director shall be the Category B Director. The nomination shall be presented to the members for ratification at the annual meeting.

5.2.3 Category C Director. The elected members of the Board of Directors shall appoint a secretary annually who is not one of the ten elected members of the Board. The secretary shall have a vote on the Board of Directors and be referred to as a Category C Director.

5.3 Election and Term of Office – Category A Directors. Terms of office for Category A Directors shall be three (3) years and shall be staggered so that approximately one-third (1/3) of the Category A Directors expire each year. The directors to fill expiring terms shall be elected by majority vote of the members at the Association's annual meeting. All directors shall hold office until their respective successors are elected or as otherwise provided for in this Article. No Category A Director shall serve more than two consecutive full terms, except that one Category A Director may be elected to serve a third consecutive full term in any year in which none of the Category A Directors whose terms are expiring would otherwise be eligible for re-election as a Category A Director. If more than one Category A Director anticipates seeking a third term, a special election shall be held at the annual meeting prior to such year among those directors seeking a third term. The Category A Director receiving the highest number of votes in such special election may be nominated as a candidate for election the following year.

5.4 Election and Term of Office – Category B, and C Directors. The Category B and C Directors shall each serve terms of one (1) year. The directors to fill expiring terms shall be elected by majority vote of the members at the Association's annual meeting. All directors shall hold office until their respective successors are elected.

5.5 Removal, Resignation and Vacancies. Any director may be removed from office at any time by a two-thirds (2/3) vote of the members present and entitled to vote at any meeting at which a quorum is present, with or without cause; provided that no director shall be removed by the members before his or her term has expired unless the consideration of removal is included in the meeting notice. A director may resign from the Board at any time in writing, and such resignation shall be effective upon receipt by the

Secretary of the Association of written notification. Any director with unexcused absences from two or more meetings of the Board as officially called through prior written notice shall automatically be deemed to have resigned from this Board if the Board so wishes. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of the director's predecessor in office.

5.6 Compensation. The compensation, if any, of the Board of Directors shall be determined by the members of this Association. Such directors shall, however, be entitled to reimbursement for special expenses incurred in directing the business of this Association when such expenses have been approved by a majority vote of the directors.

ARTICLE VI – MEETING OF BOARD OF DIRECTORS

6.1 Annual Meeting. The annual meeting of the Board of Directors for the purpose of electing officers and transacting such other business as may properly come before the Board shall be held within ten (10) days after the annual meeting of the members of the Association at a time and place to be designated by the Board of Directors.

6.2 Regular Meetings. The Board of Directors shall hold at least two (2) regular meetings per calendar year in addition to the Annual Meeting referenced above, to be held at such times and places as determined by the Board of Directors and announced at the Annual Meeting of the Board of Directors.

6.3 Special Meetings. Special Meetings of the Board of Directors may also be called at any time by or at the request of the Chairman or by written request of a majority of the members of the Board of Directors. Anyone entitled to call a special meeting of the Board of Directors may make a written request to the Chairman to call the meeting, and the Secretary shall give notice of the meeting, setting forth the date, time, place and purpose thereof, to be held between ten (10) and forty (40) days after receiving the request. If the Secretary fails to give notice of the meeting within seven (7) days from the date on which the request is received by the Secretary, the person or persons who requested the meeting may fix the time and place of the meeting and give notice thereof in the manner hereinafter provided. The business transacted at a special meeting is limited to the purposes stated in the notice of the special meeting.

6.4 Notice. Written notice of any meeting of the Board of Directors for which written notice is required, shall be mailed, postage pre-paid, not less than ten (10) nor more than forty (40) days before the meeting, excluding the day of the meeting, to each director at the director's address as shown by the records of the Association. Notice may be printed in an official publication of this Association that is mailed to all members of the Association, but only if

mailed at least ten (10) days before the day of the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage prepaid. The Board of Directors shall direct the manner by which notice will be given.

6.5 Waiver of Notice. Any member may waive notice of a meeting before, at or after the meeting is held, in writing or by attendance. Attendance at such meeting is deemed a waiver unless the member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and the director does not participate in the meeting.

6.6 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. However, if less than a majority of the directors are present at the meeting, a majority of the directors present may adjourn the meeting from time to time. When any meeting of the Board of Directors is adjourned to another time and place, notice of the adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.

6.7 Voting. At all meetings of the Board of Directors, each director shall be entitled to cast one vote on any matter coming before the Board; provided such director is in good standing and eligible to vote as provided for in these Bylaws. A director who is present at a meeting of the Board of Directors when an action is taken is presumed to have assented to the action unless the director votes against the action, verbally abstains from the vote, or is prohibited from voting on the action. Cumulative voting shall not be permitted.

6.8 Proxies. Voting by proxy shall not be permitted.

6.9 Manner of Acting. A majority vote of the directors present and entitled to vote at any meeting at which a quorum is present shall be sufficient to transact any business, unless the act of a greater number is required by law or by these bylaws.

6.10 Informal Action by Directors. Any action required by law to be taken at a meeting of the Board of Directors, or of any committee, may be taken without a meeting if all the members of the Board or committee consent in writing to taking the action without a meeting and to approving the specific action. The writing must be signed by all members of the Board or committee, as the case may be. Such consents shall have the same force and effect as a unanimous vote of the Board or of the committee, as the case may be.

ARTICLE VII – OFFICERS

7.1 Officers. The officers of the Association shall be Chairman, Vice-Chairman, Secretary, Treasurer, and such other officers as the Board of Directors may designate. Any two (2) or more offices may be held by the same

person, except the offices of (a) Chairman and Vice Chairman, and (b) Chairman and Secretary.

7.2 Election of Officers; Terms of Office. The officers of the Association shall be elected by the Board of Directors at the annual meeting of the Board of Directors or, in the case of vacancies, as soon thereafter as convenient, and shall serve for a term of one (1) year and until their respective successors are chosen and have qualified. The Category C Director shall be the Secretary of the Board of Directors.

7.3 Resignation. Resignations are effective upon receipt by the Secretary of the Board of a written notification.

7.4 Removal. Any officer may be removed from office at any time by a two-thirds (2/3) vote of the directors present and entitled to vote at any meeting of the Board of Directors at which a quorum is present, with or without cause; provided that no officer shall be removed by the directors before his or her term has expired unless the consideration of removal is included in the meeting notice. An officer may resign at any time in writing, and such resignation shall be effective upon receipt by the Secretary of the Association of written notification. The vacant office shall be filled by the affirmative vote of a majority of the directors. An officer elected to fill a vacancy shall be elected for the unexpired term of the officer's predecessor in office.

7.5 Chairman. The Chairman shall be a director of the Association and will preside at all meetings of the Board of Directors, and shall provide leadership for the Association. The Chairman shall perform all duties attendant to that office, subject, however, to the control of the Board of Directors, and shall perform such other duties as on occasion shall be assigned by the Board of Directors. He or she shall have the authority to execute, on behalf of this Association, contracts, deeds, conveyances, and other instruments in writing which may be required or authorized by the Board of Directors for the proper and necessary transaction of the business of this Association.

7.6 Vice-Chairman. The Vice-Chairman shall be a director of the Association and will preside at meetings of the Board of Directors in the absence of or request of the Chairman. The Vice-Chairman shall perform other duties as requested and assigned by the Chairman, subject to the control of the Board of Directors. The execution by the Vice-Chairman of any instrument in the absence of the Chairman shall have the same force and effect as if it were executed on behalf of this Association by the Chairman.

7.7 Secretary. The Secretary shall be a director of the Association and shall keep the minutes of all meetings of the Board of Directors in the books proper for that purpose. He or she shall be the custodian of the records, documents and papers of this Association, and shall provide for the keeping of proper records of all transactions of this Association. He or she shall have and may exercise any and all other powers and duties

pertaining by law, regulation or practice to the office of Secretary, or imposed by these Bylaws. The Category C Director shall be the Secretary of the Board of Directors.

7.8 Treasurer. The Treasurer shall be a director of the Association and shall be responsible for maintaining accurate financial records for this Association and safeguarding the assets of this Association. He or she shall report to the Board of Directors at each regular meeting on the status of the Association's finances. The Treasurer shall work closely with any paid executive staff of the Association to ascertain that appropriate procedures are being followed in the financial affairs of the Association, and shall perform such other duties as occasionally may be assigned by the Board of Directors. The Board of Directors may delegate the duties of the Treasurer to an employee or employees of the Association.

7.9 Other Officers. The Board of Directors may appoint such other officers as the conduct of the Association may require, each of whom shall have authority and perform such duties as are provided in these bylaws or as the Board of Directors may from time to time specify, and shall hold office until he or she resigns or is removed or otherwise disqualified to serve.

7.10 Paid Staff/Management. The Board of Directors may hire such paid staff as they deem proper and necessary for the operations of the Association. The powers and duties of the paid staff shall be as assigned or as delegated to be assigned by the Board. The Board of Directors has the authority to employ and dismiss a President/Chief Executive Officer on a full-time or part-time basis, and shall determine the duties of such office and fix wages or other compensation for the same. The directors shall delegate to the President/Chief Executive Officer the power to employ and dismiss and to fix the duties of such other employees as are necessary to conduct the business of the Association. All staff shall be employed according to policies established by the Board of Directors.

7.11 Compensation. The compensation, if any, of the Officers shall be determined by the members of this Association. Such officers shall, however, be entitled to reimbursement for special expenses incurred in directing the business of this Association when such expenses have been approved by a majority vote of the directors.

ARTICLE VIII - COMMITTEES

8.1 Authority. The Board of Directors may act by and through such committees as may be established in resolutions adopted by a majority of the members of the Board of Directors, consisting of members of the Board of Directors or of participating members. Committee members, other than members of the Executive Committee, need not be directors. Each committee shall have such duties and responsibilities as are granted to it by the Board of Directors. Each committee shall at all times be subject to the control and direction of the

Board of Directors. The committees established from time to time need not be reflected specifically in these Bylaws so long as they are recorded in Resolutions adopted as set forth in this section.

8.2 Executive Committee. The Executive Committee shall consist of the Chairman, Vice-Chairman, Secretary, Treasurer and one director elected by the Board of Directors at its annual meeting. The Executive Director shall serve as an ex officio member. The Executive Committee shall have the authority of the Board of Directors in the management of the business of this Association in the interval between meetings of the Board of Directors, and the Executive Committee shall at all times be subject to the control and direction of the Board of Directors. The Executive Committee shall have all the powers of the Board except that it shall not reverse any action of the Board or approve any expenditure not previously authorized by the Board. Actions of the Executive Committee must be ratified by the Board of Directors at its next regular meeting, except where advance authority for such action has been granted.

8.3 Nominating Committee.

8.3.1 Members. The Nominating Committee shall consist of three (3) members of which at least two (2) members will be selected from the Board of Directors (one of which shall be the Nominating Committee Chair). Its members shall be representative of Association Members to the fullest extent possible. The Chairman of the Board of Directors and the President/Chief Executive Officer shall be ex-officio members of the committee but without the right to vote.

8.3.2 Duties. The Nominating Committee shall be responsible for securing and submitting a list of potential candidates, who are qualified by skill and experience for membership on the Board of Directors. The Nominating Committee shall review the makeup of the membership of the board to assure that the representation on the Board of Directors is reasonable, fair and equitable considering the following factors: (a) geographic location of members, (b) corporate structure and size of business of members, (c) type of business of members, and (d) operational revenue concentrations and programs. The Nominating Committee shall also present candidates for vacancies occurring on the Board of Directors during the interim between regular elections.

8.3.3 Appointment. The Board of Directors shall appoint by a majority vote the Nominating Committee Chair from the members of the Board of Directors.

8.4 Meetings, Notice and Waiver of Notice. Meetings of each committee may be held at such time and place as are announced. Meetings of any committee may also be called at any time by the Chairman of the Committee, the Chairman of the Board of Directors, or by a majority of the committee

members, on at least five (5) days notice by mail or two (2) days notice by telephone, in person or via electronic transmission. Any member may waive notice of a meeting before, at or after the meeting is held, in writing or by attendance. Attendance at such meeting is deemed a waiver unless the member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and the director does not participate in the meeting.

8.5 Quorum. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. However, if less than a majority of the committee members are present at the meeting, a majority of the committee members present may adjourn the meeting from time to time. When any meeting of the committee is adjourned to another time and place, notice of the adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.

8.6 Voting. At all meetings of the committee, each committee member shall be entitled to cast one vote on any matter coming before the committee. A committee member who is present at a meeting of the committee when an action is taken is presumed to have assented to the action unless the committee member votes against the action, verbally abstains from the vote, or is prohibited from voting on the action. Cumulative voting shall not be permitted.

8.7 Proxies. Voting by proxy shall not be permitted.

8.8 Manner of Acting. A majority vote of the committee members present and entitled to vote at any meeting at which a quorum is present shall be sufficient to transact any business, unless the act of a greater number is required by law or by these bylaws.

ARTICLE IX – LIABILITY OF DIRECTORS

A director of the Association is not liable to the Association or its members for monetary damages for an act or omission in the director's capacity as a director, except that this Article does not eliminate or limit the liability of a director for:

- a. a breach of a director's duty of loyalty to the Association or its members;
- b. an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- c. a transaction from which a director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or,
- d. an act or omission for which the liability of a director is expressly provided for by statute.

ARTICLE X - INDEMNIFICATION

10.1 Indemnification of Officers and Directors. To the extent permitted by law, each director and officer, or

former director and officer of the Association, may be indemnified, defended and held harmless by the Association against liabilities imposed upon him/her and against him/her (including attorney's fees), or any action, of him/her service as a director or officer, and against such sums as independent counsel selected by the Board of directors shall deem reasonable payment made in settlement of any such claim, action, suit or procedure; provided, however, that no director or officer shall be indemnified with respect to matters which shall be settled by the payment of the sums which counsel for the Association may deem reasonable payment or with respect to matter for which such indemnification would be against public policy or in contravention of Minnesota law.

The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any resolution, agreement, vote of governing members or disinterested directors or otherwise, both as to any action in a person's official capacity and as to any action in another capacity while holding office. The right to indemnification shall continue as to a person who has ceased to be a director, officer, employee agent and shall inure to the benefit of the successors and personal representatives of that person.

10.2 Insurance. The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another Association, partnership, joint venture, trust, or other enterprise against any liability asserted against the person and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the Association would have the power to indemnify the person against liability under the provisions of this Article.

ARTICLE XI – CONFLICT OF INTEREST

The Association shall adopt a policy to protect the interest of the Association when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association, which may be amended from time to time. The Association recognizes that the very nature of the their purpose and mission is to support its members and contract with them for certain services which may benefit the private interests of the members of the Association. Considering this unique situation, the Association shall adopt a policy to protect the Association as a whole and provide for a means of checks and balances for the actions of individual directors and officers. Any formal written policy adopted by the members and Board of Directors shall be deemed to supplement, but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

In summary, no member of the Board of Directors will vote on any matter in which, to his or her knowledge, the Director, or the Director's immediate family or partner, or an organization in which the Director is serving as officer, trustee, partner, employee, or independent contractor has a direct or indirect conflict of interest as defined by the Conflict of Interest Policy of the Board of Directors. A Director will disclose fully the nature of any potential conflict of interest; and failure to do so will be cause for immediate removal from the Board of Directors.

ARTICLE XII - MISCELLANEOUS

12.1 Not-for-Profit Purpose. The Association shall maintain adherence to state and federal laws governing not-for-profit organizations and shall adhere to the requirements of 26 U.S.C.A. § 501(c)(5).

12.2 Books and Records. Correct books of account of the activities and transactions of the Association shall be kept at the office of the Association. These shall include a minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these Bylaws, and all minutes of meetings of the Board of Directors.

12.3 Fiscal Year. The Board of Directors shall have the power to fix and from time to time change the fiscal year of the Association. In the absence of action by the Board of Directors, however, the fiscal year of the Association shall begin on June 1 of each year and end on the succeeding May 31.

12.4 Checks, Drafts and Notes. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors. The funds of the Association shall be deposited in such banks and other depositories as the Board of Directors may select.

12.5 Contracts and Other Instruments. The Board of Directors may authorize any officer or agent, in addition to the officers so authorized by these bylaws, to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

12.6 Authority to Borrow, Encumber Assets. No director, officer, agent or employee of this Association shall have any power or authority to borrow money on its behalf, to pledge its credit or to mortgage or pledge its real or personal property except within the scope and to the extent of the authority delegated by resolutions adopted by the Board of Directors. Authority may be given by the Board of Directors for any of the above purposes and may be general or limited to specific instances.

12.7 Electronic Communications. A member, director or committee member may participate in a meeting by any means of communication through which such person, other persons so participating, and all other

persons physically present at the meeting may simultaneously hear one another during the meeting. Such participation in a meeting shall constitute presence in person at the meeting. A conference among members, directors or committee members by means of this approved communication shall constitute a meeting of the members, Board of Directors or committee, as the case may be, if the same notice is given of the conference as would be required for a meeting, and if the number of persons participating in the conference would be sufficient to constitute a quorum at a meeting.

12.8 Financial Accounts. The Board of Directors shall examine the accounts of the Association at their meetings as set forth herein, and shall, in addition, have the books audited at least once a year by a disinterested competent accountant, or by a committee of three members of the Association who are not members of the Board of Directors. The annual audit shall be made between the date of the close of the fiscal year and the date of the annual meeting, and a report of such audit shall be submitted to the members at their annual meeting. A sufficient number of copies shall be made available in printed form or in an electronic format so that each member attending such meeting may have access to a copy to review. The report shall contain at least a balance sheet, income statement, and such other data as may be desired by the Board of Directors, developed pursuant to Generally Accepted Accounting Principles.

12.9 Rules of Order. The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the meeting of the Association in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Association may adopt.

ARTICLE XIII – DISSOLUTION

In the event that the Association is dissolved pursuant to law, its property and assets shall be applied and distributed pursuant to the Articles of Incorporation in the order and according to the terms of the immediately

following clauses (a) through (d) insofar as legally allowable:

- a. Cost and expenses incident to the proceedings shall be paid.
- b. All liabilities and obligations of the Association shall be paid, satisfied, discharged, or adequate provision made for them according to their respective priorities.
- c. Property and assets, if any, held by the Association upon condition or subject to an executory or special limitation, if the condition or limitation occurs by reason of the dissolution of the Association, shall revert, be returned, transferred, or conveyed in accordance with the conditions or limitations.
- d. Subject to Clauses (A) through (C), all remaining property shall be distributed exclusively for the purposes of the Association in such a manner, or to such organization or organizations organized or operated exclusively for pleasure, recreational, charitable, educational or scientific purposes as shall at the time qualify as an exempt organization.

ARTICLE XIV – AMENDMENT OF BYLAWS

The Board of Directors may propose an amendment to these Bylaws by adopting a resolution setting forth the proposed amendment and directing that it be submitted for adoption at a meeting of the members. An amendment to the Bylaws may also be proposed by written petition signed by at least fifty (50) members or ten percent (10%), whichever is less, and delivered to the Secretary. Each proposed amendment shall be considered at a meeting of the members, and an amendment shall be adopted upon the affirmative vote of a majority of the members present and entitled to vote at the meeting. Notice of the meeting shall include a copy or summary of the proposed amendments. The members shall have no power to amend the Bylaws except as described in this Article.