

BYLAWS

AS REVISED AND AMENDED FEBRUARY 21, 2019

NATIONAL ASSOCIATION OF HOME BUILDERS
OF THE UNITED STATES

(A NEVADA NONPROFIT CORPORATION)



TABLE OF CONTENTS

DEFINITIONS AND INSTRUCTIONS.....	1
ARTICLE I. MEMBERSHIP.....	4
Sec. 1. CLASSES OF MEMBERS.....	4
Sec. 2. ACCEPTANCE OF MEMBERS.....	5
Sec. 3. VOTING RIGHTS.....	5
Sec. 4. SERVICES AND PRIVILEGES.....	6
Sec. 5. TERMINATION OF MEMBERSHIP.....	6
ARTICLE II. AFFILIATED ASSOCIATIONS.....	7
Sec. 1. AFFILIATED LOCAL ASSOCIATIONS.....	7
Sec. 2. AFFILIATED STATE ASSOCIATIONS.....	8
Sec. 3. AFFILIATED STUDENT CHAPTERS.....	9
Sec. 4. ISSUANCE OF CHARTERS.....	9
Sec. 5. REVOCATION OF CHARTERS.....	9
Sec. 6. JURISDICTION OF AFFILIATED LOCAL ASSOCIATIONS.....	9
Sec. 7. CHANGE OF NAME.....	10
Sec. 8. INTERNATIONAL AFFILIATES.....	10
Sec. 9. DISPUTE RESOLUTION.....	11
ARTICLE III. MEMBERSHIP FEES.....	12
Sec. 1. MEMBERSHIP FEES.....	12
Sec. 2. DUES PERIOD.....	12
Sec. 3. DUES PAYMENTS.....	12
Sec. 4. DEFAULT AND TERMINATION OF MEMBERSHIP.....	13
ARTICLE IV. LEADERSHIP COUNCIL.....	14
Sec. 1. GENERAL POWERS.....	14
Sec. 2. NUMBER, TENURE, AND QUALIFICATIONS.....	14
Sec. 3. ELECTION OF DELEGATES.....	14
Sec. 4. VACANCIES.....	16
Sec. 5. DISCIPLINE OR REMOVAL OF DELEGATES.....	16
Sec. 6. NEW DELEGATES.....	16
Sec. 7. ANNUAL MEETING.....	16
Sec. 8. REGULAR MEETINGS.....	16
Sec. 9. SPECIAL MEETINGS.....	16
Sec. 10. NOTICE OF MEETINGS.....	16
Sec. 11. QUORUM.....	17
Sec. 12. MANNER OF ACTING.....	17
Sec. 13. CONSIDERATION OF RESOLUTIONS, RECOMMENDATIONS, AND POLICY STATEMENTS.....	17
Sec. 14. SENIOR OFFICERS OF THE BOARD OF DIRECTORS.....	17
Sec. 15. EXCUSED ABSENCE.....	18
Sec. 16. INTERNATIONAL AFFILIATE DELEGATES.....	18
ARTICLE V. BOARD OF DIRECTORS.....	19

Sec. 1.	DUTIES AND RESPONSIBILITIES, AUTHORITY AND ACCOUNTABILITY.....	19
Sec. 2.	NUMBER AND TENURE.....	19
Sec. 3.	REGULAR MEETINGS.....	20
Sec. 4.	SPECIAL MEETINGS.....	20
Sec. 5.	NOTICE.....	20
Sec. 6.	QUORUM.....	20
Sec. 7.	MANNER OF ACTING.....	20
Sec. 8.	VACANCIES.....	21
Sec. 9.	EXERCISE OF STOCKHOLDERS, SHAREHOLDERS RIGHTS.....	21
Sec. 10.	EMPLOYMENT AND REMOVAL OF PROFESSIONAL STAFF.....	21
ARTICLE VI.	MEETINGS OF THE MEMBERS.....	22
Sec. 1.	ANNUAL MEETING.....	22
Sec. 2.	SPECIAL MEETINGS.....	22
Sec. 3.	NOTICE OF MEETINGS.....	22
Sec. 4.	QUORUM.....	22
Sec. 5.	PROXIES.....	22
Sec. 6.	MANNER OF ACTING.....	22
Sec. 7.	MISCELLANEOUS.....	22
ARTICLE VII.	DIRECTOR CLASSES OF THE BOARD.....	23
Sec. 1.	QUALIFICATIONS OF DIRECTOR CLASSES OF THE BOARD.....	23
Sec. 2.	QUALIFICATIONS OF THE NATIONAL ASSOCIATE CHAIRMEN.....	23
Sec. 3.	ELECTION AND TERM OF OFFICE.....	24
Sec. 4.	SENIOR OFFICERS OF THE BOARD.....	24
Sec. 5.	THE CHAIRMAN OF THE BOARD.....	24
Sec. 6.	FIRST VICE CHAIRMAN.....	24
Sec. 7.	SECOND VICE CHAIRMAN.....	24
Sec. 8.	THIRD VICE CHAIRMAN.....	25
Sec. 9.	IMMEDIATE PAST CHAIRMAN OF THE BOARD.....	25
Sec. 10.	NATIONAL AREA CHAIRMEN.....	25
Sec. 11.	STATE REPRESENTATIVES.....	25
Sec. 12.	REMOVAL.....	26
Sec. 13.	VACANCIES.....	26
Sec. 14.	BUSINESS EXPENSES.....	27
ARTICLE VIII.	PROFESSIONAL STAFF.....	28
Sec. 1.	PRESIDENT AND CHIEF EXECUTIVE OFFICER.....	28
Sec. 2.	SECRETARY AND ASSISTANT SECRETARY.....	28
Sec. 3.	TREASURER AND ASSISTANT TREASURER.....	29
ARTICLE IX.	COMMITTEES AND COUNCILS.....	30
Sec. 1.	COMMITTEES.....	30
Sec. 2.	GENERAL PROVISIONS.....	30
Sec. 3.	COUNCILS.....	33
Sec. 4.	TASK FORCES.....	34
ARTICLE X.	GENERAL PROVISIONS.....	35

Sec. 1.	CONTRACTS, CHECKS, DEPOSITS, AND FUNDS.	35
Sec. 2.	BOOKS AND RECORDS.....	37
Sec. 3.	FISCAL YEAR.	37
Sec. 4.	REPRESENTATION OF THE ASSOCIATION.	37
Sec. 5.	SEAL.....	38
Sec. 6.	OFFICIAL EMBLEM.	38
Sec. 7.	WAIVER OF NOTICE.	38
Sec. 8.	RULES OF ORDER.	38
Sec. 9.	TAX EXEMPT STATUS.....	38
ARTICLE XI.	AMENDMENTS TO BYLAWS.....	39

DEFINITIONS AND INSTRUCTIONS

1. The words “Area Caucus” when used in these Bylaws refers to, collectively, the following geographical areas:

Area 1: Connecticut, Maine, Massachusetts New Hampshire, Rhode Island, Vermont

Area 2: New Jersey, New York

Area 3: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia

Area 4: Georgia, North Carolina, South Carolina

Area 5: Florida, Puerto Rico, U.S. Virgin Islands

Area 6: Kentucky, Ohio, West Virginia

Area 7: Alabama, Tennessee

Area 8: Arkansas, Louisiana, Mississippi

Area 9: Illinois, Indiana, Michigan

Area 10: Iowa, Minnesota, North Dakota, South Dakota, Wisconsin

Area 11: Kansas, Missouri, Nebraska, Oklahoma

Area 12: Texas

Area 13: Arizona, Colorado, Nevada, New Mexico, Utah, Wyoming

Area 14: California, Hawaii

Area 15: Alaska, Idaho, Montana, Oregon, Washington

2. The words “Affiliated Association(s)” when used in these Bylaws shall mean, individually or collectively, “Affiliated Local Associations,” “Affiliated Student Chapters,” and “Affiliated State Associations” as defined in Art. II.
3. The words “Association” or “NAHB” when used in these Bylaws shall mean the “National Association of Home Builders of the United States.”
4. The words “Board” or “Board of Directors” when used in these Bylaws shall mean the Board of Directors of the Association as defined in Art. V.
5. The term “Chief Elected Officer” when used in these Bylaws shall refer to the highest-ranking officer of an Affiliated Association.

6. The term “contact information” when used in these Bylaws shall include the street address, e-mail address and telephone number of the member.
7. The term “Delegate” when used in these Bylaws shall refer to those individuals that are elected or appointed to serve on the Leadership Council. Service as a Director on the NAHB Board prior to January 11, 2018 shall be recognized in the same manner as service by a Delegate on the Leadership Council.
8. The term “Dispute Resolution Process,” when used in these Bylaws shall refer to the process for resolving disputes between and among Affiliated Associations adopted by the Board of Directors on June 6, 2014 and as amended.
9. The term “Home Innovation Research Labs” when used in these Bylaws shall refer to Home Innovation Research Labs, Inc., which is a wholly owned subsidiary of NAHB.
10. The words “Leadership Council” when used in these Bylaws shall mean the Leadership Council of the Association as defined in Art. IV.
11. The terms “Life Delegate” or “Senior Life Delegate” when used in these Bylaws shall refer to those individuals who were recognized as “Life Director” or “Senior Life Director” prior to January 11, 2018. Service as a Life Director or Senior Life Director on the NAHB Board is recognized in the same manner as service as a Life Delegate or Senior Life Delegate on the Leadership Council.
12. The term “Members-at-Large” when used in these Bylaws refers to those individuals outside the jurisdiction of an Affiliated Association.
13. The term “National Area Chairman” when used in Art. VII, §1 of these Bylaws shall include any individual who previously served as a “National Vice Chairman.”
14. The term “Past Chairmen of the Board” when used in these Bylaws shall include any individual who served as Chairman of the Board and, if prior to 2009, any individual who served as President of the Association.
15. The term “Pilot Program” when used in these Bylaws shall refer to any special project or time-limited program, designed to determine the feasibility and longer-term viability, financial or otherwise, of a proposed change to the current NAHB method of operations. A Pilot Program may be proposed by NAHB staff, councils, committees, or any Affiliated Association in good standing.
16. The term “Senior Officers” when used in these Bylaws shall mean the Chairman of the Board of Directors, the First Vice-Chairman, Second Vice-Chairman, Third Vice-Chairman, and Immediate Past Chairman as defined in Art. VII.
17. The word ‘State’ when used in these Bylaws shall include the Commonwealth of Puerto Rico and any other U.S. Territories.

18. The term "State Representative" when used in Art. VII of these Bylaws shall include any individual who previously served as a "National Representative."
19. Reference in these Bylaws to male gender shall also be representative of female gender.
20. Whenever a two-thirds (2/3's) vote of the Board of Directors is required, it shall mean two-thirds (2/3's) of the Board present and voting and in no case less than one-half (1/2) of the total Board present and voting.
21. Whenever a "Supermajority Vote" of the Board of Directors is required, it shall mean three-quarters (3/4's) of the Board present and voting.
22. All notification requirements in these Bylaws may be fulfilled by letter, facsimile or electronic transmission.

ARTICLE I. MEMBERSHIP

Sec. 1. CLASSES OF MEMBERS. The Association shall have the following classes of members. The designation of such classes and the qualifications of the members of such classes shall be as follows:

(A) BUILDER MEMBER. Any individual who is or has been in, or employed by a firm or corporation in the business of building or remodeling of homes, apartments, schools, commercial, industrial, or other structures normally related and appurtenant to a community, or in land development and is of good character and business reputation, shall be eligible to be a builder member provided such individual, or the firm or corporation which employs him or her, is in the above described business:

- (i) has been accepted as a builder member in good standing of any Affiliated Association of this Association, or
- (ii) operates in an area not within the jurisdiction of any Affiliated Association.

Where a firm or corporation has been accepted as a builder member of any Affiliated Association, the employee who is designated by that firm or corporation as its representative for its dealings with the Affiliated Association shall be eligible for builder membership in this Association. If the representative leaves the firm's or corporation's employ, the firm or corporation may designate another representative for the balance of the NAHB membership year.

(B) ASSOCIATE MEMBER. Any individual who is or has been in or employed by a firm or corporation engaged in a trade, industry, or profession related to the business of building or remodeling of homes, apartments, schools, commercial, industrial, or other structures normally related and appurtenant to a community and is not inconsistent with the objectives of the Association or any Affiliated Association and is of good character and business reputation shall be eligible to be an associate member provided such individual, or the firm or corporation which employs him or her and is engaged in a trade, industry, or profession described above:

- (i) has been accepted as an associate member of an Affiliated Association;
or
- (ii) operates in an area not within the jurisdiction of any Affiliated Association.

Where a firm or corporation has been accepted as an associate member of an Affiliated Association, the employee whom that firm or corporation designates as its representative for its dealings with the Affiliated Association shall be eligible for associate membership in this Association. If the representative leaves the firm's or corporation's employ, the firm or corporation may designate another representative for the balance of the NAHB membership year.

(C) AFFILIATE MEMBER. Any individual who is an employee of a firm represented by a builder or associate member of the same local association as defined in Sections

(1)(A) and (B) of these Bylaws shall be eligible to be an affiliate member if he has been accepted as an affiliate member in good standing by an Affiliated Association of this Association.

(D) STUDENT MEMBER. Any student of light construction or related subjects who is a member of an organized group in an accredited school during the current academic year and sponsored by a faculty advisor shall be eligible to be a student member.

(E) HONORARY MEMBER. Any persons so designated by the Leadership Council, from time to time, for distinguished and unique service to the building industry shall be Honorary Members.

(F) INTERNATIONAL MEMBER. Any United States citizen; firm, or corporation or foreign national, firm, or corporation engaged primarily in business outside the United States shall be eligible to be either an international builder member provided the party is otherwise qualified as a builder member, or an international associate member provided the party is otherwise qualified as an associate member.

(G) ACADEMIC SUBSCRIBER. Any full time professor, instructor, or other faculty member or full time administrator at a high school, local or state vocational school, college or university, who does not otherwise qualify for membership within these Bylaws, shall be eligible to be an academic subscriber.

(H) STUDENT CHAPTER ALUMNI MEMBER. Any graduate from an NAHB affiliated Student Chapter program shall be eligible to be a Student Chapter Alumni member for a period of three (3) years immediately following the month and year of the individual's graduation.

Sec. 2. ACCEPTANCE OF MEMBERS.

(A) Applicants for membership, other than honorary and life memberships, shall sign an application for membership. This may be a part of an application to an Affiliated Association. All individuals accepted for membership must comply with the Articles of Incorporation and Bylaws of this Association.

(B) Applicants for builder, associate, affiliate and student chapter alumni membership approved and accepted by an Affiliated Association or, in the case of such applicants operating in an area not within the jurisdiction of an Affiliated Association (or, in the case of student chapter alumni applicants, operating in an area where no Affiliated Association recognizes the student chapter alumni member classification), by the Third Vice Chairman, upon payment of dues shall become builder, associate, affiliate, or student chapter alumni members of this Association.

(C) Applicants for student and international membership and academic subscriber, approved and accepted by the Third Vice Chairman, upon payment of dues and/or fees shall be members of this Association.

Sec. 3. VOTING RIGHTS. Each member shall be entitled to one vote on each matter submitted to a vote of the members at the Meeting of the Members.

Sec. 4. SERVICES AND PRIVILEGES.

(A) All members in good standing are entitled to full benefits, services, and privileges of the Association, except (1) as provided in Subparagraph (B) of this Section or (2) as specifically set forth elsewhere in these Bylaws.

(B) Each academic subscriber, student, student chapter alumni, international, affiliate or Honorary Member, shall be entitled only to such national services and privileges upon payment of an annual fee therefore, as may be determined by the Board of Directors.

(C) The Board of Directors may from time to time provide that one or more types of specialized and expanded services shall be available to all members in good standing upon payment of a stated fee, provided they also meet other prescribed conditions of eligibility.

Sec. 5. TERMINATION OF MEMBERSHIP.

(A) The Board of Directors may suspend, expel from this Association, or revoke the membership of any member. No such action shall be taken under this Section unless (1) it is determined to be in the best interest of this Association, and (2) the member has been given thirty (30) days' notice in advance of a meeting of the Board of Directors at which he or she shall be afforded a reasonable opportunity to be heard. Among other reasons, a member may be expelled for any failure to comply with these Bylaws.

(B) The membership of any member who shall be in default in the payment of dues for the period fixed in these Bylaws shall be terminated upon expiration of said period.

(C) Any member may resign by filing a written resignation with the Third Vice Chairman, but 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 such member be entitled to any refund of dues paid.

(D) Membership in this Association is not transferable or assignable, except where otherwise provided in these Bylaws.

ARTICLE II. AFFILIATED ASSOCIATIONS

Sec. 1. AFFILIATED LOCAL ASSOCIATIONS.

(A) Any organized group of home builders and remodelers which is composed of persons residing in the United States, the Commonwealth of Puerto Rico, U. S. Territories, or in an off-shore foreign territory, who are engaged in residential construction or in a related industry, profession, or trade and in sympathy with the objectives of the Association, may be accepted as an Affiliated Local Association by the Board of Directors if (a) the requested jurisdiction is permitted by the provisions of this Article and (b) it submits to the Association a formal application for charter signed by its chief elected officer and approved by its Board of Directors, certifying that:

- (i) the applicant group is located and conducting its business operations within the geographic region in which it is seeking jurisdiction;
- (ii) the jurisdiction requested does not conflict with the jurisdiction of any existing affiliated Local Association (except as may be permitted under Sec. 6 of this Article);
- (iii) the applicant group is composed of not less than ten (10) members in good standing, of which no fewer than three (3) are builder members (hereinafter "Minimum Membership Requirements");
- (iv) the majority of the corporate officers and members of the Board of Directors of such groups are builder members;
- (v) all individual members of the group and the representative of each firm or corporate member of the group, are members of or have applied for membership in the Association in the classes for which they qualify under these Bylaws;
- (vi) the group will provide any members-at-large of the Association within the requested jurisdiction an opportunity to become members;
- (vii) its Constitution and/or Articles of Incorporation and Bylaws will not conflict with the Articles and Bylaws of this Association;
- (viii) all members of the group agree to abide by the Articles of Incorporation, Bylaws, and policies of the Association, as amended from time to time; and
- (ix) it will become affiliated with its State Association immediately, if at the time of the application there is an Affiliated State Association duly chartered and functioning under the provisions of this Article. No Local Association that has affiliated with a State Association may withdraw from that affiliation without permission of the State Association

involved whether or not the Local Association was in existence prior to the State Association.

(B) The application shall be accompanied by a copy of the proposed Constitution and/or Articles of Incorporation and Bylaws of the applicant Association, a list of the names, addresses, and membership classification of the group's entire membership (including the name of the representative of each firm or corporate member) and payment of national dues as required by these Bylaws.

(C) The name to be used by the applicant (a) shall be either "Home Builders Association of _____" (with the appropriate insertion in the blank) or shall include the phrase "affiliated with the National Association of Home Builders"; (b) shall not be in conflict with the name of any other Affiliated Association; and (c) shall be approved by the Board of Directors of the Association.

Sec. 2. AFFILIATED STATE ASSOCIATIONS.

(A) This Association may accept an Affiliated State Association in each state. To qualify for such affiliation an applicant must submit to National a copy of its Constitution and/or Articles of Incorporation and Bylaws and a formal application, signed by its chief elected officer and approved by its Board of Directors, certifying that:

- (i) its operations are confined to the State in which it is seeking jurisdiction and do not conflict in any way with the operations of Affiliated Local Associations in the State;
- (ii) it is comprised of at least three Affiliated Local Associations and has been joined by two thirds (2/3) of the Affiliated Local Associations in the state. Such certification shall be accompanied by a list of the enrolled Associations;
- (iii) the foregoing certification shall not be required in states where there are only two (2) Affiliated Local Associations and both join in the application for a charter for State Association;
- (iv) the chief elected officer, at least one other corporate officer, and the majority of the members of the Board of Directors are builder members;
- (v) all of its individual members and the representative of each firm or corporate member are or will become members of the Association;
- (vi) before filing this application reasonable opportunity was given to each Affiliated Local Association and to members-at-large of the Association in the state in areas outside the jurisdiction of an Affiliated Local Association to join the State Association;

- (vii) it agrees to abide by the Articles of Incorporation, Bylaws, and policies of the Association, as amended from time to time; and
- (viii) it will collect, report, and remit national dues, as required by these Bylaws, for all members outside the jurisdiction of Affiliated Local Associations.

(B) Members or applicants for membership in the Association who reside and operate outside the jurisdiction of any affiliated Local Association shall be required to join their Affiliated State Association if one exists.

(C) Where one Affiliated Local Association holds jurisdiction for all counties within the entire state, the Affiliated Local Association may be re-chartered as an Affiliated *State* Association. In that circumstance, the re-chartered Affiliated State Association will be subject to all rights, duties and obligations of an Affiliated Local Association and an Affiliated State Association as provided for in these Bylaws and, as applicable, NAHB Board policy.

Sec. 3. AFFILIATED STUDENT CHAPTERS.

(A) Any organized group of students of light construction or related subjects upon payment of required dues, may be accepted as an Affiliated Student Chapter if it submits to the Association a formal application signed by its chief elected officer and sponsoring faculty advisor and certifying that it has the approval of the school.

(B) If acceptable to the Affiliated Association concerned, the Board of Directors may at any time require that a Student Chapter affiliate with the Affiliated Local Association or State Association having jurisdiction over the area in which it is located.

Sec. 4. ISSUANCE OF CHARTERS. Upon approval of its application by the Board of Directors, a charter shall be issued to an applicant Local or State Association declaring its affiliation.

Sec. 5. REVOCATION OF CHARTERS.

(A) With the approval of the Board of Directors or a ruling of a dispute resolution panel duly authorized by the Senior Officers, the charter of an Affiliated Association may be revoked based on the criteria set forth in Sec. 9, below.

(B) Notwithstanding Subsection (A) above, upon an Affiliated Local Association falling below the Minimum Membership Requirements as set forth in Sec. 1 (A)(iii), it shall have no less than twelve (12) months to be in compliance with the membership requirements of these Bylaws (the "Probationary Period"). During the Probationary Period the Affiliated Local Association shall represent to the Association that it has endeavored to increase its membership through all reasonable means. The Board of Directors shall have the option to reevaluate the length of the Probationary Period, not to exceed twenty-four (24) months. Revocation of the Affiliated Local Association's charter shall otherwise be automatic at the conclusion of the Probationary Period.

Sec. 6. JURISDICTION OF AFFILIATED LOCAL ASSOCIATIONS.

(A) The Board of Directors has the authority to revoke a charter or change the jurisdiction of an Affiliated Local Association.

(B) The territorial jurisdiction of each Affiliated Local Association shall be that approved by the Board of Directors. In approving a new, or amending an existing, charter at the request of an existing local association, the Board shall only grant jurisdiction to a local association that serves one entire county or counties or other similarly designated political subdivision.

(C) The territorial jurisdiction of an Affiliated Local Association may be reduced or changed without its written consent by the Board of Directors under the following circumstances. A challenge may be made to the jurisdiction of an Affiliated Local Association by contending a violation of these Bylaws, including, but not limited to the grounds set forth in Sec. 9, below. Upon a showing that the challenge cannot be resolved by the parties directly involved, then the matter must be referred to the State Association's Board of Directors, or State Representative, where there is no State Association, for handling consistent with the Dispute Resolution Process.

(D) Sixty (60) days' notice shall be given to all affected Affiliated Associations of a request for an increase in jurisdiction and a reasonable opportunity afforded them to present their views to the Board of Directors. The Third Vice Chairman may, however, waive the notice when, in his or her judgment, the circumstances warrant and no hardship would result.

(E) Where jurisdiction is granted over an area in excess of one incorporated city and its adjacent suburban areas, the Board of Directors may alter the granted jurisdiction and charter another association in the outlying territory. There shall be no overlapping jurisdictions. This section shall apply only (a) to charters issued, amended, or altered in territorial jurisdiction on or after May 28, 1952, and (b) to charters not protected by the subsequent provisions of this Article.

(F) Affiliated Local Associations shall have sole authority to establish policy, shall have jurisdiction over their members, and shall have the sole right (and no other Affiliated Local Association shall have the right except with the written approval of the Affiliated Local Association having jurisdiction) to act as the industry spokesman for members within their assigned territory.

(G) Affiliated Local Associations shall solicit memberships only in their own assigned territories or contiguous open territory.

Sec. 7. CHANGE OF NAME. If an Affiliated Local Association wishes to change its name, an application shall be made to the Association. Application may be granted only (a) if the new name is determined to be consistent with the objectives of the Association and not in conflict with the name of any other Affiliated Local Association; (b) if the new name is either "Home Builders Association of _____" (with the appropriate insertion in the blank) or includes the phrase "affiliated with the National Association of Home Builders"; and (c) upon approval of the Board of Directors and after thirty (30) days' notice to the Affiliated Local Associations that may be concerned with the proposed change.

Sec. 8. INTERNATIONAL AFFILIATES. The Board of Directors may permit affiliation of representative associations of builders in other nations. Each application shall be considered on the basis of mutual interest and objectives, the type and extent of assistance which the International

Affiliate may require, and the resources of the Association available therefor. The Board of Directors may include recommendations for (a) appropriate dues or assessments and (b) a suitable number of exchange directors (not exceeding three (3) for each nation) who shall be entitled to the privilege of the floor but shall have no vote. Members of International Affiliates shall be eligible to attend the Annual Meeting of the Members and the meetings of the Leadership Council.

Sec. 9. DISPUTE RESOLUTION.

(A) The Senior Officers may invoke the Dispute Resolution Process for any allegations pertaining to the following:

- (i) Jurisdictional challenges;
- (ii) An Affiliated Association no longer meets the requirements for affiliation with the Association;
- (iii) An Affiliated Association is no longer representative of the home builders in the chartered jurisdiction;
- (iv) An Affiliated Association is not adequately serving the needs of the home builders in the chartered jurisdiction;
- (v) An Affiliated Association fails to take appropriate action to address and prevent member conduct that is injurious to, or reflects discredit upon, the Affiliated Association, NAHB and/or the home building and remodeling industry;
- (vi) An Affiliated Association has failed to meet its financial obligations to the Association;
- (vii) An Affiliated Association is found to be in violation of the Bylaws of the Association; or
- (viii) Any other issues involving an Affiliated Association deemed appropriate by the Senior Officers.

(B) The decision or ruling of the dispute resolution panel shall be final and binding.

ARTICLE III. MEMBERSHIP FEES

Sec. 1. MEMBERSHIP FEES.

(A) ANNUAL DUES. The annual dues payable to the Association by:

- (i) Each Affiliated Association for its members and Members-at-Large shall be as set from time to time by two-thirds (2/3) majority of the Board of Directors present at any regular or special meeting by division of the house; provided at least ninety (90) days advance written notice of the proposed change is given to the voting directors and each Affiliated Association. Upon a request by an Affiliated Association in good standing, and upon recommendation by the Second and Third Vice Chairmen, the Board of Directors may authorize promotional discounted membership dues for potential members of NAHB's special interest Councils or other special interest groups, provided that the discount does not exceed one year of membership and the promotion does not exceed two years. Participation in any promotion by an Affiliated Association is voluntary; however participating Affiliated Associations must agree to the terms of the promotion as adopted by the Board of Directors.
- (ii) Student Member, Student Chapter Alumni Member, International Member, Academic Subscriber shall be as set from time to time by the Board of Directors (Student Chapter Alumni Member annual dues payable to NAHB by Affiliated Associations shall not be greater than the then-current affiliate annual dues amount).
- (iii) Honorary Members and Past Chairmen of the Board shall be nil.

Sec. 2. DUES PERIOD. The dues period for all classes shall begin with the date of their respective enrollments and expire on the last day of the twelfth (12) month thereafter. The date of enrollment shall be the last day of the month in which the membership was reported to the Association.

Sec. 3. DUES PAYMENTS.

(A) Each Affiliated Association shall report to this Association the names, contact information, and member classification of all members of the Affiliated Association. A State Association shall only be required to report information pertaining to at-large members.

(B) Each Affiliated Association shall transmit a report of new renewal memberships monthly, accompanied by the appropriate dues payment to the State Association and this Association within thirty (30) days of the earlier of commencement of services to the member, approval for membership, or in the case of a renewal membership, within sixty (60) days of the member's anniversary date.

(C) Any Affiliated Association offering special or limited service memberships to any firm shall remit full payment of dues to the State and this Association for the employee who is designated by that firm or corporation as its representative.

(D) Any Affiliated Association offering membership in an “unaffiliated” group or who undertakes the management of a housing or construction related industry association shall report to this association and the state association the name of that “unaffiliated” group. Any dues payments required hereunder shall be remitted to the State Association and this Association as provided for under these Bylaws.

(E) The annual dues of (1) student members, (2) student chapter alumni members whose membership is not through an Affiliated Association, (3) Members-at-Large, and (4) academic subscribers shall be paid directly to this Association.

Sec. 4. DEFAULT AND TERMINATION OF MEMBERSHIP. When a member is in default in the payment of dues for a period of one (1) month, membership in the Association shall be terminated.

(A) In the event an Affiliated Association terminates a member, the individual’s membership in this Association shall be accordingly terminated.

(B) Upon written request by an Affiliated Association, showing an extreme case of hardship, and upon recommendation of the Second Vice Chairman to the Senior Officers of the Board, this Association, upon such terms and conditions as may be in its best interest, may enter into a forbearance agreement with the Affiliated Association.

ARTICLE IV. LEADERSHIP COUNCIL

Sec. 1. GENERAL POWERS. The Leadership Council will have the authority to elect directors, including the Senior Officers, to serve on the Board of Directors; adopt resolutions, recommendations and policy statements; propose committees, working groups, and task forces to address the changing needs of the industry; identify strategic business opportunities; and engage in leadership development.

Sec. 2. NUMBER, TENURE, AND QUALIFICATIONS.

(A) The members of the Leadership Council shall be composed of all elected Delegates from Affiliated Associations, Life Delegates, Senior Life Delegates, and Delegates-at-Large.

(B) An elected Delegate shall hold office until the next Annual Meeting of members.

(C) Except as provided by Section 3 (F) of this ARTICLE IV, elected Delegates shall be Builder or Associate Members, as defined in Article I, Section 1, or as otherwise provided in these Bylaws, of this Association, nominated annually by his or her Affiliated Local Association or State Association and elected as provided by these Bylaws. Notwithstanding any other provision of these Bylaws, in the event a State or Local Association fails to submit in writing nominations for the number of Delegates to which it is entitled or such nominations are not received by the Third Vice Chairman within twenty (20) days prior to the Annual Meeting of the Members as provided in Article IV, Section 3 of these Bylaws, the term of the existing Delegate(s) representing such Association shall terminate upon adjournment of the Annual Meeting held for the election of Delegates, and shall remain vacant until a proper nomination in writing is or nominations are (as the case may be) received and the Delegate(s) so nominated is (or are) qualified and elected at the next meeting of the Members.

(D) An elected Delegate shall be considered to have resigned from that office if during his or her term he or she becomes otherwise ineligible to serve on the Leadership Council.

Sec. 3. ELECTION OF DELEGATES. The election of Delegates shall be as follows:

(A) The Third Vice Chairman shall, at least thirty (30) days prior to the Annual Meeting of Members, calculate the number of Delegates that an Affiliated Local Association or State Association may be entitled to nominate pursuant to Section 3(C) or (D) for the following year. This calculation shall be based upon the Affiliated Local or State Association's builder membership as of October 31st of the year when the calculation is performed. The Third Vice Chairman shall then notify the Affiliated Local Association or State Association of the number of Delegates that it is so entitled to nominate.

(B) On or before twenty (20) days prior to the Annual Meeting of the Members, each Affiliated Local Association or State Association shall submit to the Third Vice Chairman the calculated number of names of members of this Association said associations are entitled to nominate as Delegates as hereinafter provided.

(C) Each Affiliated Local Association that has fifteen (15) or more builder members in good standing of this Association may nominate one (1) Delegate for each fifty (50) or fraction thereof builder members of this Association.

(D) Local Associations with more than 50 builder members, but not more than 150 builder members may nominate one (1) associate member from that local as a Delegate to the Leadership Council. Local Associations with more than 150 builder members may nominate one associate member as a Delegate for every multiple of four delegate positions to which the Local Association is entitled. Associate members nominated to serve as Delegates shall be in lieu of, not in addition to, builder member Delegates to which the Local Association is entitled.

(E) Each Affiliated State Association may nominate one (1) Delegate provided the State Association has a membership of one hundred (100) or more builder members who are members of Affiliated Local Associations; three (3) or more Affiliated Local Associations within its boundaries; and maintains an office for its State Association service to its members. In addition, the State Association may nominate one (1) additional Delegate provided it has fifty (50) or more builder members who are not members of an Affiliated Local Association. In no event shall more than a total of two (2) builder Delegates be nominated.

(F) Each affiliated State Association may nominate, providing its Bylaws so permit, one (1) associate member from that state as a Delegate. In those states where there is no Affiliated State Association, the Affiliated Local Associations in that state or territory, by consensus, may nominate, providing their Bylaws so permit, one (1) builder member and one (1) associate member from the state as a Delegate.

(G) Unless otherwise specifically provided in these Bylaws, a member who has been elected a Delegate shall not (a) serve as an officer of NAHB; or (b) chair any committee; or chair any special task force where a possible conflict of interest may exist.

(H) The Third Vice Chairman, upon verification of the qualification of the nominees, shall present the qualified nominees to the Annual Meeting of the members for election.

(I) The Leadership Council may elect builder and associate members of this Association as Life Delegates, provided they are so recommended by the Affiliated Association of which he or she is a member; and provided they shall have attended two (2) or more meetings of the Leadership Council in each year for ten (10) or more years. Failure to attend at least two (2) meetings of the Leadership Council each year shall cause them to lose their right to vote. A Life Delegate shall not lose any other rights and privileges enjoyed as a Life Delegate as a result of a failure to meet the foregoing attendance requirement.

- (i) A Life Delegate who has attended two (2) meetings per year for a period of ten (10) consecutive years shall be designated as a Senior Life Delegate, in which case as a Senior Life Delegate shall have attained a permanent voting right with no continuing attendance requirement.
- (ii) A Life Delegate who has lost voting rights, because of failure to meet attendance requirements, may have such Life Delegate voting status

reinstated after attendance at the requisite number of Leadership Council meetings for one (1) year, and upon approval of the Third Vice Chairman.

(J) When a Life Delegate (whether or not entitled to vote pursuant to Section 3 (I)) is a member of this Association as a representative of a firm or corporation, no other person who is a representative of that firm or corporation shall be nominated or elected a Delegate, except if such person is a member of this Association under a separate membership either individually or as an additional representative of that firm or corporation.

(K) The Leadership Council may elect as an Honorary Delegate, without voting rights, such persons as it may determine to have made substantial contributions of service to the Association.

(L) Past Chairmen of the Board shall have the status and rights of Senior Life Delegates of the Association.

Sec. 4. VACANCIES. An elected Delegate's position shall be considered vacant upon death, resignation, refusal to serve, or termination of membership.

Sec. 5. DISCIPLINE OR REMOVAL OF DELEGATES. Any Delegate, including Life and Senior Life Delegates, may be disciplined and/or removed from office whenever the Leadership Council shall determine that the best interests of the Association would be served thereby. Any such discipline or removal shall be executed in accordance with NAHB's disciplinary process adopted and as amended from time to time.

Sec. 6. NEW DELEGATES. The Leadership Council may elect new national Delegates to fill seats created by the affiliation of new and qualified local and state associations. The Leadership Council shall elect the candidates nominated by the qualifying associations. Delegates so elected shall serve until the next Annual Meeting of the Members.

Sec. 7. ANNUAL MEETING. An Annual Meeting of the Leadership Council shall be held contemporaneously with the International Builders Show (or such successor show in the event of a name change), or at such time and place as determined by the Board of Directors, for the purpose of electing Directors and the transaction of such other business as may come before the meeting.

Sec. 8. REGULAR MEETINGS. The Chairman of the Board of Directors shall establish the time and place, either within or without the State of Nevada, for the holding of not less than one regular meeting of the Leadership Council (other than the Annual Meeting of the Leadership Council) prior to the next Annual Meeting, with notice to be given as provided by these Bylaws.

Sec. 9. SPECIAL MEETINGS. Other meetings of the Leadership Council may be called at the request of the Board of Directors.

Sec. 10. NOTICE OF MEETINGS. Written notice stating the date, place and time of any meeting of the Leadership Council shall be delivered electronically to each Delegate not less than

thirty (30) days prior to the date of the meeting. The purpose of the meeting shall be stated in the notice.

Sec. 11. QUORUM. Two hundred (200) Delegates entitled to cast a vote at any meeting shall constitute a quorum at such meeting.

Sec. 12. MANNER OF ACTING. A majority of the votes entitled to be cast on a matter to be voted upon by the Delegates present shall be necessary for the adoption thereof unless a greater proportion is required by law or by these Bylaws.

Sec. 13. CONSIDERATION OF RESOLUTIONS, RECOMMENDATIONS, AND POLICY STATEMENTS. In order to assure the fullest possible consideration of resolutions, recommendations and policy statements directed to the policy(ies) of the Association, any Delegate desiring consideration of any such resolution, recommendation, or policy statement proposed shall, whenever possible or feasible, submit the resolution or statement to the Chairman of the Leadership Council for distribution thirty (30) days prior to the meeting of the Leadership Council for consideration by the appropriate committee(s) or council(s) of the Association having responsibility for the principal matter covered by such resolution or statement. After such committee(s) or council(s) shall have considered the resolution or statement, it shall be forwarded to the Leadership Council with such recommendation as to adoption, amendment, or rejection as the reviewing committees deem appropriate. In all cases, regardless of the recommendation of the reviewing committees, the resolution or statement shall be submitted to the Leadership Council for its consideration, unless withdrawn by the Delegate who proposed it.

Notwithstanding the above preferred procedure, any Delegate shall be entitled, at any regular or special meeting of the Leadership Council, to submit in writing, for the Council's consideration, a resolution or statement directed to the policy(ies) of the Association. Any such resolution or statement so submitted shall be referred to the appropriate committees of the Association as time and circumstances may permit, but in any event it must be considered by the Leadership Council prior to the adjournment of such meeting. If a resolution or policy statement is brought before the Leadership Council without the thirty (30) days advance notice, then it must pass by a two-thirds (2/3) vote of the Council.

The foregoing requirements shall not affect in any way the right of any delegate to propose, at the proper time in the course of a meeting, an amendment, substitute, or other motion germane to an issue under discussion.

Sec. 14. SENIOR OFFICERS OF THE BOARD OF DIRECTORS.

(A) The Leadership Council shall elect the Senior Officers of the Board at their regular Annual Meeting.

(B) Whenever only one (1) candidate nomination for an elective office is presented for consideration by the Leadership Council, the recommendation shall be by voice vote. Whenever more than one (1) candidate nomination is presented, vote shall be by paper or electronic ballot. In order to receive the recommendation of the Leadership Council, if more than two (2) candidates are under consideration for an elective office, one (1) candidate must receive a

majority vote of the Delegates. If no candidate receives a majority, a second vote shall be taken on the two (2) candidates who received the most votes in the earlier vote. Regardless of the form of voting (voice, paper or electronic ballot), a Delegate must be physically present in order to vote.

Sec. 15. EXCUSED ABSENCE. Upon written application of a Delegate within thirty (30) days after a meeting of the Leadership Council from which he or she was absent, the Third Vice Chairman may excuse such absence on a showing of unavoidable cause therefore.

Sec. 16. INTERNATIONAL AFFILIATE DELEGATES. The Leadership Council may approve a reciprocal exchange of a Delegate with an international affiliate of this Association. The person so designated by the international affiliate shall have the privileges of the floor at all meetings of the Leadership Council, but shall not have the right to vote.

ARTICLE V. BOARD OF DIRECTORS

Sec. 1. DUTIES AND RESPONSIBILITIES, AUTHORITY AND ACCOUNTABILITY.

(A) The business of the Association shall be managed by its Board of Directors except to the extent such business is reserved to the members by law, the Articles of Incorporation, or these Bylaws or delegated to others by these Bylaws. The Board of Directors shall exercise the authority for the day-to-day management of the Association including, but not limited to amending or restating the Articles of Incorporation; implementing policy; implementing Pilot Programs; approving the budget; establishing dues; communicating with constituents; adopting a plan of merger or adopting a plan of consolidation with another organization; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Association.

The Board of Directors shall retain the authority to approve, disapprove and/or amend any recommendation of the Leadership Council. Any vote to disapprove and/or amend a recommendation of the Leadership Council will require a Supermajority of the Directors voting and present.

(B) The Board of Directors may establish such rules and procedures as necessary to conduct the business of the Association.

(C) The Board of Directors may remove any elected director or elected officer of this Association whenever in its judgment the best interest of the Association would be served thereby.

Sec. 2. NUMBER AND TENURE.

(A) The Board of Directors shall be composed only of the seventy-three (73) voting members which shall be the Chairman of the Board of Directors, First Vice Chairman, Second Vice Chairman, Third Vice Chairman, Immediate Past Chairman of the Board, fifteen (15) National Area Chairmen, two (2) National Associate Chairmen, and one State Representative for each state and Puerto Rico. Notwithstanding the foregoing, in those years where one or more states are entitled to a Special Voting Member of the Board of Directors as provided in Section 2 (B) of this Article, the number of voting members of the Board of Directors shall increase accordingly. The President and Chief Executive Officer of NAHB shall be a non-voting member of the Board of Directors. Each member of the Board of Directors shall hold office until his term has expired and his successor shall have been duly appointed or elected, and installed in office. Past Chairs/Presidents of the NAHB Board of Directors shall be non-voting, ex officio members of the Board of Directors.

(B) When a state has a total membership of 7,000 or more builder and associate members, it shall be entitled to a special voting member on the Board of Directors ("Special Voting Member"). When a state has a total membership of 11,000 or more builder and associate members, it shall be entitled to a second Special Voting Member on the Board of Directors. The Special Voting Member(s) shall be a builder member(s) in good standing of the Association nominated by their

eligible state. A state must maintain a membership of 7,000 or more builder and associate members each year in order to continue to be entitled to a special voting member. A state must maintain a membership of 11,000 or more builder and associate members each year in order to continue to be entitled to a second Special Voting Member. Eligibility shall be certified annually in accordance with the Association's October 31 membership roster. At no time will a state be eligible to have both a National Area Chairman and two (2) Special Voting Members.

(C) The members of each class of the Board of Directors shall serve for the following terms with the noted considerations:

Director Class	Term	Considerations
Senior Officers	1-year term	No more than five (5) consecutive terms
National Area Chairman	2-year term	Staggered terms -- (50% elected each year)
National Associate Chairman	2-year term	Staggered terms -- (50% elected each year)
State Representatives	2-year term	Staggered terms -- (50% elected each year)
Special Voting Member	1-year term	May serve no more than two (2) consecutive terms

Sec. 3. **REGULAR MEETINGS.** At such time and place as determined by the Chairman of the Board, the Board of Directors shall hold regular meetings, i.e., on at least a quarterly basis, with notice to be given as provided in these Bylaws.

Sec. 4. **SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board or not less than one-third (1/3) of the voting members of the Board of Directors. Special meetings shall be held at the principal office of the Association unless otherwise ordered by the Chairman of the Board.

Sec. 5. **NOTICE.** Written notice stating the date, place and time of any meeting of the Board of Directors shall be delivered electronically to each director not less than seven (7) days prior to the date of the meeting. Any director may waive notice of a meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these Bylaws.

Sec. 6. **QUORUM.** Three quarters (3/4) of the voting members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a three quarters (3/4) of the voting members of the Board of Directors are present at said meeting, a majority of the voting members of the Board of Directors present may adjourn the meeting from time to time without further notice.

Sec. 7. **MANNER OF ACTING.** The act of a majority of the voting members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws. Board members may participate in any meeting by means of a telephone conference or similar method of communication by which all

persons participating in the meeting can hear each other. Participation via telephone or similar method shall constitute presence in person at the meeting. At any meeting of the Board of Directors with another committee or council, only voting members of the Board shall be entitled to vote. Nothing contained in these Bylaws shall be deemed to restrict the power of members of the Board of Directors or any committee designated by the Board to take any action required or permitted to be taken by them without a meeting.

Sec. 8. VACANCIES. Subject to the terms and conditions of Art. VII. Sec 13, any vacancy occurring in the Board of Directors may be filled by appointment by the Chairman of the Board. A member so appointed to fill a vacancy shall serve for the unexpired term of the predecessor in office.

Sec. 9. EXERCISE OF STOCKHOLDERS, SHAREHOLDERS RIGHTS. The incumbent Chairman of the Board of NAHB shall exercise all rights and duties of stockholders or shareholders incumbent upon NAHB by reason of owning stock, debentures, or any evidence of ownership in any subsidiary corporation or other entity. Whenever practical, the Chairman of the Board shall seek the prior consent and direction of the Board of Directors. In any event, the Chairman of the Board will report any actions he may have taken pursuant to this Section no later than the next-scheduled Board meeting.

Sec. 10. EMPLOYMENT AND REMOVAL OF PROFESSIONAL STAFF.

(A) The Board of Directors shall employ the President and Chief Executive Officer of the Association.

(B) The Board of Directors may remove any administrative officer, staff member, or other employee appointed, designated, or retained by the Association whenever, in the judgment of a majority present at a Board meeting where there is a quorum, the best interests of the Association will be served thereby. Removal shall be without prejudice to the contract rights, if any, of the Association or of the person removed.

(C) The Board of Directors, upon recommendation of the Audit Committee, shall determine and designate from time to time independent auditing firms to render service for the Association.

ARTICLE VI. MEETINGS OF THE MEMBERS

Sec. 1. ANNUAL MEETING. An annual Meeting of the Members shall be held contemporaneously with the International Builders Show™ (or such successor show in the event of a name change), or at such time and place as determined by the Board of Directors.

Sec. 2. SPECIAL MEETINGS. Other meetings of the members may be called by the Board of Directors.

Sec. 3. NOTICE OF MEETINGS. Written notice stating the date, place and time of any Meeting of the Members shall be delivered electronically to each member not less than thirty (30) days prior to the date of the meeting. The purpose of the meeting shall be stated in the notice.

Sec. 4. QUORUM. Two hundred (200) members entitled to cast a vote at any meeting shall constitute a quorum at such meeting.

Sec. 5. PROXIES. At any Meeting of the Members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after ninety (90) days from the date of its execution.

Sec. 6. MANNER OF ACTING. A majority of the votes entitled to be cast on a matter to be voted upon by the members present, or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption thereof unless a greater proportion is required by law or by these Bylaws.

Sec. 7. MISCELLANEOUS. All members of NAHB shall receive notice of all meetings of the Board of Directors and of the Leadership Council.

ARTICLE VII. DIRECTOR CLASSES OF THE BOARD

Sec. 1. **QUALIFICATIONS OF DIRECTOR CLASSES OF THE BOARD.** The qualifications of the Directors are:

(A) Each shall be and remain during the term of office a member in good standing.

(B) Each (i) shall have served, prior to election, not less than one (1) full term as an Elected Officer of an Affiliated Association or be a Life or Senior Life Delegate of the Association and (ii) shall have served, prior to election, not less than one full term as a State Representative or National Area Chairman, or as a chairman of a Committee of the Association, or as a member of the Leadership Council, or the Budget and Finance, or Resolutions Committees, or for three (3) terms as a Director and have attended not less than two (2) meetings per term during this period, and (iii) the Nominations Committee in its opinion: (a) shall have found that the individual has demonstrated leadership ability in such service, (b) in connection with Third Vice Chairman, shall have certified the individual as a candidate through the Nominations Committee's certification process, and (c) annually, after initial election as a Senior Officer of the Board, shall have found no material change since the individual's certification as a candidate that would affect the individual's ability to serve as a Senior Officer of the Board or negatively impact the Association.

(C) The Chairman of the Board shall have served, prior to election, not less than two (2) full terms, and the First Vice Chairman shall have served not less than one (1) full term, as a Senior Officer of the Board.

(D) A National Area Chairman shall be a member of an Affiliated Association and reside within the geographical area represented.

(E) A person shall not be elected to the same elective office for more than two (2) full successive terms; however, a person may not serve as Chairman of the Board for more than one (1) full elective term.

(F) The Chairman of the Board, First Vice Chairman, Second Vice Chairman, Third Vice Chairman, and the National Area Chairmen shall be "Builder Members" of the Association as that term is defined in Art. I, § 1(A) of these Bylaws.

Sec. 2. **QUALIFICATIONS OF THE NATIONAL ASSOCIATE CHAIRMEN.** The nominations process for the National Associate Chairmen shall be determined by the NAHB Associate Members Committee consistent with the nomination requirements for NAHB Officers. The qualifications for the National Associate Chairmen are:

(A) He or she shall be, and remain during the term of office, an Associate Member in good standing.

(B) He or she shall have served, prior to election, not less than one (1) full term as a member of the Associate Members Committee or as a trustee of the NAHB Leading Suppliers Council or for one (1) term as a Director and,

(C) He or she shall be found by the Nominations Committee in its opinion to have demonstrated leadership ability in such service.

Sec. 3. ELECTION AND TERM OF OFFICE.

(A) The Board of Directors shall be elected annually by the Leadership Council at their regular Annual Meeting. If the election of such Directors shall not be held at that meeting, such election shall be held as soon as possible thereafter.

(B) Each Director shall hold office until a successor shall have been duly elected and installed into office. Each Senior Officer of the Board shall be installed in office, upon making oath or affirmation administered by the last Chairman of the Board present, on the day of such election (or as soon thereafter as possible) to perform the duties of such office to the best of his or her ability.

Sec. 4. SENIOR OFFICERS OF THE BOARD. The following officers are known collectively as the Senior Officers of the Board: Chairman of the Board, First Vice Chairman, Second Vice Chairman, Third Vice Chairman, and the Immediate Past Chairman.

Sec. 5. THE CHAIRMAN OF THE BOARD. The Chairman of the Board is the chief elected officer of the Board, and shall preside at meetings of the members, of the Board of Directors, and of the Senior Officers of the Board. The Chairman of the Board shall recommend to councils and committees objectives and policies, appoint their chairmen and members (except as may otherwise be provided in these Bylaws), and direct and coordinate their functions toward the accomplishment of the objectives of the Association; communicate to the members, the Board of Directors, the Leadership Council and the public such matters and make such recommendations as may, in his opinion, promote the objectives of the Association; see that all orders and resolutions of the Board are carried into effect; and perform such other duties as are necessarily incident to the position of Chairman of the Board or as may be prescribed by applicable law or the Board of Directors consistent with these Bylaws. The Chairman of the Board may delegate the duties, but not the responsibilities, to other Senior Officers of the Board.

Sec. 6. FIRST VICE CHAIRMAN. In the absence of the Chairman of the Board, the First Vice Chairman of the Board shall perform the duties of the Chairman of the Board and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman of the Board. Except as otherwise provided by these Bylaws, the First Vice Chairman shall appoint the vice-chairman of each committee and council. The First Vice Chairman shall perform such duties as from time to time may be prescribed by applicable law, the Chairman of the Board, or the Board of Directors consistent with these Bylaws.

Sec. 7. SECOND VICE CHAIRMAN. The Second Vice Chairman of the Board shall be Chairman of the Budget and Finance Committee and shall coordinate the Association's financial reporting to the Board of Directors in conjunction with the Treasurer and Chief Financial Officer. The Second Vice Chairman shall submit to the Board of Directors not less than once each year a statement of the fiscal affairs of the Association; submit to the Board of Directors prior to each fiscal year a three (3) year Business Plan and an annual budget of anticipated revenues and expenditures as developed by the Budget and Finance Committee in consultation with the Treasurer and Chief

Financial Officer. The Second Vice Chairman shall perform such other duties as are necessarily incident to the office of Second Vice Chairman and Chairman of the Budget and Finance Committee or as from time to time may be prescribed by applicable law, the Chairman of the Board or the Board of Directors, consistent with these Bylaws.

Sec. 8. THIRD VICE CHAIRMAN. The Third Vice Chairman of the Board shall act as liaison to the Secretary on behalf of the Board of Directors; provide general direction to the Membership Committee; duly give all notices in accordance with the provisions of these Bylaws or as required by law; and, in general, perform, all duties as from time to time may be prescribed by the Chairman of the Board, or the Board of Directors, consistent with these Bylaws.

Sec. 9. IMMEDIATE PAST CHAIRMAN OF THE BOARD. The Immediate Past Chairman of the Board shall be the Chairman of the Leadership Council, the Nominations Committee and the Past Chairmen's Council.

Sec. 10. NATIONAL AREA CHAIRMEN/NATIONAL ASSOCIATE CHAIRMEN.

(A) Except as may otherwise be provided by these Bylaws, the National Area Chairmen shall chair the appropriate Area Caucus, coordinate activities of the State Representatives of his or her Area; report and recommend solutions to problems ascertained from visits to and with the State Representatives and Affiliated Associations; advise and counsel the State Representatives and Affiliated Associations concerning services, membership, and policies of this Association; support the policies of this Association within his or her Area; assist the Third Vice Chairman in the reconciliation of problems within such officers' jurisdiction as may arise within his or her respective Area; and perform such duties as are from time to time assigned by the Chairman of the Board or the Board of Directors, and as may be assigned by these Bylaws. The National Area Chairmen may meet at meetings of the Board of Directors to discuss matters of mutual concern. The National Area Chairmen shall elect a moderator from among their members. The National Area Chairmen shall permit the Special Voting Member(s) of the Board of Directors to attend and participate in all meetings and activities of the National Area Chairmen and provide reasonable notice thereof. On or before thirty (30) days prior to the regular Annual Meeting of the Leadership Council, a National Area Chairman shall be nominated for each NAHB Area consistent with the policies and procedures established by the National Area Chairmen.

(B) In lieu of a limited geographic area of responsibility, the National Associate Chairmen shall oversee the activities of and the issues affecting the associate members of the Association. Pursuant to Sec. 2 of this Article, National Associate Chairmen shall be nominated pursuant to the process determined by the NAHB Associate Members Committee.

Sec. 11. STATE REPRESENTATIVES. Each State Representative shall, in relation to Affiliated Associations within his or her state, (1) be of service on matters of policy of this Association, promote orientation of their officers to policies of this Association, and assist in the formation of Affiliated Associations and may, upon invitation, install officers of such associations; and (2) assist the National Area Chairman in the performance of his or her duties. Each State Representative shall coordinate activities with their National Area Chairman. The State Representatives shall elect a moderator from among their members.

(A) One State Representative shall be elected from each of the fifty States and the Commonwealth of Puerto Rico. For purposes of these Bylaws, the Representative from Puerto Rico shall be a "State Representative."

(B) A State Representative shall hold office until the end of his term and his successor has been elected or appointed.

(C) A State Representative shall only be a builder or an associate member who has served (1) not less than one term as Delegate of this Association, or (2) as the chief elected officer of an Affiliated Association.

(D) On or before thirty (30) days prior to the regular Annual Meeting of the Leadership Council each Affiliated State Association, or in the case where there is no Affiliated State Association, a consensus of the Affiliated Local Associations, shall submit to the Nominations Committee the name of its nominee for office.

(E) The Nominations Committee, upon verification of the qualifications of the nominees, shall present the qualified nominees to the regular Annual Meeting of the Leadership Council for election.

Sec. 12. REMOVAL. Any Director may be removed by the Board of Directors whenever in its judgment the best interest of the Association would be served thereby. The Board shall adopt a process for removal and shall adhere to that process when any Director is subject to removal pursuant to this section.

Sec. 13. VACANCIES.

(A) Chairman of the Board. In the event the office of the Chairman of the Board is vacant and the First Vice Chairman refuses or is unable to serve as Chairman of the Board, then the office of Chairman of the Board shall be filled by the Second Vice Chairman; and, if the Second Vice Chairman is unable or refuses to serve, the Third Vice Chairman shall so serve; and, if the Third Vice Chairman is unable or refuses to so serve, then the Board of Directors shall appoint from among the National Area Chairmen and the last five (5) Chairmen of the Board (these Bylaws notwithstanding) one individual to serve as Chairman of the Board until a new Chairman of the Board is elected and installed.

(B) First, Second or Third Vice Chairman. Vacancy in either of the offices of First Vice Chairman, Second Vice Chairman, or Third Vice Chairman may be filled by appointment of the Board of Directors from among the Senior Officers pending election of a successor by the Leadership Council.

(C) **National Area Chairmen/National Associate Chairmen.** In the event that:

- (i) An office of National Area Chairman is not filled at the regular Annual Meeting of the Leadership Council, or a vacancy occurs because of death, resignation, removal, disqualification, or otherwise, the Chairman of the Board may appoint a qualified builder member to such

office with the advice of the Area consistent with the policies and procedures established by the National Area Chairmen.

- (ii) An office of National Associate Chairman is not filled at the regular Annual Meeting of the Leadership Council, or a vacancy occurs because of death, resignation, removal, disqualification or otherwise, the Chairman of the Board may appoint a qualified associate member to such office upon recommendation by the NAHB Associate Members Committee.

(D) **State Representative.** In the event that:

- (i) An office of State Representative is not filled at the regular Annual Meeting of the Leadership Council, or a vacancy occurs because of death, resignation, removal, disqualification, or otherwise, the Chairman of the Board may appoint a qualified builder or associate member to such office with the advice of the State by resolution or if there is no Affiliated State Association, by resolution of a majority of the Affiliated Local Associations in that State.

Sec. 14. **BUSINESS EXPENSES.** The business expenses of the Chairman of the Board, First Vice Chairman, Second Vice Chairman, Third Vice Chairman, and the Immediate Past Chairman shall be reimbursed by the Association according to the Guidelines for Senior Officers of the Board.

ARTICLE VIII. PROFESSIONAL STAFF

Sec. 1. **PRESIDENT AND CHIEF EXECUTIVE OFFICER.** The President and Chief Executive Officer shall be responsible for the administration and management of the Association.

(A) The President shall devote full time and attention to the faithful performance of assigned duties to the best of his or her ability and in the interest of the Association. He or she shall conduct the office in accordance with law, the Articles of Incorporation, the Bylaws, and the policies of the Association.

(B) The President shall have, but not be limited to, the following duties and responsibilities: (1) In relation to the staff, develop and supervise operational plans; develop and maintain an effective plan of organization, including relationships within and outside the Association; employ, train, evaluate, and discharge such personnel and compensate staff personnel within the limitations of the budget and salary ranges approved by the Board of Directors from time to time; direct the work of the staff; develop and maintain an effective system of controls over staff functions, Association finances, and services. (2) In relation to the Board of Directors, recommend long range planning objectives and policies, organization structure for the Association, persons outside the staff for performance of functions beyond staff resources, systems of controls over Association affairs, approval of budgets and major appropriations, render timely reports in regard to his or her and staff's functions, goals, and general appraisal of staff performance. (3) In relation to the Senior Officers of the Board, advise, counsel, and assist in the performance of their duties. (4) In relation to other committees, advise, counsel, and assist in the accomplishment of their objectives within budgetary limitations. (5) In relation to those outside the Association, develop and maintain an effective liaison with all branches of Federal government and with related trade groups as to the concerns of the Association. (6) In relation to State and Local Associations, advise, counsel, and assist them in accordance with the policies of this Association. (7) In general, perform such other responsibilities as may be designated from time to time by the Board of Directors.

(C) He or she shall be a non-voting ex-officio member of the Board of Directors, but may be excused from those meetings concerned with the President's compensation or performance.

(D) The President shall be accountable to the Board of Directors and the Senior Officers of the Board.

(E) In the event of a prolonged absence or disability of the President, the Chairman of the Board, or the President, with the advice and consent of the Chairman of the Board, may designate an acting President to serve until such time as the President is able to resume his or her duties. Such appointment will be made in consultation with the Board of Directors if it appears that the President will be unable to perform his or her duties for a period in excess of forty-five (45) days.

Sec. 2. **SECRETARY AND ASSISTANT SECRETARY.** A Secretary shall be appointed by the Board of Directors. The Secretary shall be custodian of the corporate records and the seal of the Association and see that the seal of the Association is affixed to documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of

these Bylaws; keep a register of the contact information for each member; maintain a record of attendance at the meetings of the Board of Directors by all directors eligible to vote; keep a record of all, Honorary Delegates, Life Delegates and directors of International Affiliates; perform such duties as shall be assigned by the Third Vice Chairman, the Board of Directors, or the President. The Board of Directors also may appoint an Assistant Secretary or Secretaries empowered to carry out the duties and responsibilities of the Secretary as may be necessary.

Sec. 3. TREASURER AND ASSISTANT TREASURER.

(A) The Board of Directors shall appoint a Treasurer of the Association. The Treasurer shall be the Chief Financial Officer of the Association and shall have general charge of all funds and securities of the Association and shall keep and maintain or cause to be kept and maintained adequate and correct amounts of the properties and business transactions of the Association, including all accounts of the Association's assets, liabilities, receipts, disbursements and gains and losses. The Treasurer shall ensure proper accounting of the Association's financial records in coordination with the Budget and Finance Committee and the Association's independent auditors. The Treasurer shall ensure that all sums received by the Association are deposited properly in such banks, trust companies or other depositories as shall be selected in accordance with these Bylaws. The Treasurer shall aid the Budget and Finance Committee and the Board of Directors in the preparation of the annual budget and shall submit to the Board of Directors not less than once each year a statement of the fiscal affairs of the Association. The Treasurer shall develop and maintain systems of evaluation of the use of Association funds and make recommendations accordingly and shall exercise such other duties as from time to time shall be assigned to the Treasurer by the Board of Directors, the President or as may be required by applicable law or these Bylaws.

(B) One or more Assistant Treasurers may be appointed by the Board of Directors. The Assistant Treasurer(s) shall assist the Treasurer in the accounting of funds received and expended by the Association, aid in preparation of the annual budget, and perform other duties as shall be assigned to them by the Treasurer, the Board of Directors, or the President.

(C) The Assistant Treasurer, serving as Controller of this Association, shall receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with these Bylaws.

ARTICLE IX. COMMITTEES AND COUNCILS

Sec. 1. COMMITTEES. There shall be within the Association, such Committees as the NAHB Board of Directors, upon the recommendation of the Leadership Council, may from time to time find necessary to serve adequately the particular needs of respective portions of the residential construction industry. Committees shall investigate, study, and make recommendations to the Leadership Council and the Board of Directors, concerning new, continuing, or recurring matters relating to the purposes or business of the Association.

(A) NUMBER AND TENURE. Unless provided for otherwise in these Bylaws, or at the discretion of the Senior Officers, a committee or council shall consist of twenty-one (21) members of the Association each of whose term expires upon the adjournment of the Annual Meeting of the Board of Directors following appointment. Notwithstanding the foregoing, any appointments made under previous versions of these Bylaws shall run for the period established in the Bylaws at the original time of appointment.

Sec. 2. GENERAL PROVISIONS. Except as these Bylaws may provide otherwise, the following general provisions shall govern all committees, subcommittees and councils of the Association.

(A) LIMITATION OF AUTHORITY. No committee, subcommittee or council shall have or exercise any authority other than the authority expressly granted to it by these Bylaws or the Board of Directors. At all times, committees, subcommittees and councils remain accountable to the Board of Directors for their actions. Subcommittees shall remain accountable to the full committee that issued the approved charge to the subcommittee pursuant to Section 2 (P)(ii) of this Article of the Bylaws.

(B) QUALIFICATIONS. Except as these Bylaws may provide otherwise, all committee members and council Trustees shall be members of the Association, and not less than two-thirds (2/3) of the members of any committee or council shall be builder members of the Association. Eligibility to serve on all NAHB committees and council boards of trustees shall be contingent upon the member providing NAHB with a valid email address that may be used to communicate committee and council notices, materials and other information. The chairman and vice chairman (or vice chairmen, as appropriate) of a committee or council shall be builder members of the Association, except as otherwise provided in these Bylaws.

(C) APPOINTMENT. Unless otherwise provided in these Bylaws, the Chairman of the Board, First Vice Chairman, and Second Vice Chairman shall each appoint seven (7) members to each committee and seven (7) Trustees to each council each year. In order to provide a degree of continuity in the membership of the Committee, the Chairman of the Board and First Vice Chairman shall, to the extent deemed feasible (but shall not be obligated to) each reappoint the members appointed by him or her as Second Vice Chairman, thereby permitting committee members and council Trustees to serve for three (3) consecutive one-year terms. The Chairman of the Board shall appoint the chairman and vice chairman or vice chairmen of each committee and council; provided, however, that the vice chairman of all committees and councils shall be appointed by the Chairman of the Board with the advice and consent of the First Vice Chairman, except where otherwise indicated in the Bylaws. At the discretion of the Chairman of the Board, he or she may appoint a

second vice chairman to any committee or council with the advice and consent of the Second Vice Chairman, or in the case of the Budget and Finance Committee, with the advice and consent of the Third Vice Chairman. Unless specifically authorized by these Bylaws, no committee or council shall have more than one chairman simultaneously. Where another provision of these Bylaws requires that one or more appointments to a committee or council be ex-officio members or belong to a particular group, the Chairman of the Board shall prescribe which of the Senior Officers of the Board shall appoint any such member or members. Notwithstanding the foregoing, any appointments made under previous versions of these Bylaws shall run for the period established in the Bylaws at the original time of appointment.

(D) TERMS. Each committee member, council Trustee and each chairman of a committee or council shall serve until the completion of the Annual Meeting of the Board of Directors at which the designated term expires and until a successor is appointed, unless otherwise provided for in these Bylaws. A person shall not be eligible to serve as a member of, or as a chairman or as a vice chairman on, the same committee or council for more than six (6) consecutive terms, except that the Chairman of the Board may appoint a committee or council chairman who has already served six (6) consecutive terms for one (1) additional year.

(E) TERMINATION. The Chairman of the Board, First Vice Chairman, and Second Vice Chairman may remove any committee member, council Trustee or committee and council chairman appointed by that respective Senior Officer of the Board, provided he or she finds that such removal is in the best interest of the Association. Any such removal from a committee shall not prejudice the rights of such person as a member of the Association or any other position such person may have in the Association.

(F) RESIGNATION. Any committee member, council trustee, committee or council chairman may resign such position by filing a written resignation with the Chairman of the Board.

(G) VACANCIES. Any vacancy occurring in a committee or council may be filled by the officer who appointed the predecessor in that position. Any committee membership or council trusteeship to be filled by reason of an increase in the number of committee members or council trustees may be filled in accordance with such procedures as may be established by the Board of Directors in approving such an increase. Unless otherwise provided for in these Bylaws, a committee member, council trustee, committee or council chairman, or subcommittee chairman appointed to fill a vacancy shall be appointed for the unexpired term of the predecessor in that position.

(H) REGULAR MEETINGS. Regular meetings of all committees, subcommittees or councils shall be held without other notice than this Bylaw, immediately before, and at the same place as, the regular meetings of the Board of Directors of the Association. Subcommittees need not meet regularly unless a meeting is scheduled by the Chairman of the Board, the full committee chairman or the subcommittee's chairman.

(I) SPECIAL MEETINGS. Special meetings of a committee or council may be called by the committee or council chairman, or one-fourth (1/4) of the committee members or council trustees with approval of the Chairman of the Board, or by the Chairman of the Board. The Chairman of the Board may authorize a virtual meeting or fix the place of the special meeting within the

geographic limits of the United States. Any committee or council meeting outside the geographic limits of the United States must be approved in advance by the Board of Directors. Subcommittees shall not conduct special meetings except with the approval of the Chairman of the Board.

(J) ANTITRUST COMPLIANCE. Pursuant to NAHB's Antitrust Compliance Policy, all meetings shall be conducted pursuant to agendas that will be provided to attendees in advance. All meetings shall be conducted according to the Association's Antitrust Compliance Policy and all Senior Officers, all Directors, and any individuals who act on behalf of NAHB by virtue of appointment or by action of the Bylaws shall abide by and annually sign the Standards of Conduct or successor documents relating to antitrust compliance. Minutes of all meetings shall be recorded. Draft minutes shall be submitted for approval by the voting members of the body. Approved minutes shall be maintained with the business records of the Association.

(K) NOTICE. Written notice stating the date, place and time of any special meeting of a committee or council shall be delivered electronically to each committee member or council trustee not less than seven (7) days prior to the date of the meeting. Any committee member or council trustee may waive notice of a meeting. The attendance of any committee member or council trustee at any meeting shall constitute waiver of notice of such meeting, except where a committee member or council trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the committee or council need be specified in the notice or waiver of notice of such meeting, unless specifically required by these Bylaws.

(L) QUORUM. A majority of the committee members or council trustees shall constitute a quorum for the transaction of business at any meeting of the committee or council; but if less than a majority of the committee members or council trustees are present at said meeting, a majority of the committee members or council trustees present may adjourn the meeting from time to time without further notice.

(M) MANNER OF ACTING. The act of a majority of the committee members or council trustees present at a meeting at which a quorum is present shall be the act of the committee, unless the act of a different or greater number is required by these Bylaws. Every member of the Association shall be entitled and encouraged to participate in a meeting of any committee, except for meetings of the Nominations Committee. Only committee members, however, shall be entitled to vote.

(N) REPORTS. All committee and council reports shall be retained by staff and may be submitted by the respective chairman to the Board of Directors. The acceptance or approval of reports by the Board shall not constitute policy or authorize the expenditure of funds by the Association. Subcommittee chairmen shall submit reports of all subcommittee meetings to the chairman of the applicable committee and NAHB staff person(s).

(O) COMPENSATION. Neither committee members nor council trustees, nor the chairman of a committee or council, nor subcommittee members as such, shall receive any stated salaries or other compensation for their services. But by written authorization of the Chairman of the Board, subject to terms and conditions as shall be imposed by the Board of Directors, expense

of attendance, if any, may be allowed for attendance at a special meeting of a committee or council called or approved by the Chairman of the Board or the Board of Directors. Such authorization by the Chairman of the Board may be limited by the Chairman of the Board to less than the entire committee membership or council trusteeship at the sole discretion of the Chairman of the Board.

(P) SUBCOMMITTEES. Each committee chairman shall be authorized to create and maintain subcommittees subject to the following procedures:

- (i) Subcommittees may only be created with the prior consent of a majority of the Senior Officers of the Board. By a majority vote, the Senior Officers of the Board may terminate any subcommittee at any time.
- (ii) Each subcommittee must have a written charge approved by the Chairman of the Board and filed with the office of the Secretary.
- (iii) Notwithstanding Art. IX, Section 2 (C) & (D) of these Bylaws, subcommittee chairman shall be appointed by the chairman of the full committee. Unless required by the subcommittee's approved charge, subcommittee chairmen need not be members of a full committee. Each subcommittee chairman shall be appointed with the consent of the Chairman of the Board who shall have authority to revoke such subcommittee chairmanship at any time.
- (iv) In the event that any full committee is dissolved or terminated, all subcommittees of the full committee shall simultaneously dissolve or terminate.
- (v) Notwithstanding any other provision of these Bylaws, subcommittee members need not be members of the full committee to which the subcommittee reports; however, subcommittee members, at all times, must remain members of NAHB in good standing.
- (vi) Subcommittee members may be removed at any time, with or without cause, by a majority vote of the Senior Officers of the Board.
- (vii) From time to time, the Senior Officers of the Board may adopt, approve or revise rules governing the operation of subcommittees. Any such operating procedures adopted by the Senior Officers of the Board shall not conflict with these Bylaws.

Sec. 3. COUNCILS.

(A) There shall be within the Association, such Councils as the NAHB Board of Directors may from time to time find necessary to serve adequately the particular needs of respective portions of the shelter or light commercial industries. Only a member of NAHB in good

standing, or designated employee(s) of such member(s) may participate in the activities of any such council.

(B) The activities of a Council shall be managed by a Board of Trustees appointed in accordance with Sec. 2(C) above. Unless provided for otherwise in these Bylaws, a council shall be composed of twenty-one (21) members of the Association from the segment of the industry represented, each of whose term expires upon the adjournment of the Annual Meeting of the Board of Directors following their respective appointments. Notwithstanding the foregoing, any appointments made under previous versions of these Bylaws shall run for the period established in the Bylaws at the original time of appointment.

(C) The Chairman of the Board shall annually designate one (1) Trustee to be chairman and one (1) to be vice chairman, to serve until their respective successors are appointed; provided, however, that the vice chairmen of all councils shall be appointed by the Chairman of the Board with the advice and consent of the First Vice Chairman of the Board. In the event that the Chairman of the Board chooses to appoint a second vice chairman of any council, the Chairman of the Board shall make such appointment with the prior advice and consent of the Second Vice Chairman of the Board. Notwithstanding any other provision of these Bylaws, associate members may serve as Chairman or Vice Chairman of any Council Board of Trustees if such an appointment is authorized by the Rules of Procedure governing such Council.

(D) The Board of Trustees first appointed for each such council, shall forthwith adopt Rules of Procedure for its council, and those Rules of Procedure and any subsequent proposed changes must be approved by the Board of Directors. Each council shall be subject to the general supervision of the Board of Directors. A Council formed pursuant to this Article may require, as a condition of membership in the Council, such payments as its Board of Trustees from time to time recommends and the Board of Directors approves.

Sec. 4. **TASK FORCES.** As determined by the Chairman of the Board, a Task Force shall study, investigate and report on immediate or special matters that have not been assigned to a committee or a council.

(A) **APPOINTMENT.** A Task Force may be created by the Chairman of the Board who shall define its authorities and duties.

(B) **NUMBER AND TENURE.** A Task Force shall consist of members of the Association in good standing, except that one or more non-members may be appointed by the Chairman of the Board as non-voting consultants to the Task Force. Task Force Membership terminates on completion of the task or in any event upon the adjournment of the next regular Annual Meeting of the Board of Directors.

ARTICLE X. GENERAL PROVISIONS

Sec. 1. CONTRACTS, CHECKS, DEPOSITS, AND FUNDS.

(A) **CONTRACTS.** The President, the Treasurer or any other officer(s) of the Association duly authorized by them, or by these Bylaws, to act for them in a specific instance, may execute contracts. The Board of Directors may also 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 Association, and such authority may be general or confined to specific instances.

(B) **DRAFTS.** Drafts or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association, shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President of the Association, or they may be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

(C) **CHECKS.** The following officers of the Association, and any other officer or officers of the Association as from time to time may be authorized by resolution of the Board of Directors, shall have authority to sign checks for and on behalf of the Association: President, Treasurer and Assistant Treasurer(s). The signature of any two (2) of the foregoing individuals shall be necessary on all checks drawn on account of the Association.

(D) **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 Directors may authorize.

(E) **GIFTS.** The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

(F) **APPROVED BUDGET.** The Board of Directors, prior to the beginning of a fiscal year, shall adopt a balanced annual budget for the fiscal year. The Association shall function within the totals of each such balanced budget. For purposes of these Bylaws, a "balanced budget" shall be defined as a budget for which budgeted revenues are equal to or exceed budgeted expenses. Any motion requiring the expenditures of funds in excess of the approved budget shall be referred to the Board of Directors for emergency spending authorization. The Board of Directors may authorize additional spending upon a two-thirds vote. Upon recommendation of the Budget and Finance Committee, the Board of Directors may add to the unallocated portion of the budget any additional amount of income anticipated over budgeted income for the fiscal year.

(G) **RESERVE FUNDS.** In preparing the budget, the Budget and Finance Committee may recommend to the Board of Directors, as part of the budget, such reserve funds for the future operation of the Association as they shall deem necessary and desirable in the prudent administration of the Association's financial affairs. In the event of an emergency, a majority of the Senior Officers of the Board may authorize NAHB to expend from reserves such amounts as may be authorized by the NAHB Reserve Policy. No other expenditures may be made from such reserve

funds except upon recommendation of the Budget and Finance Committee and upon approval of the Board of Directors. In the absence of a favorable recommendation of the Budget and Finance Committee for such expenditures, such fund or funds may be used for such purposes as may be approved by a two-thirds (2/3) vote of the Board of Directors.

(H) ANNUAL AUDIT. There shall be an annual audit report of the finances of the Association, its subdivisions, and subsidiaries, by an independent Certified Public Accountant selected and recommended by the Audit Committee and approved by the Board of Directors.

(I) LOANS, LOAN GUARANTY; PLEDGE OF ASSETS. The Board of Directors shall not approve the making of any loan by the Association, guaranty of any loan by the Association or the pledging or granting of a security interest in any assets of the Association except under the following procedure:

- (i) A written proposal outlining the purpose, need, terms, financial costs and benefits of the transaction to the Association has been submitted to the Senior Officers of the Board; and
- (ii) The aforementioned proposal has been reviewed by an impartial five (5) person task force appointed by the Chairman of the Board composed of members of the Board of Directors with no direct economic interest in the transaction and who shall report their findings and recommendations to the Budget and Finance Committee; and
- (iii) The aforementioned proposal has been reviewed and reported by the Budget and Finance Committee; and
- (iv) The aforementioned proposal as reviewed and reported by the Budget and Finance Committee has been presented for information purposes to the Board of Directors at a regularly scheduled meeting of the Board of Directors at least sixty (60) days prior to the meeting of the Board of Directors at which it is submitted for approval.
- (v) Nothing contained in this section shall apply to the renewal or refinancing of existing loans to the Home Innovation Research Labs in connection with which the Association is presently a co-maker or guarantor; any contracts the Home Innovation Research Labs may have with the Association and any amendments thereto; providing matching funds for the Home Innovation Research Labs projects; and loans, loan guaranty, or grants in connection with the Home Innovation Research Lab's Research Homes Projects.

(J) AFFILIATED BUSINESS VENTURES. With the sole exception of charities organized pursuant to Section 501 (c)(3) of the Internal Revenue Code, the Board of Directors shall not approve the creation of any related separate business entity, including but not limited to a separate corporation, association, general or limited partnership, or trust whether or not organized

for profit where the Association will be obligated to provide financial assistance directly or indirectly except under the following procedure:

- (i) A written proposal outlining the purpose, need and financial costs and benefits of the entity to the Association has been submitted to the Senior Officers of the Board; and
- (ii) The aforementioned proposal has been reviewed by an impartial five (5) person task force appointed by the Chairman of the Board composed of members of the Board of Directors with no direct economic interest in the proposed affiliated entity and who shall report their finding and recommendations to the Budget and Finance Committee; and
- (iii) The aforementioned proposal has been recommended by the Budget and Finance Committee; and
- (iv) The aforementioned proposal as recommended by the Budget and Finance Committee has been presented for information purposes to the Board of Directors at a regularly scheduled meeting of the Board of Directors at least sixty (60) days prior to the meeting of the Board of Directors at which it is submitted for approval.

Sec. 2. BOOKS AND RECORDS. The Association shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the principal office a record giving the names and addresses of the Members entitled to vote.

Sec. 3. FISCAL YEAR. The fiscal year of the Association shall begin on the first day of January and end on the last day of December each year.

Sec. 4. REPRESENTATION OF THE ASSOCIATION.

(A) No council or committee or member thereof shall assume to represent the Association or any council or committee thereof before any legislative body, in any court, or before any other tribunal, unless authorized by the Chairman of the Board, President, or by the Board of Directors. Whenever representation requires the filing of any pleading or brief, other than a brief filed with a legislative committee, conceptual approval of the contents of the proposed pleading or brief shall be approved by the Board of Directors or such other of its members as the Board of Directors may designate to act for it.

(B) No report, recommendation, or other action of any council or committee, thereof, or of any committee of the Association, shall be considered as the action of the Association unless and until it shall have been approved or authorized by the Board of Directors. No council or committee thereof or any committee of the Association, or any member of any such council or committee, shall release any report of such committee or council to the public before the same is

distributed to the Board of Directors as required by the Bylaws. This is not to be construed as limiting customary news distributions of the Association through its Public Affairs staff.

Sec. 5. SEAL. The Board of Directors shall provide an Association seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words, "Corporate Seal, Nevada."

Sec. 6. OFFICIAL EMBLEM. The Board of Directors shall adopt an official emblem for the exclusive use of this Association, its affiliated State and Local Associations, and its members in good standing. Use of the emblem by a member shall be confined to identifying him or her as a member in good standing with this Association. The emblem may not be used in any manner or position to denote or imply any endorsement by this Association of a member's product or services, and use of the emblem may not be conveyed by a member to another member or non-member for any purpose whatsoever. The Board of Directors shall have the authority to limit or restrict the use of the emblem from time to time as it deems proper. Misuse of the emblem shall constitute grounds for revocation of membership.

Sec. 7. WAIVER OF NOTICE. Whenever any notice required to be given under the provisions of law, or under the provisions of the Constitution or by the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Sec. 8. RULES OF ORDER. The rules contained in Roberts Rules of Order, Revised, shall govern this Association in all cases to which they are applicable, including meetings of the membership and Board of Directors, if not inconsistent with these Bylaws or other special rules which may be adopted by this Association from time to time.

Sec. 9. TAX EXEMPT STATUS.

(A) The Association is organized as a non-profit Corporation under the laws of the State of Nevada and is intended to operate as a tax-exempt business league pursuant to Section 501(c)(6) of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any subsequent Internal Revenue Law). No part of the net earnings of the Association shall inure to the benefit of any private shareholder, member, or individual.

(B) In the event of dissolution of the Association, the assets of the Association shall, after appropriate provision for debts and liabilities of the Association, be distributed in any liquidation proceeding to a corporation, trust, or association which is not organized for profit and is exempt from federal income taxation under the Internal Revenue laws applicable at the time of such dissolution.

ARTICLE XI. AMENDMENTS TO BYLAWS

These Bylaws may be amended or repealed, and new Bylaws may be adopted, by two-thirds (2/3) of the Delegates present at any regular or special meeting by division of the house; provided at least thirty (30) days' advance written notice is given to the voting delegates and each Affiliated Association of the substance and intention to amend or repeal or to adopt new Bylaws at such meeting.