

BYLAWS

As Revised and Amended January 14, 2011

NATIONAL ASSOCIATION OF HOME BUILDERS

OF THE UNITED STATES

(A Nevada Nonprofit Corporation)



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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 Local Association, Chapter, or State Association of this Association, or
- (ii) operates in an area not within the jurisdiction of any Affiliated Local Association, Chapter, or State Association.

Where a firm or corporation has been accepted as a builder member of any Affiliated Local Association, Chapter, or State Association, the employee who is designated by that firm or corporation as its representative for its dealings with the Affiliated Local Association, Chapter, or State Association shall be eligible for builder membership in this Association. If the representative leaves the firm'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 of its Affiliated Local Associations, Chapters, or State Associations 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 Local Association, Chapter or State Association; or
- (ii) operates in an area not within the jurisdiction of any Affiliated Local Association, Chapter or State Association.

Where a firm or corporation has been accepted as an associate member of an Affiliated Local Association, Chapter, or State Association, the employee whom that firm or corporation designates as its representative for its dealings with the Affiliated Local Association, Chapter, or State Association shall be eligible for associate membership in this Association. If the representative leaves the firm'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/she has been accepted as an affiliate member in good standing by an Affiliated Local Association, Chapter, or State 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 Board of Directors, from time to time, for distinguished and unique service to the building industry shall be Honorary Members.

(F) LIFE MEMBER. Past Chairmen of the Board and any individual who served as President of the Association prior to 2009 are life members of the Association and shall have the status and rights of Senior Life Directors of the Association. Notwithstanding any other provision of these Bylaws, election to the office of Chairman of the Board shall also constitute designation as a Senior Life Director of the Association.

(G) 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.

(H) 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.

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 Local Association, Chapter, or State Association. All individuals accepted for membership must comply with the Articles of Incorporation and Bylaws of this Association.

(B) Applicants for builder, associate and affiliate membership approved and accepted by an Affiliated Local Association, Chapter, or State Association or, in the case of such applicants operating in an area not within the jurisdiction of an Affiliated Local Association, Chapter, or State Association, by the Third Vice Chairman, upon payment of dues shall become builder, associate, or affiliate 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 builder member, and life member shall be entitled to one vote on each matter submitted to a vote 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, international, affiliate or honorary member, shall be entitled only to such national services and privileges upon payment of an annual fee therefore, as may, from time to time, be determined by the Executive Board.

(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. The Executive Board may suspend any member but such action shall be reviewed by the Board of Directors at its next meeting. 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 Executive Board or the Board of Directors, as applicable, 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 or for failing to maintain his or her membership in good standing with at least one Affiliated Local Association or Chapter and the applicable State Association.

(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.

Sec. 6. MEMBERSHIP CERTIFICATE. When an applicant has been elected to membership and has paid any initiation fee and dues that may then be required, such member shall be entitled to a certificate of membership from the Third Vice Chairman which may be delivered to the member through the member's Affiliated Association or Chapter. Such certificate shall be signed by the Chairman of the Board or the President and shall carry the seal of the Association.

ARTICLE II

(Affiliated Associations and Chapters)

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:

- (i) that the jurisdiction requested does not conflict with the jurisdiction of any existing affiliated Local Association or Chapter (except as may be permitted under Sec. 7 of this Article);
- (ii) that the applicant group is composed of not less than fifteen (15) builder members in good standing;
- (iii) that the chief elected officer, at least one other corporate officer, and the majority of the members of the Board of Directors of such groups are builder members;
- (iv) that 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;
- (v) that the group will provide any members-at-large of the Association within the requested jurisdiction an opportunity to become members;
- (vi) that its Constitution and/or Articles of Incorporation and Bylaws will not conflict with the Articles and Bylaws of this Association;
- (vii) that 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
- (viii) that it will become affiliated with its State Association, if at the time of the application there is an Affiliated State Association duly chartered and functioning under the provisions of this Article. No Association which 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 LOCAL CHAPTERS.

(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 offshore foreign territory, who are engaged in residential construction or in a related industry, profession, or trade and in sympathy with the objectives of this Association, may be accepted as an Affiliated Local Chapter by the Board of Directors if the requested jurisdiction (a) is permitted under the provisions of this Article and (b) submits to the Association a formal application for charter signed by its chief elected officer certifying:

- (i) that the applicant group is located in a city having a population of not more than 50,000 or in a county in which there is no city having a population of more than 50,000;
- (ii) that the jurisdiction requested does not conflict with the jurisdiction of any existing Affiliated Local Association or Chapter (except as may be permitted under Sec. 7 of this Article) and does not extend beyond the county or counties next to the city in which it is organized;
- (iii) that the applicant group is composed of not less than ten (10) members, of whom no fewer than five (5) shall be builder members;
- (iv) that 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;
- (v) that the group will provide any members-at-large of the Association within the requested jurisdiction an opportunity to become members;
- (vi) that its Constitution and/or Articles of Incorporation and Bylaws will not conflict with the Articles of Incorporation and Bylaws of this Association;
- (vii) that 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
- (viii) that it will become affiliated with its State Association, if at the time of the application there is an Affiliated State Association duly chartered and functioning under the provisions of this Article. No Chapter which has affiliated with a State Association may withdraw from that Affiliation without permission of the State Association involved whether or not the Chapter 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 Chapter, 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 of the Chapter shall be "_____ (supply name of city, county, or

geographical area) Chapter of the National Association of Home Builders”, and shall be approved by the Board of Directors of the Association.

Sec. 3. 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:

- (i) that 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 and Chapters in the State;
- (ii) that it is comprised of at least three Affiliated Local Associations and has been joined by two thirds (2/3) of the Affiliated Local Associations and Chapters in the state. Such certification shall be accompanied by a list of the enrolled Associations and Chapters;
- (iii) that 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) that 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) that all of its individual members and the representative of each firm or corporate member are or will become members of the Association;
- (vi) that before filing this application reasonable opportunity was given to each Affiliated Local Association and Chapter, and to members-at-large of the Association in the state in areas outside the jurisdiction of an Affiliated Local Association or Chapter, to join the State Association;
- (vii) that it agrees to abide by the Articles of Incorporation, Bylaws, and policies of the Association, as amended from time to time; and
- (viii) that it will collect, report, and remit national dues, as required by these Bylaws, for all members outside the jurisdiction of Affiliated Local Associations and Chapters.

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

Sec. 4. 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 or Chapter concerned, the Executive Board of the

Association may at any time require that a Student Chapter affiliate with the Affiliated Local Association or Chapter, or State Association, having jurisdiction over the area in which it is located.

Sec. 5. ISSUANCE OF CHARTERS. Upon approval of its application by the Executive Board and Board of Directors of the Association, a charter shall be issued to an applicant Local or State Association or a local Chapter declaring its affiliation.

Sec. 6. REVOCATION OF CHARTERS. Upon approval and recommendation of the Executive Board, the Board of Directors may revoke the charter of an Affiliated Association or Chapter if it:

- (A) no longer meets the requirements for affiliation with the Association;
- (B) is no longer representative of home builders in the jurisdiction for which it is chartered,
- (C) fails to take appropriate action to prevent conduct on the part of one or more of its members which is injurious to the Association or reflects discredit upon it or the home building and remodeling industry,
- (D) has failed to meet its financial obligations to the Association; or
- (E) is found to be in violation of the Bylaws of the Association.

Sec. 7. JURISDICTION OF ASSOCIATIONS AND CHAPTERS.

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

(B) The territorial jurisdiction of each Affiliated Local Association and Chapter shall be that approved by the NAHB Board of Directors. In approving a new, or amending an existing, charter at the request of an existing local association or chapter, the Board shall, after February 28, 1993, only grant jurisdiction to a local association or chapter that serves one entire county or counties or other similarly designated political subdivision. The Executive Board may recommend that the NAHB Board of Directors grant exceptions based on conditions which justify otherwise.

(C) The territorial jurisdiction of an Affiliated Local Association or Chapter may not be reduced or changed without its written consent except by the NAHB Board of Directors under the following circumstances. A challenge may be made to the jurisdiction of an Affiliated Association or Chapter, by contending a violation of these bylaws, or by showing that the members' needs in a portion of the territorial jurisdiction are not being adequately met. Upon a showing that the challenge cannot be resolved by the parties directly involved, then the matter must be referred to the State Association Board of Directors, or State Representative, where there is no State Association, for mediation and resolution acceptable to all affected local associations and/or chapters. If the matter remains unresolved, then the challenge shall be submitted to the NAHB Senior Officers for their recommended action. If resolution is not thereby achieved through this process, upon recommendation of the Executive Board, the jurisdiction of an Affiliated Local Association or Chapter may be changed by the Board of Directors at any time unless otherwise provided by these Bylaws.

(D) Sixty (60) days notice shall be given to all affected Associations and Chapters of a request for an increase in jurisdiction and a reasonable opportunity afforded them to present their views to the Executive Board and 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 upon recommendation of the Executive Board may alter the granted jurisdiction and charter another association or chapter in the outlying territory. There shall be no overlapping jurisdiction. 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 and Chapters 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 or Chapter shall have the right except with the written approval of the Association having jurisdiction) to act as the industry spokesman for members within their assigned territory.

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

Sec. 8. CHANGE OF STATUS. If an Affiliated Local Association fails to maintain a membership of fifteen (15) or more builder members for one year, the Board of Directors, on recommendation of the Executive Board, may, after notification and a reasonable opportunity for appeal, reduce the status of the Association to that of Chapter. A Chapter may obtain Association status upon application provided it has paid-up-memberships of at least fifteen (15) builder members for a period of not less than nine (9) months beyond the date of application.

Sec. 9. CHANGE OF NAME. If an Affiliated Association or Chapter 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 Association or Chapter; (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 National Board of Directors following approval by the Executive Board and after thirty (30) days notice to the Affiliated Associations and Chapters which may be concerned with the proposed change.

Sec. 10. INTERNATIONAL AFFILIATES. The Board of Directors may, upon recommendation of the Executive Board, 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 therefore. The Executive Board in each case 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 Board of Directors.

ARTICLE III

(Membership Fees)

Sec. 1. MEMBERSHIP FEES.

- (A) ANNUAL DUES. The annual dues payable to the Association by:
- (1) Each Affiliated Association and Chapter for its members, and members-at-large shall be as set from time to time by the Board of Directors, by two-thirds (2/3) of the 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 and Chapter. Upon a request by an affiliated association or chapter in good standing, and upon recommendation by the Second and Third Vice Chairmen, the Executive Board may from time to time authorize promotional discounted membership dues for potential members of NAHB's special interest Councils or other special interest groups, so long as the discount does not exceed one year of membership and the promotion does not exceed two years. Participation in any promotion by state and local affiliated associations and chapters is voluntary; however participating state and local affiliated associations and chapters must agree to the terms of the promotion as adopted by the Executive Board.
 - (2) Student Member, International Member, Academic Subscriber shall be as set from time to time by the Executive Board.
 - (3) Honorary Members, NAHB Past Chairmen of the Board and any individual who served as President of the Association prior to 2009 shall be none.

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 Local Association and Chapter shall report to this Association the names, mailing addresses, and member classification of all members of the Affiliated Local Association or Chapter.

(B) Each Affiliated Local Association and Chapter 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 60 days of the member's anniversary date.

(C) Any Affiliated Local or State 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 Local 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) Each Affiliated State Association shall report to this Association the names, mailing addresses, and member classification of all members-at-large of the Affiliated State Association (including the name of the representative of each firm or corporate members-at-large of the Affiliated State Association) and remit annual dues payable to the Association for members of each class.

(F) The annual dues of (1) student members, (2) members operating in an area not within the jurisdiction of an Affiliated Local Association, Chapter, or State Association, and (3) academic subscribers shall be paid directly to this Association.

Sec. 4. DEFAULT AND TERMINATION OF MEMBERSHIP. Effective January 1, 2004 and thereafter, when any member of any class shall be in default in the payment of dues for a period of one (1) month, membership shall, thereupon be terminated.

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

(B) Upon written request by an Affiliated Association or Chapter, 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 an agreement with the Affiliated Association or Chapter for it to delay the payment of annual dues.

ARTICLE IV

(Board of Directors)

Sec. 1. GENERAL POWERS. The affairs of the Association shall be managed by its Board of Directors except to the extent such affairs are reserved to the members by law, the Articles of Incorporation, or these Bylaws or delegated to others by these Bylaws. The Board will focus on electing the Senior Officers of the Board, setting policy, approving the long range strategic plan, approving the budget, establishing dues and communicating with constituents.

The Board of Directors shall retain the authority to approve, disapprove and/or amend any action of the Executive Board.

Sec. 2. NUMBER, TENURE, AND QUALIFICATIONS.

(A) The Board of Directors shall be composed of all elected directors, life directors with voting rights, members of the Executive Board, State Representatives, life members of the Association with voting rights, and directors-at-large.

(B) An elected director shall hold office until the next Annual Meeting of members and until a successor shall have been elected and qualified, subject, however, to Section 2(C) of this Article.

(C) Except as provided by Section 3 (F) of this ARTICLE IV, elected directors 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 Directors and Alternate Directors 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 Director or terms of the existing Directors representing such Association shall terminate upon adjournment of the Annual Meeting held for the election of directors, and shall remain vacant until a proper nomination in writing is or nominations are (as the case may be) received and the Director or Directors so nominated is (or are) qualified and elected at the next meeting of the Members.

(D) An elected director 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 Board of Directors with voting rights.

Sec. 3. ELECTION OF DIRECTORS. The election of directors 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 directors and alternate directors which 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 31 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 directors and alternate directors which 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 number of names of members of this Association said associations are entitled to nominate as directors as hereinafter provided.

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

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 director and one (1) associate member as an alternate to the Board. Local Associations with more than 150 builder members may nominate one associate member as a director and one (1) associate member as an alternate for every multiple of four director positions to which the Local Association is entitled. Associate members nominated to serve as directors or alternate directors shall be in lieu of, not in addition to, builder member directors or builder member alternate directors to which the Local Association is entitled.

(D) Each Affiliated State Association may nominate one (1) director and one (1) alternate director, provided the State Association has a membership of one hundred (100) or more builder members who are members of Affiliated Local Associations or Chapters; three (3) or more Affiliated Local Associations or Chapters 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 director and one (1) additional alternate director 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 directors and two (2) alternates be nominated.

(E) Each affiliated State Association may nominate, providing its Bylaws so permit, one (1) associate member from that state as a director and one (1) associate member as an alternate. 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 director and one (1) builder member and one (1) associate member as an alternate.

Unless otherwise specifically provided in these Bylaws, an associate member who has been elected a director 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 between builders and associates may exist.

(F) Each year, the Board of Directors shall elect one Affiliate member of the Association as a Director with full voting rights. Eligibility criteria for Affiliate members to serve on the Board shall be determined by the NAHB Executive Board. In no event may an Affiliate member serve as an Alternate for any other director of the Association or otherwise fill the term of any Builder or Associate Director of the Association.

(G) 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.

(H) At the Annual Meeting of the Board of Directors, upon recommendation of the Nominations Committee, and at other meetings upon recommendation of the Executive Board, the Board of Directors may elect from among the builder members not more than three (3) directors-at-large and three (3) alternate directors-at-large, who:

- (i) Have been recommended in writing or in person by any builder member, member of the Board of Directors, or a State Association; and
- (ii) Are members-at-large, i.e., not represented by a local association and are designated as such by State Association membership records.

(I) The Board of Directors may elect builder and associate members of this Association as Life Directors, 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 Board of Directors as a voting director in each year for ten (10) or more years, one (1) meeting being either the Spring or the Fall Meeting of the Board. Failure of Life Directors to attend at least two (2) meetings of the Board of Directors each year, one of which shall be either the Spring or the Fall Meeting, shall cause them to lose their right to vote. A Life Director shall not lose any other rights and privileges enjoyed as a Life Director as a result of a failure to meet the foregoing attendance requirement.

A Life Director who has attended two (2) meetings per year for a period of ten (10) consecutive years shall be designated as a Senior Life Director, in which case as a Senior Life Director shall have attained a permanent voting right with no continuing attendance requirement.

- (i) A Life Director who has lost voting rights, because of failure to meet attendance requirements, may have such Life Director voting status reinstated after attendance at the requisite number of Board Meetings for one (1) year, and upon approval of the Third Vice Chairman.
- (ii) Nominees as Life Director may have credit for five (5) years service as an alternate director provided they attended the required number of board meetings during such service.

(J) When a Life Director (whether or not entitled to vote pursuant to Section 3 (F)) 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 Director or Alternate Director, 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 Board of Directors may elect as an Honorary Director, without voting rights, such persons as it may determine to have made substantial contributions of service to the Association.

Sec. 4. ALTERNATE DIRECTOR. At any meeting of the Board of Directors that an elected director is not present, an alternate director for the Affiliated Association of the absent director or an alternate director-at-large as the case may be, shall be qualified to serve as a director at such meeting.

Sec. 5. VACANCIES.

(A) An elected director's position shall be considered vacant upon death, resignation, refusal to serve, or termination of membership.

(B) Upon nomination by an Affiliated Association represented by the director's vacated position, the vacancy may be filled by the Board of Directors and the director so elected shall serve the unexpired term of the predecessor.

(C) Upon nomination of the Executive Board, a vacancy in the office of a director-at-large or in the office of the Affiliate member director may be filled by the Board of Directors, and the directors-at-large or Affiliate member, as applicable, so elected shall serve the unexpired term of the predecessor.

Sec. 6. NEW DIRECTORSHIPS. The Board of Directors may elect new national directors and alternate directors to fill seats created by the affiliation of new and qualified local and state associations. The Board of Directors shall elect the candidates nominated by the qualifying associations. Directors so elected shall serve until the next Annual Meeting of the Members.

Sec. 7. EXCUSED ABSENCE. Upon written application of a director or alternate director within ninety (90) days after a meeting of the Board of Directors from which he or she was absent, the Third Vice Chairman may excuse such absence on a showing of unavoidable cause therefore.

Sec. 8. INTERNATIONAL AFFILIATE DIRECTORS. The Board of Directors may approve a reciprocal exchange of a director 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 Board of Directors, but shall not have the right to vote.

ARTICLE V

(Executive Board)

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

(A) The Executive Board, between meetings of the Board of Directors, shall have and shall exercise the authority of the Board of Directors in the management of the Association, EXCEPT that it shall not have the authority of electing, appointing, or removing any member of the Executive Board or any elected director or elected officer of this Association; amending or restating the Articles of Incorporation and Bylaws; adopting a plan or 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; or amending, altering, or repealing any resolution of the Board of Directors, except on the finding of an emergency requiring such action.

(B) The Executive Board is accountable to the Board of Directors.

Sec. 2. NUMBER AND TENURE.

(A) Effective January 24, 2003 and beyond, the Executive Board shall be composed only of the 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, one National Associate Chairman, one State Representative for each state, the chairmen of the Committees and Councils as defined in ARTICLE XI of these bylaws, and the first vice chairman of the Budget and Finance Committee. In the event that the Chairman of the Board shall appoint a second vice chairman of the Budget and Finance Committee, the second vice chairman of the Budget and Finance Committee shall not be a member of the Executive Board by virtue of that appointment. Effective January 16, 2005 and beyond, the Chairman of the Board shall have the authority to appoint five additional non-voting members, who must also be Directors of the Association in good standing, to be known as Chairman's Advisors. Notwithstanding the foregoing, in those years where one or more states are entitled to a Special Voting Member of the Executive Board as provided in Section 2 (B) of this Article, the number of voting members of the Executive Board shall increase accordingly. The following shall be non-voting members of the Executive Board: Past Chairmen of the Board, individuals who served as President of the Association prior to 2009, Honorary Members, the chairman or president, as the case may be, of the Executive Officers Council, the National Housing Endowment, Build-PAC, the Home Builders Institute, and the NAHB Research Center as well as the President and Chief Executive Officer of NAHB. Each member of the Executive Board shall hold office until the next Annual Meeting of the Board of Directors or until a successor shall have been appointed or elected, and installed in office. Notwithstanding any other provision of these Bylaws, the President shall have the authority to appoint ten (10) additional voting members to the Executive Board for the years 2003 and 2004.

(B) When a state has a total membership of 10,000 or more builder and associate members, it shall be entitled to a special voting member on the Executive Board ("Special Voting Member"), except when a member from that state is serving as National Area Chairman. The Special Voting Member shall be a builder member in good standing of the Association and appointed by the Chairman of the Board with the concurrence of the eligible state. A state must maintain a membership of 10,000 or more each year in order to continue to be entitled to a 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 a Special Voting Member.

Sec. 3. REGULAR MEETINGS. The Executive Board shall hold regular meetings at the same time and place and in conjunction with the regular meetings of the Board of Directors.

Sec. 4. SPECIAL MEETINGS. Special meetings of the Executive Board may be called at the request of the Chairman of the Board or not less than one-fifth (1/5) of the voting members of the Executive Board. Special meetings shall be held at the principal office of the Association unless otherwise ordered by the Chairman of the Board.

Sec. 5. NOTICE. Notice of any meeting of the Executive Board shall be given at least seven (7) days previously thereto by written notice sent by mail, or at least five (5) days previously thereto if sent by telegram, or transmitted by facsimile or electronic notice where evidence of delivery is available, to each Executive Board member at the address as shown in the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If notice is given by facsimile or electronic means, such notice shall be deemed to be delivered when the successful facsimile or electronic transmission is recorded by the sender's facsimile or electronic transmission device. Any Executive Board member may waive notice of any meeting. The attendance of an Executive Board member at any meeting shall constitute a waiver of notice of such meeting, except where an Executive Board member 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 Executive Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these Bylaws.

Sec. 6. QUORUM. A majority of the voting members of the Executive Board shall constitute a quorum for the transaction of business at any meeting of the Executive Board, but if less than a majority of the voting Executive Board members are present at said meeting, a majority of the voting Executive Board members 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 Executive Board members present at a meeting at which a quorum is present shall be the act of the Executive Board, unless the act of a greater number is required by law or by these Bylaws. Executive 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 Executive Board with another committee or council, only voting members of the Executive Board shall be entitled to vote.

Sec. 8. VACANCIES. Any vacancy occurring in the appointed members of the Executive Board 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. HONORARY MEMBERS. The Executive Board may elect members to serve on the Executive Board, in an honorary capacity, as it may deem appropriate.

Sec. 10. EX-OFFICIO MEMBERS. All Life Members of the Association and Honorary Members shall be non-voting ex-officio members of the Executive Board.

Sec. 11. ACTION BY THE EXECUTIVE BOARD IN THE ABSENCE OF A MEETING. Any action which may be taken at a meeting of the Executive Board may be taken without a meeting if all voting members are provided with written notice pursuant to the Notice provisions of this ARTICLE, setting forth the proposed action to be taken, and the proposed action shall be approved by a majority of the voting members of the Executive Board. Each voting member's approval must take the form of a signed letter, facsimile transmission or electronic mail message.

Sec. 12. 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 Executive Board. 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 Executive Board meeting.

Sec. 13. EMPLOYMENT AND REMOVAL OF PROFESSIONAL STAFF.

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

(B) The Executive Board 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 an Executive 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 Executive Board, 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, at such time and place as determined by the Executive Board for the purpose of electing Directors and State Representatives and the transaction of such other business as may come before the meeting.

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 place and date of any meeting of the members shall be delivered by mail to each member entitled to vote at such meeting, or if published in a newspaper or newsletter mailed to each member, not less than thirty (30) or more than fifty (50) days before the date of such meeting. The purpose of the meeting shall be stated in the notice. The notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the address as it appears on the records of the Association, with postage thereon prepaid.

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.

ARTICLE VII

(Meetings of the Board of Directors)

Sec. 1. ANNUAL MEETING. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw, at the same place as, the Annual Meeting of the Members, for the purpose of electing officers and for the transaction of such other business as may come before the meeting.

Sec. 2. REGULAR MEETINGS. The Board of Directors establish the time and place, either within or without the State of Nevada, for the holding of not less than two regular meetings of the Board of Directors (other than the Annual Meeting of the Board of Directors) prior to the next Annual Meeting of the members, with notice to be given as provided in these Bylaws.

Sec. 3. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board or the Executive Board. The parties authorized to call special meetings of the Board of Directors shall fix any place, either within or without the State of Nevada, as the place for holding any special meeting of the Board of Directors called by them.

Sec. 4. NOTICE. Notice of meetings of the Board of Directors shall be given at least ten (10) days previously thereto by written notice delivered or sent by mail to each director at the address as shown in the records of the Association or if published prominently in a newspaper or newsletter mailed to each director at least ten (10) days prior to the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid. Any director may waive notice of any meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by laws or by these Bylaws.

Sec. 5. QUORUM. Three hundred (300) directors entitled to vote at any meeting shall constitute a quorum at such meeting; but if less than a quorum is present at a meeting, the majority of the directors entitled to vote and present may adjourn the meeting from time to time without further notice.

Sec. 6. MANNER OF ACTING. No person shall be admitted to the floor during a meeting except persons (who shall display their credentials) entitled to vote at such meeting and authorized staff personnel. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or these Bylaws.

Sec. 7. CONSIDERATION OF RESOLUTIONS AND POLICY STATEMENTS. In order to assure the fullest possible consideration of resolutions and statements directed to the policy or operation of the Association, any director desiring consideration of any such resolution or policy statement proposed, shall, whenever possible or feasible, submit the resolution or statement to the Chairman of the Board for distribution thirty (30) days prior to the Board of Directors meeting 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 Resolutions Committee, the Executive Board, and the Board of Directors with such recommendations 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 Board of Directors for its consideration, unless withdrawn by the director who proposed it.

Notwithstanding the above preferred procedure, any director shall be entitled, at any regular or special meeting of the Board of Directors, to submit in writing, for the Board's consideration, a resolution or statement directed to the policy or operation 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 Board of Directors prior to the adjournment of such meeting. If a resolution or policy statement is brought before the Board of Directors without the thirty (30) days advance notice, then it must pass by a two-thirds vote of the Board of Directors.

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

ARTICLE VIII

(Elective Officers of the Board)

Sec. 1. ELECTIVE OFFICERS OF THE BOARD. The Elective Officers of the Board shall be a Chairman of the Board, First Vice Chairman, Second Vice Chairman, Third Vice Chairman, the National Area Chairmen and the National Associate Chairman. The same person may not hold concurrently more than one such office. Other than the National Associate Chairman, all elective officers shall be "Builder members" of the Association as that term is defined in ARTICLE I, § 1 (B) of these Bylaws.

Sec. 2. QUALIFICATIONS OF ELECTIVE BUILDER OFFICERS OF THE BOARD. The qualifications of the Elective Builder Officers of the Board are:

(A) Each shall be and remain during the term of office a builder 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 Director of the Association and (ii) shall have served, prior to election, not less than one full term as a State Representative or National Representative, or as a chairman of a Committee of the Association, or as a member of the Executive Board or, Budget or Resolutions Committees, or for three years as a National Director or alternate director and have attended not less than two meetings a year during this period, and (iii) shall be found by the Nominations Committee in its opinion to have demonstrated leadership ability in such service.

(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 an Elective 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.

Sec. 3. QUALIFICATIONS OF THE NATIONAL ASSOCIATE CHAIRMAN. The Qualifications for the National Associate Chairman 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) year as a National Director or alternate 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. 4. ELECTION AND TERM OF OFFICE.

(A) The Elective Officers of the Board shall be elected annually by the Board of Directors commencing at or before 10:00 A. M. at their regular Annual Meeting. If the election of such officers shall not be held at that meeting, such election shall be held as soon as possible thereafter.

(B) At the Fall Meeting of the Board of Directors, provided that notice of the intention of any other candidate who meets the qualifications of these Bylaws for election as Chairman of the Board has not been filed with the Nominations Committee at least thirty (30) days prior to the Fall Meeting, the Board of Directors by resolution shall declare the First Vice Chairman to be, and he or she shall thereupon become, Chairman-Elect. Installation as Chairman of the Board shall be at the next regular Annual Meeting of the Board of Directors.

(C) Whenever only one (1) nomination for an elective office is presented to the Board of Directors, election shall be by voice vote. Whenever more than one (1) nomination is presented, vote shall be by secret ballot. If more than two (2) candidates are named for an office, a majority of the Directors voting shall be necessary to elect. If no candidate receives a majority, a second vote shall be taken upon the two leading candidates.

(D) Each elective officer shall hold office until a successor shall have been duly elected and installed into office. Each elective officer 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. 5. 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. 6. 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, Board of Directors, the Executive Board and 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 consistent with the strategic plan; communicate to the members, the Board of Directors 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, the Board of Directors, the Executive Board, 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. 7. 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 assigned by the Chairman of the Board, the Executive Board, or the Board of Directors, and as may be assigned by these Bylaws.

Sec. 8. 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 the Chairman of the Board, the Executive Board, or the Board of Directors, consistent with these Bylaws.

Sec. 9. THIRD VICE CHAIRMAN. The Third Vice Chairman of the Board shall act as liaison to the

Secretary on behalf of the Board of Directors, and the Executive Board, the reports of all committees and councils, the Articles of Incorporation and Bylaws; 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 assigned by the Chairman of the Board, the Executive Board, or the Board of Directors, and as may be assigned by law and by these Bylaws.

Sec. 10. IMMEDIATE PAST CHAIRMAN OF THE BOARD. The Immediate Past Chairman of the Board shall be the Chairman of the Nominations Committee and of the Past Chairmen's Council. The Immediate Past Chairman is one of the five (5) Senior Officers of the Board.

Sec. 11. NATIONAL AREA CHAIRMEN. 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, Executive Board or the Board of Directors, and as may be assigned by these Bylaws. In lieu of a limited geographic area of responsibility, the National Associate Chairman shall oversee the activities of and the issues affecting the associate members of the Association. The National Area Chairmen may meet at meetings of the Board of Directors and at regular meetings of the Executive Board to discuss matters of mutual concern. The National Area Chairmen shall elect a moderator from among their members.

Sec. 12. REMOVAL. Any elective officer may be removed by the Board of Directors whenever in its judgment the best interest of the Association would be served thereby. Such action shall not be undertaken except on complaint forwarded by the Association Planning Committee and approved by two-thirds (2/3) of the total number of members of the Executive Board. Such elective officer shall be given written notice of such complaint not less than twenty (20) days prior to the meeting of the Board of Directors. At any such meetings, the elective officer shall be afforded reasonable opportunity of defense. The Board shall adopt a process for removal and shall adhere to that process when any Officers is subject to removal pursuant to this section.

Sec. 13. VACANCIES.

(A) A vacancy in any elective office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

(B) 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 Executive Board 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 the next meeting of the Board of Directors and until a new Chairman of the Board is elected and installed.

(C) Vacancy in either of the offices of First Vice Chairman, Second Vice Chairman, or Third Vice Chairman may be filled by appointment of the Executive Board from among the elective officers pending election of a successor by the Board of Directors.

Sec. 14. TRAVEL. The travel 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 when such travel is performed on Association business and lies within the geographical limits of the United

States, Canada, Mexico, Bermuda, or the islands in the Caribbean. Travel other than as outlined above must receive the prior approval of the Executive Board to qualify for reimbursement.

ARTICLE IX

(State Representatives)

Sec. 1. DUTIES, RESPONSIBILITIES, AND ACCOUNTABILITY OF STATE REPRESENTATIVES INDIVIDUALLY.

(A) Each State Representative shall, (1) in relation to Affiliated Associations within his or her state, 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 Chapters and may, upon invitation, install officers of such associations; and (2) assist the National Area Chairman in the performance of his or her duties.

(B) Each State Representative shall coordinate their activities with his or her National Area Chairman.

Sec. 2. NUMBER, TENURE, AND QUALIFICATIONS.

(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) State Representatives shall hold office until the end of the next regular Annual Meeting of the Members or their successors have been elected or appointed.

(C) State Representatives shall be builder members who shall have served not less than one (1) term as director of this Association, or as the chief elected officer of an Affiliated Association or have previously served as a National or State Representative.

Sec. 3. ELECTION. The election or appointment of State Representatives shall be as follows:

(A) On or before thirty (30) days prior to the regular Annual Meeting of the Members 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.

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

(C) In the event (i) an office of a State Representative is not filled at the regular Annual Meeting of the Members, or (ii) 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 State by resolution or if there is no State Association, by resolution of a majority of the affiliated local associations in that State.

Sec. 4. REMOVAL. Any State Representative may be removed by a majority vote of the Board of Directors whenever in its judgment the best interest of the Association would be served thereby.

ARTICLE X

(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 Executive Board 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 Executive Board, 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 Elective 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 Executive Board.

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

(D) The President shall be accountable to the Executive Board 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 Executive Board 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 Executive Board. 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 post office address of each member; maintain a record of attendance at the meetings of the Board of Directors by all alternate directors and directors eligible to vote; keep a record of all alternate directors, Honorary Directors, Life Directors ineligible to vote and directors of International Affiliates; perform such duties as shall be assigned by the Third Vice Chairman, the Executive Board, or the President. The Executive Board 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 Executive Board 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 Executive Board 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 Executive Board, the President or as may be required by applicable law or these Bylaws.

(B) One or more Assistant Treasurers may be appointed by the Executive Board. The Assistant Treasurers 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 Executive Board, 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 XI

(Committees and Councils)

Sec. 1. 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 1 (O) 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. 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 (except for the Association Planning, Audit and Nominations Committees and the NAHB Leading Suppliers 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 multiple chairmen or co-chairmen are authorized by these Bylaws, each co-chairman shall be entitled to one vote on the Executive Board. 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.

(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 for one (1) additional year who has already served six (6) consecutive terms.

(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 other committee member, council Trustee, committee or council chairman may be removed by the Executive Board for cause after an appropriate hearing. 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 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 which 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. Notice of any special meeting of a committee or council shall be given at least ten (10) days previously thereto by written notice delivered personally or sent by mail or telegram, or transmitted by facsimile or electronic notice where evidence of delivery is available, to each committee member or council trustee at the address shown on the records of the Association. Notice shall be deemed to be delivered when deposited in the United States mails or when the telegram is delivered to the telegraph company. Any committee member or council trustee may waive notice of any meeting. Attendance of any committee member or council Trustee at any meeting shall constitute waiver of notice. 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 chairman 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 Executive Board, 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 Executive Board. 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 Article XI, Section 1 (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 Executive Board may adopt, approve or revise rules governing the operation of subcommittees. Any such operating procedures adopted by the Executive Board shall not conflict with these Bylaws.

Sec. 2. COMMITTEES. Committees shall investigate, study, and make recommendations to the Executive Board 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, 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.

(B) DESIGNATION, JURISDICTION, AND SPECIAL TENURES OF COMMITTEES. The designation, jurisdiction, and special tenures of committees are as follows:

- (i) ASSOCIATE MEMBERS. The Associate Members Committee has jurisdiction over matters relating to the activities of Associate Members of the Association. The Committee provides guidance and direction for the development of activities, materials, policies, and programs to increase associate membership and involvement within NAHB. Representing the industry partners of NAHB's Builder Members, it works to increase Associate Member participation in industry advocacy; to provide educational opportunities for Associate Members; to encourage Associate Member leadership development; and to recognize the contributions Associate Members make to NAHB. Notwithstanding the provisions of Section 1(B) of this Article, two-thirds (2/3) of the members of the Committee need not be builder members and the chairman of this Committee may be an Associate Member of the Association.
- (ii) ASSOCIATION PLANNING. There shall be an Association Planning Committee composed of five (5) builder members, one of whom shall be appointed by the Chairman of the Board, one by the First Vice Chairman, one by the Second Vice Chairman, one by the Third Vice Chairman, and one by the most Immediate Past Chairman of the Board able to serve. A senior staff member reporting directly to the President shall serve as an ex-officio member of the Committee, without vote. Notwithstanding Article XI, Section 1(C) & (D) and to provide a degree of continuity in the membership of the Committee, the Immediate Past Chairman of the Board, the Chairman of the Board, the First Vice Chairman, and the Second Vice Chairman shall to the extent deemed feasible (but shall not be obligated to) each reappoint the member appointed by him or her as Third Vice Chairman thereby permitting members of the Association Planning Committee to serve for five (5) consecutive one-year (1) terms.

The Chairman of the Board's appointee to the Association Planning Committee shall act as the chairman of the Committee. In the event of the inability of any member of the Association Planning Committee to serve, the Senior Officer of the Board whose original appointee is unable to serve shall appoint a successor with the advice and consent of the Chairman of the Board.

The Committee shall familiarize itself with the operations of the staff divisions; develop plans for presently known Association problems; suggest operating procedures for the Association; review current Association operating policies; suggest revised operating policies when necessary; and handle all such matters as may be referred from time to time by the Senior Officers of the Board; and report periodically to the Senior Officers of the Board. The Committee shall meet at such times and places with the approval of the Chairman of the Board (within the geographical limits of the United States, unless otherwise approved by the Board of Directors) as the chairman may designate, but not less often than once in each calendar quarter.

- (iii) **AUDIT.** The Audit Committee shall have jurisdiction over the appointment, compensation and oversight of NAHB's external auditors. The Audit Committee shall be responsible for overseeing the accounting and financial reporting processes of the Association in addition to the audits of the Association's financial statements. The Audit Committee shall be composed of five (5) directors in good standing elected by the Board of Directors. The Committee members shall consist of one member nominated by and from the National Area Chairmen, one (1) member nominated by and from the State Representatives, two (2) members nominated by and from the Board of Directors and the incumbent first vice-chairman of the Budget and Finance Committee. With the exception of the first vice chairman of the Budget and Finance Committee, no Audit Committee member shall serve as chairman or vice chairman of any committee or of any council board of trustees or serve on the Budget and Finance Committee during the term of his or her service on the Audit Committee. Notwithstanding any other provision of these Bylaws, all members of the Committee other than the first vice chairman of the Budget and Finance Committee shall be elected at the time of the NAHB Fall Board Meeting except when filling the incomplete remainders of vacant terms pursuant to this bylaw. Elected members will take office immediately upon election and shall serve until a successor has been elected. The Committee members shall elect their own chairman annually. The first vice chairman of the Budget and Finance Committee shall not be eligible to be chairman of the Committee. Each Committee member, with the exception of the first vice-chairman of the Budget and Finance Committee, shall serve a three-year term even if the elected Committee member no longer holds any other Association office in the second or third year of his or her term on the Audit Committee. However, Audit Committee members must remain directors of the Association at all times. Committee members may not serve consecutive terms, except as provided below.

If the National Area Chairmen or the State Representatives members of the Audit Committee are unable to serve his or her full three-year term, the National Area Chairmen and/or State Representatives shall elect a successor from among their respective group(s) at the next regularly scheduled Executive Board meeting following the occurrence of the vacancy. Similarly, if either or both of the two (2) at-large members of the Audit Committee are unable to serve the full three-year term, a subcommittee of the Budget and Finance Committee will recommend a successor at the next regularly scheduled Board of Directors meeting following the occurrence of the vacancy. Unless reelected at the expiration of the term being filled, the individual elected to fill a vacancy shall be elected only for the unexpired remainder of the term of the vacating Committee member. However, a member may be elected to one full term after having filled the unexpired portion of a vacating Committee member's term

Any member of the Audit Committee may be removed by the Board of Directors whenever the Board determines that the Association's interests would be best served by the member's removal. Such removal shall be undertaken only after a written complaint seeking removal is approved by two-thirds (2/3) of the Directors present at a duly-called Board meeting. The Audit Committee member subject to removal shall be given written notice of the complaint not less than twenty (20) days prior to the meeting of the Board of Directors at which the complaint will be voted upon. At such meeting, the Committee member shall be

afforded a reasonable opportunity to present a defense. Removal from the Audit Committee shall not otherwise affect the member's standing as a Director of the Association.

- (iv) **BUDGET AND FINANCE.** The Budget and Finance Committee has jurisdiction over matters relating to the budget of the Association. A balanced budget for the Association shall be prepared under the general supervision of, and recommended by the Budget and Finance Committee, which shall provide general supervision of the administration of the budget after approval by the Board of Directors. There shall be twenty-two (22) members of this Committee including the Second Vice Chairman of the Board who shall be the chairman of the Committee and serve only during the term of office as Second Vice Chairman of the Board. Notwithstanding any other provision of these Bylaws, the Chairman of the Board shall appoint the first vice chairman of the Committee with the advice and consent of the First Vice Chairman of the Board and, in the event that the Chairman of the Board chooses to appoint a second vice chairman of the Committee, the Chairman of the Board shall do so with the advice and consent of the Third Vice Chairman. There shall be a non-voting EOC Liaison appointed to this Committee. All members of this Committee with the exception of the EOC Liaison must be builder members of the Board of Directors.

Notwithstanding any other provision of these Bylaws, the Budget and Finance Committee may create and maintain subcommittees with compositions, qualifications, terms of service and restrictions that are not generally applicable to NAHB subcommittees. Specifically, Article XI, Section 1 (O) of these Bylaws shall not be applicable to subcommittees of the Budget and Finance Committee. However, any member appointed to a subcommittee of the Budget and Finance Committee who is not a concurrent member of the full Budget and Finance Committee must be a director of the Association in good standing.

- (v) **BUILDING PRODUCT ISSUES.** The Building Product Issues Committee shall have jurisdiction over matters relating to builder liability problems arising in connection with new construction and remodeling. The purpose of the Committee shall be to: (a) review and recommend to the Executive Board, pursuant to guidelines adopted by the Committee and approved by the Executive Board, funding within the normal guidelines of the NAHB Budget process of those issues of national significance or common issues concerning builder liability; (b) monitor emerging and existing building product defects problems and recommend to the Executive Board appropriate Association action; (c) study and recommend to the Association methods of reducing builder liability from product and construction defects; and (d) work cooperatively with manufacturers, insurers, products trade groups, and other interested parties on builder liability issues. No Committee member may vote on any recommended action, if that member or his/her Affiliated State or Local Association will receive any direct financial assistance or financial benefit from the action in question.
- (vi) **BUSINESS MANAGEMENT AND INFORMATION TECHNOLOGY.** The Business Management and Information Technology Committee shall have jurisdiction over matters relating to improving the business management skills of builder members. It shall (a) make policy recommendations on business management issues; (b) develop educational programs; (c) write and publish manuals; (d) conduct business management research; (e) provide consulting

services; and concentrate in areas of accounting and financial management, personnel administration, surety bonding, safety and labor relations. Associate members may be appointed to this Committee, but the number of such appointees shall not exceed four (4).

- (vii) **CONSTRUCTION, CODES AND STANDARDS.** The Construction, Codes and Standards Committee shall be responsible for the monitoring of all construction regulations that directly impact the construction process and shall have jurisdiction over all matters concerning the use and conservation of energy and green building. It shall promote building regulatory reform, provide technical support to the members and disseminate reports and timely information and shall recommend to other committees, the Chairman of the Board and the Executive Board studies, research, and policies for the design and construction of residential, commercial, industrial, institutional, and other structures. It shall formulate, coordinate and recommend policy for adoption by the NAHB Board of Directors. This Committee shall have a total of twenty-one (21) members. Associate members may be appointed to this Committee, but the number of such appointees shall not exceed four (4). Not less than fifty-one percent (51%) of builder members shall constitute a quorum of the Committee.
- (viii) **CONSTRUCTION SAFETY AND HEALTH.** The Construction Safety and Health Committee shall have jurisdiction over matters relating to jobsite safety, OSHA regulations and workers' compensation issues. It shall be responsible for coordinating NAHB regulatory activities in these areas, as well as developing compliance, educational and training programs and publications on these subjects. There shall be twenty-one (21) members of this Committee appointed in accordance with Section 1(C) of this Article. Four (4) of the twenty-one (21) members of this Committee may be Associate Members.
- (ix) **CONVENTION AND MEETINGS.** The Convention and Meetings Committee has jurisdiction in matters relating to the meetings of the members and the Board of Directors and all Conventions-Expositions. The Committee shall also exercise oversight over any management of assistance offered to trade shows or exhibitions owned or operated by state or local affiliates or combinations thereof. Within the limits of the approved budget of the Association, this Committee shall provide general supervision for the preparation of budgets for such events, recommend budgets, and provide general supervision of the administration of the budgets after review of the Budget and Finance Committee and approval of the Executive Board.
- (x) **CUSTOM HOME BUILDERS.** The Custom Home Builders Committee has jurisdiction over matters relating to services to custom home builders. It shall from time to time recommend to the Executive Board and the Board of Directors actions and policies which represent the interests of custom home builders. It shall take such actions to assure that the service needs of custom home builders are met in an appropriate, timely and effective manner. Working with the appropriate NAHB support committees and staff, the Committee shall seek to develop programs and actions which serve the custom home builder in the design, marketing, financing and production of homes.
- (xi) **DESIGN.** The Design Committee has jurisdiction over matters relating to residential design. The Committee shall place emphasis on new design concepts

and the use of building design to improve the builders' business and image, and to enhance communities through better housing. Notwithstanding any other provision of these bylaws, not less than fifty percent (50% of the members of the Design Committee shall be builder members of the Association. Both builder and associate members are eligible to serve as chairman or vice chairman (or vice chairmen as appropriate) of the Design Committee.

- (xii) **EDUCATION.** The Education Committee shall have responsibility for coordination of matters relating to all educational activities offered to NAHB or its related organizations, its members and state and local associations, including all seminars, joint venture programs with state and local associations, education/certification programs, convention programs, and national and international conferences and tours. The coordinating responsibilities of the Education Committee shall not preempt the authority of NAHB Councils' Boards of Governors and/or Trustees to plan and implement certification and effective educational programs and activities unless those certification and educational programs and activities are inconsistent with and not supportive of NAHB's overall goals and objectives. In order to facilitate creative interaction between NAHB and HBI, the Committee shall be appointed in accordance with Article XI, Section 1(C), provided however, that at least fourteen (14) of the members of the Committee shall be builder members; at least three (3) members of the Committee shall be members of the HBI Board of Trustees; and one (1) member shall be the chairman of the Joint Council chairmen.
- (xiii) **ENVIRONMENTAL ISSUES.** The Environmental Issues Committee shall have jurisdiction over environmental matters impacting the acquisition, sale or development of residential and commercial real estate. It shall (a) monitor relevant federal and state legislative proposals, judicial decisions and regulatory actions; (b) recommend to the Association policy positions with respect thereto except on those environmental issues relating to indoor air quality; (c) provide guidance to other committees, working groups and task forces on environmental matters; (d) develop policy recommendations and strategies by using a subcommittee structure, composed of representatives from various industry perspectives as represented by other NAHB committees and members representing local and state associations impacted by those issues; (e) conduct studies on environmental issues likely to affect builders and developers; (f) authorize expenditures for environmental related programs from funds allocated to the Committee by the Budget and Finance Committee; (g) periodically report to the Chairman of the Board and to the Executive Board its recommendations on environmental public policies. The committee shall be composed of twenty-one (21) members, at least fourteen (14) of whom shall be builder members.
- (xiv) **EXECUTIVE.** The Executive Board is provided for by another Article by these Bylaws.
- (xv) **FEDERAL GOVERNMENT AFFAIRS.** The Federal Government Affairs Committee has jurisdiction over and shall monitor all matters relating to Federal legislation affecting housing and light construction, and is responsible for developing and recommending association policy in this area; and for recommending information dissemination programs for the members.
- (xvi) **HOUSING FINANCE.** The Housing Finance Committee shall have jurisdiction

over matters affecting mortgage and construction industry financing. It shall (a) monitor all federal and state legislation and regulatory action, both existing and proposed, affecting mortgage, acquisition, development, or construction financing; (b) recommend to the Association policy positions with respect thereto; (c) conduct studies on problems and economic trends affecting or likely to affect the cost and availability of financing for residential, remodeling and light commercial construction and permanent mortgages; and (d) periodically report to the Chairman of the Board and the Executive Board its recommendations, if any, for improvement of the availability of financing for affordable housing.

- (xvii) **LAND DEVELOPMENT.** The Land Development Committee shall have jurisdiction over matters concerned with land use and development practices. It shall (a) seek to develop innovative and cost-effective land use; (b) review national, state and local land development legislation, rules and regulations; (c) study and recommend and advocate a balanced approach between economic and environmental systems; (d) make recommendations on technical matters (such as infrastructure, design and development, and planning, zoning, and subdivision regulations). It shall take action, beneficial to the membership of the Association and appropriate under the Association's policies, to strengthen liaison activities with professional and trade organizations concerned with land development. Four (4) Associate Members may be appointed to this Committee.
- (xviii) **LEGAL ACTION.** The Legal Action Committee (hereinafter LAC) shall have jurisdiction over matters concerning financial, research and strategic assistance in litigation or other legal matters. The purposes of the LAC shall be: (a) pursuant to guidelines adopted by it and approved by the Executive Board, review and recommend to the Executive Board, funding within the normal guidelines of the NAHB budget process of those cases of national significance or presenting major issues important to the housing industry; (b) work with property owners or others on land use and environmental cases before the United States Supreme Court and lower courts; (c) consider filing friend-of-the-court (amicus curiae) briefs in major cases; (d) monitor important cases and disseminate valuable precedents and legal strategies to NAHB affiliated state and local associations and the NAHB membership; and (e) oversee the operation of the Association's (1) Legal Action Network for Development Strategies (LANDS) Programs; (2) legal research services (including the Westlaw computer) for members and affiliated local and state associations and chapters; and (3) federal regulatory program within the jurisdiction of the NAHB Legal Department. The Committee shall consist of a maximum of thirty (30) members. All LAC members shall be members of the Association and the Chairman of the Board, First Vice Chairman, and Second Vice Chairman shall each make ten (10) appointments to the LAC each year. Not less than fifty-one percent (51%) of all LAC members shall be builder members of the Association. The chairman and vice chairman (or vice chairmen, as appropriate) of the LAC shall be builder members of the Association. The Chairman of the Board shall appoint the chairman and vice chairman (or vice chairmen, as appropriate) of the LAC, provided, however, that the first vice chairman of the LAC shall be appointed by the Chairman of the Board with the advice of the First Vice Chairman and, in the event that the Chairman of the Board chooses to appoint a second vice chairman of the LAC, the Chairman of the Board shall do so with the advice and consent of the Second Vice Chairman. Each shall serve until the completion of the first regular Annual

Meeting of the NAHB Board of Directors following appointment and until a successor is appointed. There shall be no restrictions on any member serving consecutive terms as a member of the LAC. Any member of the LAC who does not attend two (2) consecutive regular meetings of the LAC shall be removed automatically without other notice than this bylaw as a member of the LAC, provided, however, that any such absence may be excused by the LAC chairman on a showing of unavoidable cause. All LAC members in attendance at a meeting of the LAC shall have equal participation and voting rights, except that no member of the LAC may vote on a recommendation regarding NAHB legal action assistance, financial or otherwise, if that member will receive any fee or direct financial remuneration from the litigation in question.

- (xix) **MEMBERSHIP.** The Membership Committee has jurisdiction in matters relating to membership development and retention. It shall make recommendations with regard to the Spike Club and any similar membership activities, and take up such matters relating to the National Association's relationships with its affiliated State and Local Associations and Chapters and the membership as may be assigned to it by the Chairman of the Board or by the Executive Board. Associate members may serve as chairman and vice chairman (or vice chairmen, as appropriate) of this Committee.

- (xx) **NAHB LEADING SUPPLIERS COUNCIL.** The Committee known as the NAHB Leading Suppliers Council is provided for by another Article of these Bylaws.

- (xxi) **NATIONAL HOUSING CENTER.** The Committee on the National Housing Center shall be known as the Board of Governors of the National Housing Center. It shall have the responsibility of development and oversight of policies for guiding and controlling the use, promotion and naming of the National Housing Center of the United States, and report with respect thereto to the Executive Board. The operation and management of the building shall be the responsibility of the Senior Officers of the Board of Directors or their designee. It shall develop a National Housing Hall of Fame for the purpose of recognizing and honoring those men and women who have made significant and lasting contributions to the housing of American people. It shall select candidates from all segments of the housing industry and related fields, who meet the criteria, and, from time to time, but not more often than once a year, shall elect members to the National Housing Hall of Fame. The words "National Housing Hall of Fame" or words or combination of words similar thereto shall be reserved and their use restricted within the Association exclusively to the National Housing Hall of Fame hereby authorized. This bylaw shall in no way interfere with any Hall of Fame program that may be established by any state or local association and is limited to the geographical jurisdiction of that state or local association. The Board of Governors shall be composed of nine (9) Governors, each of whose term expires upon the adjournment of the Annual Meeting of the Board of Directors following appointment; provided, however, that any appointments made under previous versions of these Bylaws shall run for the period established in the Bylaws at the original time of appointment. The Chairman of the Board of Directors, First Vice Chairman, and Second Vice Chairman shall each appoint three (3) Governors, at least two (2) of whom shall be Past Chairmen of the Board of Directors or individuals who served as President of the Association prior to 2009. The Chairman of the Board of Directors shall appoint one of the

Past Chairmen of the Board of Directors or former Presidents as chairman of the Board of Governors.

- (xxii) **NOMINATIONS.** The Nominations Committee shall be composed of the most Immediate Past Chairman of the Board willing and able to serve, and four (4) builder member voting directors, one of whom shall be appointed by the Chairman of the Board, one by the First Vice Chairman, one by the Second Vice Chairman, and one by the Third Vice Chairman. The Immediate Past Chairman of the Board shall serve as chairman of this committee. Notwithstanding the provisions of Article XI, Section 1, members of the Nominations Committee may serve for four one-year terms to provide a degree of continuity in the membership of the committee. The Committee shall seek and receive recommendations from builder members for applicants and shall review the qualifications of any applicant for elected Senior Officer of the Board (except for Chairman-Elect), evaluate and satisfy itself as to the qualifications of each nominee, shall explain to the candidate the duties and responsibilities of the office for which the candidate seeks nominations, and shall obtain a commitment from the candidate to perform to the best of their ability the duties of the office for which nominated. If satisfied as to the candidates' qualifications, ability, and willingness to perform the duties of the office, the Nominations Committee shall present the name of each qualified nominee for the Senior Officer of the Board positions (except Chairman-Elect, whose nomination shall be presented at the regular Fall Meeting of the Board of Directors), National Area Chairmen, directors-at-large, and alternate directors-at-large, at the regular Annual Meeting of the Board of Directors. The Committee shall present to the Membership at its Annual Meeting the names of the qualified nominees for State Representatives. The Nominations Committee shall prepare a set of guidelines to be followed by each candidate seeking election. Such guidelines shall include, but not necessarily be limited to, the amount of money to be spent on the campaign, the conduct of the campaign at the Annual Meeting of the Board of Directors, and the scheduling of caucus rooms, upon request, at the Convention Hall. These guidelines shall be delivered to each candidate. The Nominations Committee shall submit to the regular Annual Meeting of the Board of Directors proposed election rules for adoption by the Board of Directors and the names of all candidates for the elective offices provided by these Bylaws shall be placed before the meeting for election.
- (xxiii) **PAST CHAIRMEN.** There shall be a Past Chairmen's Council comprised of Past Chairmen of the Board and all individuals who served as President of the Association prior to 2009. The Past Chairmen's Council shall establish the rules of procedure for the transaction of the Council's business. The Council shall be chaired by the most Immediate Past Chairman of the Board willing and able to serve. The Council shall make reports and recommendations on subjects of interest and concern to the Association, and may perform such other tasks as may be asked of them by the Executive Board or the Board of Directors. Past Chairmen and individuals who served as President of the Association prior to 2009 shall be non-voting (except as may be otherwise specifically provided) ex-officio members of all elected or appointed committees, councils, or institutes.
- (xxiv) **PUBLIC AFFAIRS & ASSOCIATION COMMUNICATION.** The Public Affairs & Association Communication Committee sets the overall strategic communications goals for the Association and has jurisdiction over matters concerning public relations and public affairs for the housing industry and the

Association. The Committee shall (1) recommend programs to promote and publicize the activities, policies and goals of the housing industry and to enhance the credibility of NAHB among the national media and the American people as the voice of the housing industry and as a source of reliable information; (2) recommend programs to increase the awareness and understanding among key audiences of changes and trends in the housing industry in areas such as mortgage finance, land use and environmental issues; (3) recommend programs and services to assist affiliated local and state associations in developing effective public relations programs; (4) provide oversight and have jurisdiction over federation communications through NAHB's editorial board process; (5) oversee the operation of Nation's Building News Online and other e-newsletters; (6) periodically report to the Chairman of the Board and Executive Board the progress of such programs and its recommendations, if any, for improvement; and (7) depending on industry conditions, make recommendations if warranted to engage in advertising branding, image and other types of public awareness campaigns for the Executive Board's consideration. Four (4) associate members may be appointed to this Committee.

(xxv) RESOLUTIONS.

- (a) The Resolutions Committee has jurisdiction over matters relating to the drafting and presentation of resolutions and policy statements to be presented to the Board of Directors. All members of this Committee must be voting members of the Board of Directors.
- (b) At each meeting of the Board of Directors, the Resolutions Committee shall report out every resolution it has considered, noting the approval or disapproval of each committee which has considered the resolution, unless said resolution has been withdrawn by the maker thereof.
- (c) Every resolution now existing or hereafter approved by the Board of Directors shall automatically expire (after review by the appropriate committees/councils) in the fourth year after being adopted as NAHB policy, unless it is renewed by the Board of Directors at the applicable Spring Board of Directors meeting.

(xxvi) SINGLE FAMILY PRODUCTION BUILDERS. The Single Family Production Builders Committee has jurisdiction over matters relating to services to production builders. It shall from time to time recommend to the Executive Board and Board of Directors actions and policies which represent the interests of production builders. It shall take such actions to assure that the service needs of production builders are met in an appropriate, timely and effective manner. Working with the appropriate NAHB support committees and staff, the Committee shall seek to develop programs and actions which serve the production builder in the design, marketing, financing and production of homes.

(xxvii) SINGLE FAMILY SMALL VOLUME. The Single Family Small Volume Committee has jurisdiction over matters relating to services to small volume builders. It shall from time to time recommend to the Executive Board and Board of Directors actions and policies which represent the interests of small volume builders. It shall take such actions to assure that the service needs of small volume builders are met in an appropriate, timely, and effective manner.

Working with the appropriate NAHB support committees and staff, the Committee shall seek to develop programs and actions which serve the small volume builder in the design, marketing, financing and production of homes.

(xxviii) STATE AND LOCAL GOVERNMENT AFFAIRS. The State and Local Government Affairs Committee shall have jurisdiction over matters relating to the housing and building industry at the state and local government level. It shall be responsible for keeping NAHB leadership apprised on state and local issues affecting the industry. It shall serve the membership principally through state and local affiliated associations by communicating information and providing the support necessary to resolve issues at the state and local level. The Committee shall also represent the industry before key government decision makers on state and local legislative and regulatory issues. Four (4) of the twenty-one (21) members of this Committee may be associate members.

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 employees of such members 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. 1(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.

(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 Executive Board. Each council shall be subject to the general supervision of the Executive Board. 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 Executive Board approves.

Sec. 4. TASK FORCES. A Task Force shall study, investigate and report on immediate or special matters as determined by the Chairman of the Board, which 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 XII

(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 Treasurers. 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 Executive Board may authorize.

(E) **GIFTS.** The Executive Board 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 Executive Board for emergency spending authorization. The Executive Board may authorize additional spending upon a two-thirds vote. Upon recommendation of the Budget and Finance Committee, the Executive Board may add to the unallocated portion of the budget any additional amount of income anticipated over budget income for the fiscal year.

(G) **RESERVE FUNDS.** In preparing the budget, the Budget and Finance Committee and the Executive Board 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 the Executive Board and upon approval of the Board of Directors. In the absence of a favorable recommendation of the Budget and Finance Committee and the Executive Board 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. Effective after September 11, 1994. Notwithstanding the provisions of Article VII, Section 7 of these Bylaws, 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:

1. 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
2. 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 the Executive Board; and
3. The aforementioned proposal has been reviewed and reported by the Budget and Finance Committee and the Executive Board; and
4. The aforementioned proposal as reviewed and reported by the Budget and Finance Committee and the Executive Board 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.
5. Nothing contained in this section shall apply to the renewal or refinancing of existing loans to the NAHB Research Center in connection with which the Association is presently a co-maker or guarantor; the NAHB Research Center Annual Contract with the Association and any amendments thereto; providing matching funds for NAHB Research Center projects; and loans, loan guaranty, or grants in connection with NAHB Research Center Research Homes Projects.

(J) AFFILIATED BUSINESS VENTURES. Notwithstanding the provisions of Article VII, Section 7 of these Bylaws and 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:

1. 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
2. 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 the Executive Board; and
3. The aforementioned proposal has been recommended by the Budget and Finance Committee and approved by the Executive Board; and
4. The aforementioned proposal as recommended by the Budget and Finance

Committee and approved by the Executive Board 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 2000 and on the first day of January each year thereafter 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 so to do by the Chairman of the Board, President, or by the Executive Board. 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 Executive Board or such other of its members as the Executive Board 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 or by the Executive Board. 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 or the Executive Board 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 Chapters, 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 Executive Board 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 XIII

(NAHB Professional Women in Building Council)

Sec. 1. ESTABLISHMENT. The National Association of Home Builders Professional Women in Building Council (hereinafter referred to as Professional Women in Building Council) may be established and shall be conducted as an autonomous organization affiliated with but separate and operating apart from NAHB.

Sec. 2. MISSION STATEMENT. The Professional Women in Building Council is the voice of women in the building industry, dedicated to promoting industry professionalism and supporting its members at the local, state and national levels by offering networking and educational opportunities, legislative awareness and outreach, and professional and personal development.

Sec. 3. OPERATION. The Professional Women in Building Council shall be self-governing and self-directing and shall have its own treasury, establish and collect its own dues, determine eligibility requirements for its own members, select its own officers and board of directors, and have the power to amend its own articles of incorporation and bylaws. NAHB may contribute to the Professional Women in Building Council such sums and services as may from time to time be authorized by the NAHB Executive Board.

ARTICLE XIV

(Geographical Areas)

Sec. 1. For the purpose of this Association the United States shall be divided into these geographical areas:

- I. Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut
- II. New York, New Jersey
- III. Pennsylvania, Maryland, Delaware, Virginia, District of Columbia.
- IV. Georgia, South Carolina, North Carolina
- V. Florida, Puerto Rico, U.S. Virgin Islands
- VI. Ohio, Kentucky, West Virginia
- VII. Tennessee, Alabama
- VIII. Mississippi, Louisiana, Arkansas
- IX. Michigan, Indiana, Illinois
- X. Minnesota, Iowa, North Dakota, South Dakota, Wisconsin
- XI. Nebraska, Kansas, Missouri, Oklahoma
- XII. Texas
- XIII. Arizona, Colorado, New Mexico, Utah, Wyoming, Nevada
- XIV. California, Hawaii
- XV. Washington, Oregon, Alaska, Montana, Idaho

ARTICLE XV

(NAHB Leading Suppliers Council)

Sec. 1. DEFINITION AND PURPOSE. There shall be within the Association a council to be known as NAHB Leading Suppliers Council (hereinafter referred to as "LSC"). The purpose of the LSC shall be to provide the mechanism whereby, as a part of the Association, suppliers of products and services to the shelter industry may, to the extent permitted by law, assist in producing better shelter for all elements of our society. The LSC, through its Board of Trustees, shall act as an advisory body in this respect.

Sec. 2. CORPORATE MEMBERS OF THE NAHB LEADING SUPPLIERS COUNCIL.

(A) All employers of Associate Members of the Association who supply products and services on a regional or national basis to and for Builder members of the Association shall be eligible for Corporate membership. They shall be entitled to all rights and privileges of other members of the Association, and to those other services as may be approved from time to time by the LSC's Board of Trustees, with the concurrence of the Executive Board and the Board of Directors of the Association.

(B) ELECTION OF CORPORATE MEMBERS. All applicants for Corporate membership shall file with the chairperson of the Board of Trustees a written application for such membership in such form as the Third Vice Chairman of the Board of Directors shall from time to time determine to be in accordance with the provisions of the Bylaws and policies of the Association.

All applications for Corporate membership shall be presented promptly for consideration to the Board of Trustees. An affirmative vote of the majority of the Trustees shall be required for election.

(C) VOTING RIGHTS. Each member of the LSC shall be entitled to one vote on each matter submitted to a vote of the members.

(D) TERMINATION OF MEMBERSHIP. The membership of any member who becomes ineligible for membership, or any member who shall be in default in the payment of dues for the period fixed hereinafter, shall be terminated on such occurrence.

(E) RESIGNATION. Any member may resign by filing a written resignation with the Chairperson of the Board of Trustees, 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 there be any refund of dues paid.

(F) TRANSFER OF MEMBERSHIP. Membership in the LSC is not transferable or assignable.

Sec. 3. MEETINGS OF MEMBERS.

(A) REGULAR MEETINGS. Regular meetings of the LSC shall be held during the period of the meetings of the NAHB Board of Directors.

(B) SPECIAL MEETINGS. Special meetings of the members may be called by the Chairperson of the Board of Trustees; or by the Board of Trustees or by twenty percent (20%) of the members.

(C) PLACE OF MEETING. The regular meetings shall be at the same place as the meetings of the Board of Directors of the Association. The Board of Trustees may designate any place as the place of meeting for any special meeting of members.

(D) NOTICE OF MEETINGS. Written notice stating the place, day, and time of any meeting of the members shall be mailed to each member entitled to vote at such meeting, not less than ten (10) or more than fifty (50) days before the date of such meeting, by or at the direction of the Chairperson.

(E) QUORUM. The members holding one-third (1/3) of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of the members, a majority of the members present may adjourn the meeting from time to time without further notice.

(F) PROXIES. No proxy shall be valid for voting.

(G) MANNER OF ACTING. A majority of the votes entitled to be cast on a matter to be voted upon by the members present at a meeting at which a quorum is present shall be necessary for the adoption thereof.

Sec. 4. BOARD OF TRUSTEES.

(A) GENERAL POWERS. The affairs of the NAHB Leading Suppliers Council shall be managed by its Board of Trustees, in accordance with law, and subject to the Articles, Bylaws, and policies of the Association.

(B) NUMBER AND TENURE. The Board of Trustees shall be composed of twenty (20) Trustees; nine (9) Corporate members, nine (9) Builder members, the Chairman of the Board of Directors and an additional Senior Officer of the Board appointed by the Chairman of the Board of Directors. The Chairman of the Board of Directors, First Vice Chairman, and Second Vice Chairman shall each appoint three (3) Builder members, each of whose terms expires upon the adjournment of the Annual Meeting of the Board of Directors following appointment, provided, however, that any appointments made under previous versions of these Bylaws shall run for the period established in the Bylaws at the original time of appointment. In order to provide a degree of continuity in the membership of the Board of Trustees, the Chairman of the Board of Directors 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 NAHB's Second Vice Chairman, thereby permitting Builder members to serve for three (3) one-year terms. The terms of the Chairman of the Board and the additional appointed Senior Officer of the Board shall expire at the Annual Meeting of the Board of Directors of the Association.

(C) ELECTION AND APPOINTMENT. The election of Corporate Trustees shall take place prior to the regular LSC meeting held within the time period of the Annual Meeting of the Board of Directors of the Association. Election may be at a special meeting of the LSC or by mail ballot. Appointment of the Builder Trustees shall be made by the Chairman of the Board of Directors, First Vice Chairman, and Second Vice Chairman upon taking office and in advance of the next ensuing meeting of the Board of Trustees. No Trustee may serve more than six (6) successive terms.

(D) REGULAR MEETINGS. Regular meetings of the Board of Trustees shall be held within the same time period and at the same city as the regular meetings of the Board of Directors of the Association.

(E) SPECIAL MEETINGS. Special meetings of the Board of Trustees may be called by or at the request of the chairperson or twenty percent (20%) of the Trustees, with the approval of the Chairman of the Board. The person or persons authorized to call special meetings of the Board may fix any place, within the United States, as the place for holding any special meeting of the Board.

(F) NOTICE. Notice of any meeting of the Board of Trustees shall given at least five (5) days previously thereto by written notice mailed, or transmitted by facsimile or electronic notice where evidence of delivery is available, to each Trustee at the address as shown on the records of the Association. Any Trustee may

waive notice of any meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

(G) QUORUM. Nine (9) members of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than nine (9) of the Trustees are present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice.

(H) MANNER OF ACTING. The act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by this Bylaws article. No proxy shall be valid for voting.

(I) VACANCIES. Any vacancy occurring among the Corporate member Trustees may be filled by the affirmative vote of a majority of the LSC members either at a special meeting of the LSC or by mail ballot. Any vacancy occurring among the Builder members may be filled by appointment of the Chairman of the Board of Directors. A Trustee elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office.

(J) HONORARY TRUSTEE. The Board of Trustees may, from time to time, but not more than once in each calendar year, elect a non-voting Honorary Trustee who shall have been nominated by a Committee consisting of the Chairman of the Board of Directors, a Corporate member Trustee, and a Builder member Trustee each having been appointed by the Chairman of the Board of Directors. Such nominee shall meet the following qualifications: (1) shall have rendered outstanding service to the Association and the residential construction industry, and (2) shall be or shall have been a member of the LSC in good standing. An Honorary Trustee shall be a Life member of the Board of Trustees.

Sec. 5. OFFICERS.

(A) OFFICERS. The officers of the LSC shall be two (2) chairmen, one of whom shall be a Builder member, one of whom shall be a Corporate member, and such other officers as may be elected by the Board of Trustees.

(B) ELECTION AND TERM OF OFFICE. The officers of the LSC shall be elected annually by the Board of Trustees. All officers shall be elected from among the Trustees. Each officer shall hold office until his successor shall have been elected.

(C) REMOVAL. Any officer elected by the Board of Trustees may be removed by two-thirds (2/3) of all members of the Board of Trustees whenever in its judgment the best interest of the LSC would be served thereby.

(D) VACANCIES. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

(E) CO-CHAIRMEN. The co-chairmen shall be the principal officers of the LSC and shall in general supervise the affairs of the LSC.

Sec. 6. DUES.

(A) ANNUAL DUES. The annual dues payable to the Association by Corporate members shall be set from time to time by the LSC Board of Trustees with the approval of the NAHB Executive Board.

(B) PAYMENT OF DUES. Dues shall be payable annually, in advance, on the first day of the month during which the member became a member of the LSC.

(C) DEFAULT AND TERMINATION OF MEMBERSHIP. When any dues paying member shall be in default in payment of dues for a period of two (2) months, membership shall thereupon be terminated.

ARTICLE XVI

(Executive Officers Council)

Sec. 1. DEFINITION AND PURPOSE. There shall be within the Association an Executive Officers Council (hereinafter EOC) whose purpose shall be to serve the needs and promote the education, activities and interests of the chief staff officers of the Association's affiliated state and local associations and chapters.

Sec. 2. GOVERNANCE MANUAL. The EOC shall adopt a Governance Manual addressing membership, governance, meetings, committees and working groups and such other matters as required to accomplish the EOC's mission.

Sec. 3. REPORTING. The EOC President shall annually report the affairs and programs of the EOC to the NAHB Executive Board.

Sec. 4. EOC SEMINAR. The EOC shall hold an annual educational meeting (EOC Seminar) within a time period and at a place determined by the EOC, as outlined in the Governance Manual.

ARTICLE XVII

(Amendments to Bylaws)

These Bylaws may be amended or repealed, and new Bylaws may be adopted, by two-thirds (2/3) of the Directors 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 directors and each affiliated association and chapter of the substance and intention to amend or repeal or to adopt new Bylaws at such meeting.