

BYLAWS
OF
New Jersey Building Material Dealers Association

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BYLAWS
OF
NEW JERSEY BUILDING MATERIAL DEALERS ASSOCIATION

ARTICLE 1

Identification

Section 1.1 Name. The name of this corporation shall be the New Jersey Building Material Dealers Association and shall herein be referred to as “NJBMDA” or “the association.”.

Section 1.2 Nonprofit Status. This association is not intended as a profit-making corporation, nor is it founded with the expectation of making a profit. The association shall use its funds only for the purposes specified in these bylaws.

Section 1.3 Offices. The principal business office of the association shall be at 585 North Greenbush Road, Rensselaer, NY 12144-9453. Such office may be changed from time to time by the board of directors, and the association may also have offices at such other places as the association may require.

ARTICLE 2

Statement of Purposes

The purpose of the association is to engage in the following activities:

The Association is organized and shall at all times be operated exclusively for purposes consistent with Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law) (the "Code").

Within these restrictions, the Association is organized for the following specific purposes:

- a. To represent, unite, train, and lead independent lumber and building material dealers in New Jersey.
- b. To educate, instruct, inform and assist its membership in techniques, concepts, products, skills and general philosophy of the lumber and building materials industry.
- c. To provide a forum for the discussion of ideas pertaining to the goals and principles of the lumber and building materials industry and to have an avenue for the presentation of such ideas.
- d. To develop the abilities and potential of its members for additional responsibilities and advancement in their respective firms and within the lumber and building materials industry.
- e. To promote social interaction among the members of the New Jersey Building Material Dealers Association, Northeastern Retail Lumber Association and others associated with the lumber and building materials industry.

- f. To engage in any and all other lawful purposes, activities and pursuits, which are substantially similar to the foregoing and which are or may hereafter be authorized by Section 501(c)(6) of the Internal Revenue Code and are consistent with those powers described in the Act, as amended and supplemented.

ARTICLE 3

Members

Section 3.1 Categories of Membership. There shall be three categories of membership: Dealer Member, Associate Member and Honorary Member. NJBMDA will be primarily structured to serve dealer members within the state of New Jersey.

Section 3.2 Dealer Member. Any retail Dealer Member of the Northeastern Retail Lumber Association with its principal place of business within the state of New Jersey may become a member if:

- (i) it maintains a facility which is equipped to service the public or professional trades;
- (ii) its facility includes an office, storage yard or warehouse;
- (iii) its facility is kept open during business hours; and
- (iv) it carries an inventory of lumber and building materials or millwork to sell in small or large quantities to the general public (including the professional trades) and not exclusively or primarily for its own consumption.

Section 3.3 Associate Member. Any organization which actively supplies lumber or building materials or services to dealer members may become an associate member of NJBMDA. An Associate Member of the Northeastern Retail Lumber Association will automatically be a member of NJBMDA. A person or organization eligible for membership both

as a dealer member and an associate member may not become an associate member until the requirements for retail membership have been satisfied.

Section 3.4 Honorary Member. A member upon retirement from the lumber and building material business, or any individual with approval of the Board of Trustees, may by reason of distinguished service to the association and to the industry be elected an Honorary Member of the association. Honorary Members shall not have voting rights or pay any annual membership dues.

Section 3.5 Election of Members. The Board of Trustees will approve all members. All members must subscribe to the bylaws of NJBMDA and each member shall pay annual dues to the association in an amount determined by the board. In the event a member's membership is terminated for any reason pursuant to Section 3.9 below, such member shall not be entitled to receive a pro-rated refund of dues paid to the association.

Section 3.6 Membership Rights. The association shall be controlled by members. No member shall hold more than one membership in the association. There is no limitation on the number of members in the association. Membership interests in the association are not transferable. All rights, privileges and interests of a member in the association shall cease upon termination of membership.

Section 3.7 Membership Book. The secretary of the association shall cause to maintain a membership book listing the name and address of each association member. The book shall also contain the date upon which an applicant becomes a member of the association and the date the membership of any member ceases. The membership book shall be kept in the principal place of business of the association.

Section 3.8 Termination of Membership. A member's membership interest in the association shall terminate on the occurrence of any of the following events:

- a. Upon receipt by a trustee of a member's written resignation of membership in the association;
- b. Upon the dissolution of the member;
- c. Upon the failure of a member to pay membership dues by the due date.

Termination of membership for non-payment of dues occurs automatically without notice being given by the association. Membership may be reinstated in full if delinquent dues are paid within thirty (30) days of the due date; or

- d. If, after being given an opportunity to be heard, the board of trustees for the association finds that a member has engaged in conduct that violates the purposes for which the association was formed, or has breached the duty of good faith owed to the association to such a degree that the member's membership in the association should be terminated.

ARTICLE 4

Board of Trustees

Section 4.1 Authority. The management of all affairs, property and interests of the association shall be controlled and governed by the board of trustees, which shall have the right to exercise all powers of the association as permitted by law. Each trustee shall execute all duties through the use of the standard as to what in the trustees' opinion is in the best interests of the association. In making all decisions a trustee shall utilize such reasonable care and inquiry as a reasonably prudent person in a similar situation would employ.

Section 4.2 Composition. The board of trustees shall be composed of the Executive Committee of the association and up to ten (10) other dealer and associate members elected at large from the state as a whole. Special consideration will be given the nomination of such trustees with respect to industry needs and density of members within a district. The Board of Trustees may include up to four (4) Associate Members. Each and every trustee shall have one vote on matters which require a vote of the board of trustees. A majority of all officers and trustees shall constitute a quorum for the transaction of business at any meeting of the board.

Section 4.3 Terms of Office. Trustees shall be elected at the annual meeting, by a majority vote of members present. Each member firm of the association is entitled to one vote. The term of office for all trustees shall be three (3) years, a trustee may be re-elected to additional concurrent terms without limitation.

Section 4.4 Meetings. The board of trustees shall hold an annual meeting of the general membership in September of each year, and may elect the time and place for other meetings of the board and membership. The board of trustees may call special meetings of the entire membership and notice of meetings shall be given to each member. Fifteen (15) members shall constitute a quorum for the transaction of business at the annual meeting or special meeting of the entire membership. Other meetings of the board of trustees may be called by the president or by one-half of the trustees then in office by delivering notice in writing, of the date, time, place, and purpose of such meeting, to all trustees at least five (5) days in advance of such meeting.

Section 4.5 Quorum and Voting. A majority of the board of trustees shall constitute a quorum for the transaction of business at any meeting of the board. At any meeting of the board of trustees at which a quorum is present, a majority of those present shall decide any matter, unless a different vote is specified by law, the Articles of Organization, or these Bylaws.

Section 4.6 Meetings by Telephone. One or more trustees may participate in any annual, regular, or special meeting of the board by means of conference telephone or similar communications equipment by which all persons participating in the meeting are able to hear each other at the same time. Such participation shall constitute presence in person at such meeting. A majority of the board of trustees shall constitute a quorum for the transaction of business at any meeting of the board held by telephone

Section 4.7 Email Votes. Should a matter requiring a vote of the board of trustees arise between board meetings, a ballot by electronic mail may be taken. An affirmative unanimous vote (i.e., no negative votes) of a quorum of the voting membership of the board, within a time frame established for the vote, shall be necessary to carry any motion. Each vote shall be viewed by the entire board.

Section 4.8 Action Without a Meeting. Any action required or permitted to be taken by the board or any committee thereof may be taken without a meeting if all members of the board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the board or committee shall be filed with the minutes of the proceedings of the board or committee.

Section 4.9 Committees. The board of trustees may create such standing and special committees and/or task forces it determines to be in the best interest of the association. The board of trustees shall determine the duties, powers, and composition of such committees and task forces, except that the board shall not delegate to such committees and task forces those powers which by law may not be delegated. Each such committee or task force shall submit to the board of trustees at such meetings as the board may designate a report of the actions and recommendations of such committees for consideration and approval by the board of trustees. A

task force shall sunset at the conclusion of their task, any committee may be terminated at any time by the board of trustees.

Section 4.10 Compensation. Directors as such shall not receive any salaries for their services on the board, but the board may authorize reimbursement of actual expenses incurred on behalf of the association by officers or members.

Section 4.11 Vacancies. A vacancy or vacancies in the board of trustees shall not interrupt the continuity of association business, and the continuing trustees shall for this purpose be deemed to constitute the full board of trustees. Any vacancy occurring in the board of trustees shall be filled as soon as conveniently possible by a majority vote of the board of trustees. A trustee elected by the board of trustees to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

Section 4.12 Removal. Any trustee may be removed, with or without assignment of cause, by a vote of two-thirds of the entire board of trustees at any meeting of the board. No member of the board shall be removed from office unless the notice of the meeting at which removal is to be considered states such purpose and opportunity to be heard at such meeting is given to the trustee whose removal is sought. Four (4) unexcused absences from board of trustee meetings in a calendar year will constitute grounds for removal from any elected office.

ARTICLE 5

Executive Committee and Officers

Section 5.1 Officers. The officers of the corporation shall consist of a president, a 1st vice president, a 2nd vice president, a treasurer, a secretary, and the immediate past president (ex officio).

Section 5.2 Executive Committee. The officers shall comprise the executive committee of the association. Between meetings of the board of trustees, the executive committee shall be empowered to act on the board's behalf, but shall not have the authority to expend un-budgeted funds nor establish outside policy.

Section 5.3 Election. Dealer and Associate members are eligible to become officers of the association. The officers of the association shall be elected biannually (every two years) by the general membership at the annual meeting. Each officer shall hold office until a successor shall have been elected and qualified.

Section 5.4 Vacancies. If a vacancy occurs in the office of president, the 1st vice president shall become the president for the balance of the unexpired term; the 2nd vice president shall become the 1st vice president; and the secretary shall become the 2nd vice president. The board of trustees shall appoint new officers(s) to serve until the next annual election meeting. If a vacancy occurs in the office of treasurer, the board of trustees shall appoint a new treasurer to serve until the next annual election meeting.

Section 5.5 Removal. Any officer may be removed, with or without assignment of cause, by a vote of one-half of the entire board of trustees at any meeting of the board. No officer shall be removed from office unless the notice of the meeting at which removal is to be considered states such purpose and opportunity to be heard at such meeting is given to the officer whose removal is sought.

Section 5.6 President. The president shall preside at all meetings of the board of trustees and the executive committee, and shall be a member ex-officio, with the right to vote, of all committees except the nominating committee. The president, or other proper officer or agent of the association authorized by the board of trustees, may sign any deeds, mortgages, bonds,

contracts, or other instruments which the board of directors has authorized to be executed. The president shall perform all duties incident to the office of president and such other duties as may be prescribed by the board from time to time. The term of office of the president shall be two (2) years.

Section 5.7 1st Vice President. The 1st vice president shall assist the president discharge his duties and during his absence shall discharge his duties in his stead. The term of office of the 1st vice president shall be two (2) years.

Section 5.8 2nd Vice President. The 2nd vice president shall assist the 1st vice president and assist the 1st vice president discharge his duties and during his absence shall discharge his duties in his stead. The term of office of the 2nd vice president shall be two (2) years.

Section 5.9 Treasurer. The treasurer, or other proper officer or agent of the association authorized by the board of trustees, shall have charge and custody of and be responsible for all funds and securities of the association; receive and give receipt for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the association in such banks, trust companies, or other depositories as shall be selected by the board of trustees; and in general perform all of the duties incident to the office of treasurer and such others as may from time to time be assigned by the board. The term of office of the treasurer shall be two (2) years.

Section 5.10 Secretary. The secretary shall cause to keep the minutes of the meetings of the board of directors in one or more books provided for that purpose; ensure that all notices are given in accordance with the provisions of these bylaws; be custodian of the corporate records; and in general perform all such duties as may from time to time be assigned by the board of trustees. The term of office of the secretary shall be two (2) years.

Section 5.11 Nomination Process. Each year, at least sixty (60) days prior to the annual meeting, the President shall appoint a Nominating Committee, the Chairman of which will be an existing member of the Board of trustees, and there shall be such other members on the Nominating Committee as the President shall deem necessary. At least thirty (30) days prior to the annual meeting, the Chairman of the Nominating Committee will advise the association office of the names of those candidates offered in nomination for trustees where there are vacancies. The names of these nominees will be circulated among membership at least twenty one (21) days prior to the annual meeting. The Chairman of the Nominating Committee shall conduct all election proceedings at the annual meeting. Any five (5) Dealer Members may submit to the Nominating Committee its own slate for District and Trustees at large. This slate must be submitted at least fourteen (14) days prior to the annual meeting and it will be offered for consideration of all members at said annual meeting.

ARTICLE 6

Finances

Section 6.1 Fiscal Year. The fiscal year of the corporation shall begin on October 1 and end on the following September 30 or such other period as determined by the board of trustees.

ARTICLE 7

Association Transactions

Section 7.1 Contracts. The board of trustees may authorize any officer or officers, agent or agents of the association in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined by specific instances.

Section 7.2 Indebtedness. All expenses in the name of the association shall be approved by the president, first vice president or treasurer. No debt or liability in excess of \$5,000 shall be created or incurred by NJBMDA without prior approval of the board of trustees or executive committee.

Section 7.3 Deposits. All funds of the association shall be deposited from time to time to the credit of the association in such banks, trust companies, or other depositories, as the board of trustees shall select.

ARTICLE 8

Books and Records

The association shall keep at the principal office of the corporation correct and complete books and records of account; minutes of the proceedings of board of trustees; and a register of the names and addresses of the trustees of the corporation. All books and records of the corporation may be inspected by any trustee, or agent or attorney thereof, for any proper purpose at any reasonable time.

ARTICLE 9

Restrictions on Activities

Notwithstanding any other provisions of these bylaws, no trustee, officer, agent or any other representative of the association shall take any action or carry on any activity by or on behalf of the association not permitted to be taken by an organization exempt under section 501(c)(6) of the Internal Revenue Code, as it now exists or may hereafter be amended, or any corresponding section of any future tax code.

ARTICLE 10

Dissolution

The Association can be dissolved provided all outstanding obligations of the Association have been satisfied. No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to, any director, officer, member or other private party, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered. Upon the dissolution of the corporation, the board of trustees shall, after paying or making provision for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation to such organization or organizations as shall at the time qualify as an exempt organization or organizations under the same section of the Internal Revenue Code of 1986, as amended (or any corresponding provision of any future United States Internal Revenue law), as is the corporation, as the governing body of the corporation shall determine.

ARTICLE 11

Personal Liability

No officer or trustee of the association shall be personally liable to the association for monetary damages for or arising out of a breach of fiduciary duty as an officer or trustee notwithstanding any provision of law imposing such liability; provided, however, that the foregoing shall not eliminate or limit the liability of an officer or trustee to the extent that such liability is imposed by applicable law (i) for a breach of the director's duty of loyalty to the association, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or (iii) for any transaction from which the officer or trustee derived an improper personal benefit.

ARTICLE 12

Indemnification

The association shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer or trustee of the association against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding to not have acted in good faith in the reasonable belief that such action was in the best interests of the association; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of trustees who are not at the time parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

This Article constitutes a contract between the association and the indemnified officers and trustees. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer or trustee with respect to these acts or omissions which occurred at any time prior to such amendment or repeal.

ARTICLE 13

Amendments to Bylaws

These bylaws may be amended at any regular or special meeting of the board of trustees by a two-thirds vote of the board, provided that the proposed amendment shall have been submitted to the board in writing at least ten (10) days prior to the meeting, and a copy of the same included in the call for the meeting.

(End of Bylaws)