

Dallas Builders Association Bylaws (Revised July 2016)

ARTICLE I – 1.00 – MISSION STATEMENT

The Dallas Builders Association supports all segments of the residential building industry by enhancing members' ability to provide quality, affordable, and sustainable housing through advocacy, education, and community involvement.

ARTICLE II – 2.00 – MEMBERSHIP

Membership in the Association shall be classified into seven (7) primary classifications:

- a. Builder
- b. Associate
- c. Affiliate
- d. Life Member
 1. Builder
 2. Associate
 3. Employee
- e. Honorary
- f. Retired Senior
- g. Benefits Trust Participant

2.01: The Board of Directors may, in its discretion, increase, decrease or modify the classifications and sub-classifications of the membership of the Association, as consistent with the Bylaws of the National Association of Home Builders.

2.01.1: The qualifications, requirements, and standards of membership shall be uniform and fairly applied within each classification and sub-classification of membership.

2.02: The Board of Directors shall have the responsibility to accept or reject all applications for membership in the Association, and its authority with respect to this responsibility shall be absolute and final.

2.03: Companies or Partnerships that are Association Members shall appoint their representative to the Association for purposes of exercising the responsibilities and privileges of membership.

2.04: The Association shall take such steps and establish such policies and procedures as may from time to time be deemed advisable or necessary by its Board of Directors, and in setting forth without limitation the qualifications, criteria, and standards of its members with regard to the application for, maintenance, suspension, and termination of the privilege of membership in the Association.

2.05: An applicant for a Builder membership shall be an individual or a company whose owner, or at least one principal thereof, is actively and personally participating in the development of land, or the construction of single-family residences, multifamily housing or commercial structures, or engaged as general or primary contractor in the rebuilding, remodeling, or rehabilitation of residential housing or commercial structures.

2.05.1: Such applicant shall have acceptable references from at least three (3) suppliers/subcontractors and credit report from at least one (1) lending institution approved by the Board of Directors and the

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applicant's qualifications shall be reviewed and approved by the Executive Committee of the Association before presentation to the Board of Directors.

2.06: Associate membership shall be open to any person or entity engaged in any allied trade, industry, or profession that shall meet the approval of the Executive Committee and the Board of Directors.

2.07: Affiliate membership shall be open to any individual who is an employee of a Builder or Associate member of the Association as defined by these bylaws. Affiliate members shall not be eligible to serve on the Board of Directors of the Association, as Chairman or Vice-Chairman of a Council or Committee, or as President or Vice-President of a Division.

2.08: Life Member. The Board of Directors of the Association may bestow Life Membership upon an individual within the Builder or Associate membership of the Association or a deserving employee of the Association that the Board of Directors deems fit to recognize and to reward for exceptional and outstanding service to the Association. A Life Member shall not be subject to payment of the Dallas BA dues or assessments for the remainder of his/her lifetime. The Association shall not maintain National and State Association dues for such Life Member.

2.08.1: Election of a Life Member shall be by a two-thirds (2/3) affirmative vote of a quorum of the Board of Directors.

2.09: Honorary Member. The Board of Directors may confirm Honorary Membership on such persons who have rendered exceptional and distinguished service to the home building industry, or invaluable aid to the Association in achieving extremely significant goals. The Honorary Membership shall be reserved for persons otherwise ineligible for membership because they are in public or governmental positions. Such Honorary Members shall be exempt from the payment of any and all initial fees and dues, and shall have no interest in any property of the Association and shall not be entitled to a vote on any matter pertaining to the Association. The Association shall not maintain National and State Association dues for such Honorary Members. Election to Honorary Membership shall require a two-thirds (2/3) affirmative vote of a quorum of the Board of Directors.

2.10: Senior Retired. Members shall be Builder or Associate members who have been members of the Association and are now retired from their occupation. The Board of Directors shall award such membership status based on the length of time as a member of the Association and the age of the member as herein stated:

<u>Age</u>	<u>Years as a Member</u>
65	15
60	20
55	25
50	30

A Senior Retired Member shall have all rights and privileges of Members except for the voting functions that are prescribed by these Bylaws.

2.11: All applicants for membership in the Association shall abide by these Bylaws, and subscribe to all rules, regulations, policies, and procedures as may be decided and required from time to time by the

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Board of Directors.

2.12: All members shall pay the financial obligations to the Association that they may incur as a result of their membership.

2.13: Suspension and Termination of Membership. The Board of Directors shall have sole authority to suspend or terminate the membership of any member of the Association, for cause.

2.14: Modification of Member Role or Responsibility. The Board of Directors shall have sole authority to modify the role or responsibility of any member of the Association, for cause. This includes, but is not limited to, the roles and responsibilities of Directors and Officers.

2.15: Renewal and Reinstatement of Membership. Renewal of membership annually in the Association is a privilege automatically extended to all members in good standing. The Board of Directors shall have sole authority to define and apply the meaning of "good standing." Should an applicant for membership (either Builder or Associate) who has been a member previously have a deficit record of financial obligation to the Association, the applicant must either bring the obligation current or petition the Executive Committee for dispensation from the debt. The Executive Committee shall be empowered to rule on such matters.

2.16: Duration of Membership and Resignation. Membership in the Association may terminate by voluntary withdrawal as herein provided, or otherwise in pursuance of these Bylaws. All rights, privileges, and interests of a member in the Association shall cease on the termination of membership in any manner or while the membership is suspended.

2.17: Each Association member in good standing is entitled and authorized to use and display, without alteration and as appropriate to their category of membership, such emblems, logo types, insignia, and materials as are approved by the Board of Directors. Each member is required, and by submission of their application for membership, agrees to discontinue such usage immediately upon ending, suspension, or termination of his/her membership, in ceasing to be a member in good standing of the Association, or as required by policies established by the Board of Directors.

ARTICLE – III – 3.00 – BOARD OF DIRECTORS

The affairs of the Association shall be managed by its Board of Directors in accordance with the law, the Association's Articles of Incorporation, and these Bylaws. The Board of Directors shall be composed of:

- a. Six (6) Custom Builder members elected in the annual election of the Association; and
- b. Four (4) At-Large (Builder or Associate) members elected in the annual election of the Association; and
- c. Four (4) Associate Members elected in the annual election of the Association; and
- d. Three (3) Builder Members who shall be nominated by the President and elected by a majority vote of the members of the Board of Directors;
- e. Three (3) Associate Members nominated by the President and elected by a majority vote of the members of the Board of Directors;
- f. Two At-Large Volume Builders, selected from the Builder Member classification and elected

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- in the annual election of the Association;
- g. One At-Large Land Developer, selected from the Builder Member classification and elected in the annual election of Association;
 - g. One At-Large Remodeler, selected from the Builder Member classification and elected in the annual election of the Association;
 - h. One At-Large Multifamily Builder, selected from the Builder Member classification and elected in the annual election of the Association; and
 - i. Life Directors of the Board of Directors.
 - j. The following persons shall be ex-officio of the Board and entitled to vote so long as they are a Member of the Association in good standing:
 - 1. The two immediate Past Presidents of the Association;
 - 2. The President of each Division and Chairman of each Council created by the Board of Directors;
 - 3. The President, First Vice President, Vice President/Secretary and Treasurer of the Association, each of who shall be Director ex-officio of the Board next succeeding the Board from which he was elected; and
 - 4. No greater than fifteen (15) Chairpersons or Co-Chairpersons of committees or affiliated programs shall be appointed by the President if such persons are not otherwise qualified as a Director under these Bylaws.

3.01: The members serving on the Board of Directors shall be classified in a manner consistent with Article II of these Bylaws or, in the absence of such classification in Article II, by policy adopted by majority vote of the Board of Directors.

3.02: A quorum of the Board of Directors shall consist of not less than one-half (1/2) of its membership, not counting Life Directors. A vote of the majority of those present at any meeting of the Board of Directors at which a quorum is present shall determine the passage of any measure, unless otherwise provided in these Bylaws.

3.03: To fill a vacancy created by the death, resignation, or non-compliance with the attendance requirements set forth in these Bylaws of a Director, the President shall nominate a candidate from the same classification of membership as the vacancy occurred. The Board shall ratify by a majority vote of the members present a successor who shall succeed to the term of the vacating Director.

3.04: The Directors of the Association shall elect, on recommendation of the President, one Builder member of the Association to represent the appropriate number of Builder members of this Association on the Board of Directors of the National Association of Home Builders as is required and authorized by the Bylaws of the National Association of Home Builders.

3.05: One Builder Member of this Association shall be elected by the Directors to represent the appropriate number of Builder Members of this Association on the Board of Directors of the Texas Association of Builders as is required and authorized by the Bylaws of the Texas Association of Builders.

3.06: The Board of Directors shall appoint a **General Counsel** to advise the Board of Directors and

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Officers in matters related to the interests of the Association. The General Counsel shall be licensed to practice law in the State of Texas. The General Counsel shall participate on the Board in an advisory capacity without voting privileges.

3.07: Powers as the Governing Body: the Board of Directors shall have authority, as governing body of the Association, to supervise, control, and direct the affairs of the Association. The Board of Directors shall determine the Association's policies or changes therein, shall prosecute its purposes and shall have discretion in the disbursement of its funds. The Board of Directors shall by its own action or through its Executive Committee or through such other specifically designated committee provide the necessary and proper funding and establish the dues and assessments for this Association. The Board of Directors shall approve by not later than at its second regular meeting of the fiscal year, a budget of expenditures balanced with appropriate income to support the activities of the Association and to balance with appropriate reserves the budget requirements of the ensuing year. It may adopt such policies for the conduct of its business as it sees fit, and may, in the execution of the powers granted, appoint such agents as it may consider necessary, and authorize the employment of adequate staff and personnel.

3.07.1: The powers and authority of the Board of Directors are limited only as may be specifically stated and reserved elsewhere in these Bylaws, the adoption and amendment of which constitute the exclusive prerogative and powers reserved to the Builder Membership.

3.07.2: The Board of Directors shall be the final authority as to the interpretation of the Bylaws, or any part thereof, which may be in conflict or have an unclear or doubtful meaning.

3.08: The Board of Directors shall meet upon the call of the Nominating Committee immediately following the completion of the annual election of the Association for the purpose of electing Officers, and such other matters as may properly come before such meeting.

3.08.1: The Board of Directors shall meet regularly each month, the schedule of which shall be adopted by the Board at the first regular meeting each year.

3.09: The Board of Directors shall elect all National (NAHB) Directors and Alternate National (NAHB) Directors, State (TAB) Association Directors and Alternate State (TAB) Directors for a period of service of one year. Said dates of service shall coincide with the dates as established by the respective organization.

3.10: Special meetings of the Board of Directors may be called by the President or upon the request of the Executive Committee, or upon the formal requests in writing of at least five (5) members of the Board of Directors.

3.11: Notice of the date, hour, and location of regular meetings shall be given to the Directors at least two (2) days in advance thereof.

3.12: Absence from three (3) consecutive regular monthly meetings of the Board without an excused absence may be construed as a resignation on vote of the Directors present at any subsequent regular

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meeting. Should a Director have as many as four unexcused absences from regular monthly meetings of the Board of Directors during a year, the Director shall not be eligible for nomination as a candidate to serve as Director for the following year.

3.12.1: Excused Absences shall be granted by request by a member of the Board of Directors by application to the Vice President/Secretary one time each year with no reason. If the Director requests subsequent excused absences, the criteria for such excused absence shall be based on the following criteria:

- Illness of self or immediate family and/or to attend funeral of immediate family member;
- Representation of Dallas BA at TAB, NAHB, or civic events;
- Duty to the United States of America, state, or local government entity (military, judicial, or service as elected or appointed official, etc.);
- Unscheduled special meetings of religious group (church, temple, etc.); or
- By such other reason as may be considered by the Board of Directors.

The Board shall hear and may approve such requests at each meeting of the Board of Directors when the Vice President/Secretary presents such requests.

3.13 Honored Life Directors: The Board of Directors may elect Honored Life Directors upon nomination for the position by the Nominating Committee. The member shall have:

1. Served as a Director for at least seven (7) years.
2. Served at least one (1) year as Chairman or President of a Committee, Council or Division or in an elected or appointed position in public office.
3. Met all Board of Directors attendance requirements for at least seven (7) years.
4. Made extraordinary contributions to the home building industry or the community.
5. Obtained professional education designation or certification.
6. Invested in HOME PAC of Greater Dallas for at least seven (7) years.

3.13.1: Past President Life Directors: All Builder Members of the Association who have served as President shall become Life Directors of the Board of Directors upon the successful completion of their term of office.

3.13.2: Life Directors shall be voting members of the Board of Directors as long as they remain members in good standing of the Association.

3.13.3: Life Director attendance at regular meetings of the Board of Directors shall not be necessary for the establishment of a quorum as provided for in Article 3.02. Life Directors shall not be subject to the personal attendance requirements of Article 3.12. Life Directors shall be required to attend four (4) Board of Directors meetings each year in order to retain voting privileges. Revoked voting privileges may be reinstated by attending four meetings in any twelve-month period.

ARTICLE IV – 4.00 – OFFICERS

The candidates for the offices of President, First Vice President, and Vice President/Secretary shall be chosen from the Builder classifications of membership and must remain gainfully employed as such for the duration of their term of office. The candidates for the office of Treasurer may be chosen from either Builder Member or Associate Member classifications of membership. Candidates for the office

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of Associate Vice President shall be chosen from the Associate classifications of membership and must remain gainfully employed as such for the duration of their term of office.

4.01: QUALIFICATIONS of the President, First Vice President and Vice President/Secretary are that:

- A. Each shall be, and remain during the term of office, a Builder member in good standing and gainfully employed as such.
- B. Each shall maintain his/her primary residence in the geography served by the Dallas BA during the term of office
- C. Each shall not have or receive any felony conviction. Each shall not have or receive a judgment against them for fraud, theft, or other crimes of moral turpitude stemming from the Officer's involvement in the residential construction industry. If occurring during the Officer's term, the aforementioned convictions must be reported to the General Counsel within 10 business days.

4.02: TERM of OFFICE. Unless otherwise noted, the following Officers shall hold office for a term of one (1) year from the date of their installation or at such other time as the Board of Directors may designate.

4.03: A PRESIDENT who shall be the Chief Elected Officer of the Association shall preside at all of its meetings and those of the Board of Directors and of the Executive Committee. He/she shall be the official spokesman of the Association in all matters of public policy and shall perform all such other duties usual and customarily performed by such office. He/she shall nominate three (3) Builder Members and two (2) Associate Members to serve on the Board of Directors, who shall be certified by election through a majority vote of the Board of Directors.

4.03.1: Except as may be provided otherwise in these Bylaws, the President shall establish and appoint Committees. He/she shall appoint Committee Chairmen and may appoint any or all members of Committees that he/she establishes. He/she shall be a member, ex-officio, with right to vote on all Committees. He/she shall be responsible for having agendas prepared for meetings of the Executive Committee and Board of Directors.

4.03.2: In matters that are of immediacy, urgency or an emergency, the President may act in what he/she believes to be the interest of the Association until he/she is reasonably able to inform and/or call a meeting of the Executive Committee and/or Board of Directors.

4.04: A FIRST VICE PRESIDENT shall, in the absence of the President or upon his/her direction, perform all the duties of the President. The First Vice President shall serve on the Executive Committee. He/she will assume such duties as spelled out in the Association Strategic Plan and as set forth in the Association Policy Manual.

4.04.1: The First Vice President shall be presented by the Nominating Committee to the Board of Directors as a candidate for the office of President at the Organizational Meeting provided for in Article 9.03 so long as he/she meets the qualifications enumerated in these Bylaws and completes the Nominating Committee procedures prescribed in Article 5.02.

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4.04.2: The First Vice President shall assume all duties and responsibilities of the office of President, as prescribed by these Bylaws, in the event of the President's death, resignation or other event that results in a vacancy in the office of President.

4.04.3: If the First Vice President is unwilling or unable to complete the term of the vacating President, the Executive Committee shall accept nominations and the Board of Directors shall conduct a special election for a President who will complete the remainder of the vacated term.

4.05: A VICE PRESIDENT/SECRETARY shall be responsible for keeping a record of all the official proceedings and Minutes of the meetings of the Association and its Board of Directors. He/she shall serve on the Executive Committee and shall assume such duties as spelled out in the Association Strategic Plan and as set forth in the Association Policy Manual.

4.05.1: The Vice President/Secretary shall be presented by the Nominating Committee to the Board of Directors as a candidate for the office of First Vice President at the Organizational Meeting provided for in Article 9.03 so long as he/she meets the qualifications enumerated in these Bylaws and completes the Nominating Committee procedures prescribed in Article 5.02.

4.05.2: The Vice President/Secretary shall perform the duties of the First Vice President in his/her absence or upon his/her direction. The Vice President/Secretary shall perform the duties of the President in his/her absence and the absence of the First Vice President or upon the direction of both the President and First Vice President.

4.05.3: The Vice President/Secretary shall assume all duties and responsibilities of the office of First Vice President, as prescribed by these Bylaws, in the event of the First Vice President's death, resignation or other event that results in a vacancy in the office of First Vice President.

4.05.4: If the Vice President/Secretary is unwilling or unable to complete the term of the vacating First Vice President, the Executive Committee shall accept nominations and the Board of Directors shall conduct a special election for a First Vice President who will complete the remainder of the vacated term.

4.06: A TREASURER, shall be responsible to the Association for an accounting of all moneys collected and distributed by the Association and shall render a monthly statement in writing to the Board of Directors. The Treasurer shall serve on the Executive Committee. The Treasurer shall be elected from the membership and shall serve a one (1) year term. This individual is not eligible to be elevated to another officer position in the Association until the conclusion of the one (1) year term.

4.07: An ASSOCIATE VICE PRESIDENT, shall be responsible for representing the needs and interests of Associate Members of the Association. He/she shall serve on the Board of Directors and Executive Committee and shall assume such duties as spelled out in the Association Strategic Plan and as set forth in the Association Policy Manual.

4.07.1: The Associate Vice President shall be elected by popular vote of the Associate Members of the Association and shall serve a two (2) year term. This individual is not eligible to be elevated to another

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officer position in the Association, with the exception of Treasurer, and shall be subject to the background check requirements enumerated in Section 5.02 of these Bylaws.

4.07.2: In order to be eligible for the office, candidates for Associate Vice President shall have served or be currently serving as President of a Division, elected or appointed member of the Board of Director for three (3) of the preceding five (5) years, chairman of the Education, Communications or Membership Committee, or be a Life Director of the Board of Directors with active voting privileges.

4.08: An EXECUTIVE VICE PRESIDENT, employed by the Board of Directors upon recommendation of the Executive Committee, shall serve as the Chief Executive Officer of the Association. It shall be the duty of the Executive Vice President to supervise the staff of the Association, to prepare and maintain an annual record of Association organization and operations, and to perform such duties as may be delegated to him by the Board of Directors, the Executive Committee or the President, and all other duties usually and customarily performed by such office. The Executive Vice President shall be empowered to employ adequate staff to carry on the business of the Association as authorized by the Board of Directors.

ARTICLE V – 5.00 – COMMITTEES

The Board of Directors of the Association shall authorize the following Committees, as soon after the organizational meeting of the Board following the Annual Election as is possible:

5.01: An EXECUTIVE COMMITTEE, composed of members of the Board of Directors, which shall consist, at a minimum, of the President, the First Vice President, the Vice President/Secretary, the Treasurer, the Immediate Past President, a Builder member appointed by the President, an Associate member appointed by the President, the Chairmen of the HOMEPAC of Greater Dallas, the Chairman of the Membership Committee, and the Chairman of the Education Committee. The voting members of the Committee shall not exceed a total of fourteen (14). The Committee shall conduct affairs of the Association in accordance with the Bylaws, policies, and instructions of the Board of Directors. It shall be the policy, steering and finance committee of the Association and shall be responsible for recommending a budget for financing the Association, and for all matters of policy and public statement, subject to the approval of the Board of Directors. It shall be the responsibility of the Executive Committee to review and approve all applications for membership and for changes in the classification category of the Association membership, prior to presentation to the Board of Directors.

5.01.1: The General Counsel, appointed by the Board of Directors, shall be an Ex-Officio member of the Executive Committee. However, the General Counsel shall serve in an advisory capacity without voting privileges.

5.01.2: It shall be the responsibility of the Executive Committee to recommend such actions as may be deemed proper and necessary to the Board of Directors. The Executive Committee may exercise the powers of the Board of Directors when the Board of Directors is not in session, reporting to the Board of Directors no later than its next succeeding meeting any actions taken.

5.01.3: The Executive Committee, subject to any authority or direction as may be exercised by the

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Board of Directors, may advise and instruct the Executive Vice President in all matters of his/her duties and responsibility, and shall establish and approve his/her rate of compensation and of all other staff officers and personnel, within the limitations of the annual budget.

5.01.4: A meeting of the Executive Committee may be called by the President or by written notice signed by four (4) of its members. Any five (5) members of the Executive Committee including the President, or in his/her absence, the First Vice President, who shall preside, shall constitute a quorum. In matters of immediacy or urgency, a majority of the Executive Committee by mail, telephone or other means of communication may approve actions if such method is proposed by the President in lieu of an actual meeting of the Committee.

5.01.5: The Executive Vice President shall serve as Secretary to the Executive Committee.

5.01.6: The President may dismiss a member appointed to the Executive Committee by the President for cause.

5.02: A NOMINATING COMMITTEE shall convene at least thirty (30) days in advance of the Organizational Meeting of the Board of Directors. The Associate Vice President, immediate Past President, the second immediate Past President, and current President, shall be four (4) of the seven (7) members of this Committee. The second immediate Past President shall serve as Chairman and shall appoint three (3) Builder members, in good standing, to serve on the committee. For purposes of this article, Past President and second immediate Past President shall be active members in good standing and the last two members to have served and completed their term of office as President.

5.02.1: The General Counsel, appointed by the Board of Directors, shall be an Ex-Officio member of the Nominating Committee. However, the General Counsel shall do so in an advisory capacity without voting privileges.

5.02.2: The Nominating Committee shall evaluate the qualifications of candidate(s) for the offices of President, First Vice President, and Vice President/Secretary to ensure they are consistent with those identified in these Bylaws. This evaluation shall include conducting annual criminal background checks of candidates for each office at the expense of the Association and under the advisement of the General Counsel.

5.02.3: But for vehicular moving violations (parking citations, speeding tickets, etc.), convictions or judgments that do not automatically disqualify the candidate under Article 4.01 (C) must be disclosed to membership of the Association that is eligible to vote for the office the candidate is seeking. The method and manner for this disclosure shall be conducted under the advisement of the General Counsel.

5.03: A MEMBERSHIP COMMITTEE shall be composed of members in good standing and shall meet upon call of the Chairman. One-half (1/2) of the members shall constitute a quorum. This Committee shall be responsible for development and retention of membership.

5.04: A GOVERNMENT RELATIONS COMMITTEE shall be composed of members in good

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standing appointed by each Division and shall meet upon call of the Chairman. The Committee shall provide policy recommendations to the Board of Directors and direction to staff and Association members in the broad area of Government Affairs.

5.05: OTHER COMMITTEES. The Association shall have the number of Standing Committees, Special Committees, and Task Forces necessary to carry on the business of the Association in an orderly, timely, adequate, and efficient manner. Except as established by these Bylaws, such Committees shall be established each fiscal year by the President or the Executive Committee or the Board of Directors, and shall exist at the pleasure of or for such term as may be determined by the establishing authority. The establishing authority may appoint the chairman of the committee it establishes. Members of Committees shall be composed of Builder Members, Associate Members and any designated representatives from companies that are affiliated through membership subscription with the Association. Designated Representatives of the Association shall be gainfully employed by the member or shall maintain ownership in the member company.

5.05.1: Standing Committees shall investigate, study, and make recommendations to the Executive Committee and Board of Directors concerning new, continuing, or recurring matters relating to the purposes or business of the Association or undertake such duties as may be directed and assigned to their respective jurisdictions.

5.05.2: Special Committees and/or Task Forces shall investigate, study, and make recommendations to the Executive Committee and the Board of Directors concerning new, immediate, special problem or project type, or non-recurring matters relating to the purposes or business of the Association, or undertake such duties as may be directed and assigned to their respective jurisdictions.

5.05.3: Should the President not appoint all members of Standing Committees, Special Committees, and Task Forces then the respective Chairmen shall appoint such members of their Committees, subject to the approval of the President.

ARTICLE VI – 6.00 – DIVISIONS AND COUNCILS OF THE ASSOCIATION

The Board of Directors, in order to meet the needs of and to serve the members of the Association, is empowered to authorize the creation of Divisions and Councils within the jurisdiction of the Association, as follows:

- **Divisions** that represent the Association and the interest of its members within the bounds of one (1) or more local governmental areas, such as a municipality or related municipalities; shall annually elect Officers and a Board of Directors with no less than seven (7) members and shall prepare an annual operating budget to be submitted to the Executive Committee of the Association at such times as established by the Board. Each Division shall present a meeting of the members at least once each quarter. Failure by a Board of Directors of a Division to annually conduct an election or to prepare an annual operating budget shall cause the Division to cease to function as an operating unit of the Dallas BA.
- **Councils** that serve members' particular business interests; shall annually elect Officers and a

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Board of Directors with no less than seven (7) members and shall prepare an annual operating budget to be submitted to the Executive Committee of the Association at such times as established by the Board. Each Council shall schedule and present a meeting of the members at least once each quarter. Failure by a Board of Directors of a Council to annually conduct an election or to prepare an annual operating budget shall cause the Council to cease to function as an operating unit of the Dallas BA.

6.01: The President of each Division shall serve on the Board of Directors of the Association as an ex-officio member at an official meeting and to participate and vote in an official action of the Board. The Vice President of each Division may serve as a proxy if notice of such authorization is provided, in writing, to the Association's Vice President/Secretary prior to the meeting being called to order. In such case, the Division President's absence remains subject to the requirements of Article 3.12 of these Bylaws.

6.02: The President of each Division shall advise the Board of Directors of matters affecting the welfare of the residential building industry, which arise within the jurisdiction of his/her respective Division, and shall be prepared to report to the Board of the status of his/her Division, and current conditions of organization and membership. The President of each Division shall appoint a member of that Division to serve on the Association's Government Relations Committee.

6.03: The Chairman of each Council shall serve on the Board of Directors of the Association as an ex-officio member at an official meeting and to participate and vote in an official action of the Board. The Vice Chairman of each Council may serve as a proxy if notice of such authorization is provided, in writing, to the Association's Vice President/Secretary prior to the meeting being called to order. In such case, the Council Chairman's absence remains subject to the requirements of Article 3.12 of these Bylaws.

6.04: The Chairman of each Council shall advise the Board of Directors of matters affecting the welfare of the residential building industry, which arise within the jurisdiction of his/her respective Council, and shall be prepared to report to the Board of the status of his/her Council, and current conditions of organization and membership.

6.05: The Chief Officers or Chairmen of such other subsidiaries or components shall be prepared to report to the Board of the status and affairs of their organizations and upon invitation of the Board may participate in discussions of the Board of matters relating to their organizations or actions.

6.06: Divisions, Councils, Committees, and all other organizational or official components of the Association shall observe the rules, principles and policies of the Association and may reasonably act in behalf of the members whose interests they serve or in behalf of the purposes for which they are established. Their existence and scope of authority and actions shall be within and subject to the Bylaws and official actions of the Board of Directors of the Association, and in accord with the principles, policies and Bylaws of the Texas Association of Builders and the National Association of Home Builders.

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ARTICLE VII – 7.00 – FISCAL YEAR

The fiscal year and administrative year of this Association shall begin January 1 of each calendar year and shall continue through the following December 31.

ARTICLE VIII – 8.00 – FINANCE

All dues and other moneys received by this Association shall be placed in a bank depository designated by the Board of Directors of the Association and payments therefrom shall be made only upon the signature of any two (2) of the following: President, First Vice President, Vice President/Secretary, Treasurer, or Executive Vice President.

8.01: The Board of Directors shall adopt a budget for each fiscal year, and this Association shall function within the totals of such budget.

8.02: Any expenditure in excess of the total expenditures authorized in such budget must be authorized by the Board of Directors and approved as an amendment to the budget.

8.02.1: Any expenditures not in excess of the total expenditures authorized in the budget, but greater than the expenditures authorized in one or more of the specific categories of the budget, must be approved by the Executive Committee and may be approved by the Board of Directors.

8.02.2: The Executive Vice President shall be charged with responsibility for recommending and initiating timely payment of all obligations and expenditures within the approved budget of the Association that are due and payable; except that the Executive Committee or the Board of Directors may at any time direct and instruct as to the methods of approval, and payment of such expenditures.

8.03: The Treasurer shall cause to be made monthly written reports of the receipts and disbursements of the Association for such calendar month immediately completed. Treasurer shall deliver in writing such monthly report to the next regularly scheduled meeting of the Board of Directors, together with a working capital position of the Association. An annual compilation, review or audit of the books and records of the Association and other records may be performed by an accounting firm designated by the Board of Directors, providing such resolution also authorizes funds necessary for such compilation, review or audit.

8.04: The Treasurer shall keep or cause to be kept books of account of the Association in a manner and form prescribed by the accounting firm designated by the Board of Directors. Such books of account shall be kept at the office of the Association or at such other place as the majority of the Board of Directors may from time to time determine. Such books of account shall be open at all times to any member of the Board of Directors and to such persons as the Board of Directors may designate.

ARTICLE IX – 9 – ELECTIONS

9.01: An election for the purpose of electing the Directors of the Association shall be held annually prior to the end of the administrative year.

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9.01.1: A special election may be held as needed to fill a vacancy scenario not contemplated by these Bylaws. To the greatest extent practicable, the special election shall be conducted in a manner consistent with the procedures established in these Bylaws

9.02: Each Division of the Association shall hold its election of a President prior to July 1. The election of a President and any other Directors needed to serve a Division shall be held during a scheduled regular meeting of each respective Division. Recommendations for a President and other Division Officers shall be made by a Nominating Committee appointed by the Division President whose make-up has been announced in advance to the membership of the Division. Each Division President shall report to the Nominating Committee of the Association the name of the member who has been elected Division President for the succeeding year.

9.03: The Nominating Committee shall plan and supervise each Annual Election of the Association and shall take such steps for the carrying out of a fair and an impartial election and shall take such action to assure same, including without limitation to the following:

- a. Conduct a canvass of all the members for their recommendations of candidates for each directorship to be filled.
- b. Prepare and send each Builder Member not less than 15 days prior to the Organizational Meeting of the Directors-Elect an official Ballot containing a list of the candidates proposed for each directorship to be filled. Each member authorized to receive the Ballot shall be notified of the deadline for receipt of a marked Ballot in the Association office in order for his/her vote to be counted.
- c. Information accompanying the official Ballot shall advise the members of any requirements set by the Nominating Committee that must be met in method of voting and transmitting in order for the Ballot to be considered valid.
- d. Electronically transmitted (Faxes, emails, etc.) return ballots shall be accepted with the name of the Builder Member, the Company Name and the members' signature (actual or electronic) placed in the designated places on the Ballot.
- e. Upon authorization of the Board of Directors, voting may occur through a web site or other online or electronic means.
- f. The Chairman of the Nominating Committee shall instruct Association staff members regarding safekeeping and any handling of the Ballots received.
- g. The Nominating Committee shall convene to count the Ballots and then shall report the results of the election to the Board of Directors at its next regularly scheduled Board Meeting.
- h. The Nominating Committee shall notify each Director-Elect of the time and place of an Organizational Meeting of the newly elected Board of Directors. Notification of this meeting shall also be made to all Directors ex-officio.
- i. The Chairman or the presiding officer of the Nominating Committee shall call to order an Organizational Meeting of the Directors-Elect. The Chairman/presiding officer shall preside and make recommendations of candidates to be considered for election by the Directors-Elect as Officers of the Association, as defined by Articles 4.03 – 4.05 of these Bylaws, on behalf of the Nominating Committee. The Chairman/presiding officer shall open the floor of the Organizational meeting for any additional nominations. Additional nominees taken from the floor and elected as

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Officers shall meet the qualifications for office set forth by these Bylaws and must complete the Nominating Committee procedures defined in Article 5.02 of these Bylaws within ten (10) business days of election. If the elected Officer is found not to have met the qualifications for office, another Organizational Meeting of the Directors-Elect shall be called as soon as practicable for purposes of filling that office and shall be conducted in a manner consistent with these Bylaws.

- j. The Nominating Committee may also make recommendations and nomination of members to serve as Directors to represent the Association on the Board of Directors of the Texas Association of Builders and the National Association of Home Builders, and shall open the floor of the organizational meeting for further nominations for these positions. Election of State and National Association Directors may be conducted at this organizational meeting.

9.04: The Officers-Elect and Directors-Elect shall be formally inducted during an Annual Installation event to be held at a time and location determined by the President-Elect. The installation ceremonies shall be held not later than October 1 of each calendar year, unless circumstances require that it be delayed past that date; such determination is to be made by the Executive Committee of the Association.

9.05: All other elections or conduct of voting shall be at the call and instructions of the Board of Directors.

9.06: A quorum at a general meeting of the membership shall consist of not less than five (5) percent of the Builder Members of this Association.

ARTICLE X – 10.00 – SUBSIDIARY ENTITIES

The Board of Directors shall be empowered to establish such subsidiary corporations, either for profit or not-for-profit corporations, that it shall deem to be in the furtherance of the stated purposes of this Association as established in its Articles of Incorporation. The Board of Directors shall, likewise, be empowered to terminate any such subsidiary corporations, should it be determined that the furtherance of the Association's purpose is no longer being served.

ARTICLE XI – 11.00 – RULES OF PROCEDURE

Robert's Rules of Order shall govern the parliamentary procedure of the meetings of the Association provided for in these Bylaws.

ARTICLE XII – 12.00– AMENDMENTS to THESE BYLAWS

These Bylaws may be amended by a two-thirds (2/3) vote of approval of the Builder Members in good standing. Such a vote shall be conducted by a ballot that will be provided to the Builder Members of the Association shall be in good standing. A quorum response shall be a minimum of ten (10) percent of the Builder Members in good standing.

12.01: The Board of Directors shall review such proposed amendments to these Bylaws.

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12.02: The Vice President/Secretary shall be responsible for conducting an election that amends these Bylaws. Each Builder Member in good standing shall be provided with a ballot.