

BYLAWS

NATIONAL ASSOCIATION OF THE REMODELING INDUSTRY, CENTRAL VIRGINIA CHAPTER

a Virginia nonstock corporation

The National Association of the Remodeling Industry, Central Virginia Chapter (the “*Association*”), a nonstock corporation duly formed under the provisions of the Virginia Nonstock Corporation Act, Chapter 10, Title 13.1 of the Code of Virginia (the “*Code*”), hereby adopts the following Bylaws of the Association, which shall govern the management and operation of the Association’s business and the regulation of its affairs to the extent consistent with the Association’s Articles of Incorporation and applicable law and in accordance with Section 13.1-823 of the Code.

ARTICLE 1

DEFINITION OF TERMS

Unless otherwise stated in these Bylaws, all of the terms used in these Bylaws which are defined in Section 13.1-803 of the Code shall be deemed to have the meaning set forth in such Section of the Code.

ARTICLE 2

MEMBERSHIP

2.1 Qualifications. The Association shall have one class of members. Membership shall be open to those firms, organizations or individuals as specified below. Membership of a franchisee or franchiser does not constitute membership of all associated franchises; each must apply separately. The Association will solicit members within a 70-mile radius of the City of Richmond, in the Commonwealth of Virginia. Eligible members may be:

- a) Licensed general established residential and light commercial contractors and subcontractors;
- b) Manufacturers, material suppliers, wholesalers and distributors;
- c) Better Business Bureaus, Chambers of Commerce, related educational institutions, trade unions, and similar organizations whose business involves the remodeling industry;
- d) Architects, interior designers, engineers, etc., whose business is involved in the remodeling industry; and
- e) Such other individuals actively involved in the remodeling industry.

2.2 Voting Rights. At any meeting of the members, each member entitled to vote on any matter coming before the meeting shall, as to such matter, have one vote, in person or by proxy. Every proxy shall be in writing, dated and signed by the member entitled to vote or his or her duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

2.3 Applications for Membership. All applications for membership shall be filed with the Secretary, who shall present the applications to the Board of Directors (or such committee of the Board of Directors (the “**Board**”) designated by the Board to act on such applications). The Board, by a vote of at least a majority of the directors then serving, shall approve or reject such applicant within thirty days. The applicant must also satisfy the following requirements for membership:

- a) Have been conducting such applicant’s business in conformity with the National Chapter’s Code of Ethics;
- b) Submit, along with dues, a signed application form stating that the applicant agrees to conform to these Bylaws and the National Chapter’s Code of Ethics;
- c) Be properly licensed, bonded and insured as may be required by local law in the jurisdiction(s) in which such applicant conducts business;
- d) Have been engaged in present business and in accordance with paragraphs (a) and (c) above for a minimum term of one (1) year; and
- e) Meet such other requirements as the Board may adopt from time to time.

2.4 National Membership. All members of the Association shall also be members of the National Association of the Remodeling Industry (the “**National Chapter**”).

2.5 Dues. The dues to be paid by the members shall be determined annually by the Association’s Board and shall be payable annually on each member’s anniversary date. National Chapter dues shall be payable at the same as the Association’s dues and shall be forwarded to the national headquarters office within thirty (30) days after payment of the Association’s dues. All funds received by the Association shall be deposited in a financial institution selected by the Board.

2.6 Unpaid Dues. Any member whose dues are unpaid for three months shall be considered not in good standing and shall not be entitled to hold office or enjoy privileges of local membership, provided such member shall have been duly notified. Any member who forfeits its membership through non-payment of dues must reapply for membership.

2.7 Termination of Membership. Any member may be terminated or suspended for cause. Sufficient cause for suspension or expulsion shall be a violation of these Bylaws, the

National Chapter's Code of Ethics, misrepresentation or lying on the membership application, or any other violation of the Association's Rules of Practice previously adopted by the Board.

ARTICLE 3

MEETINGS OF MEMBERS

3.1 Places of Meetings. All meetings of the members shall be held at such place, either within or without the Commonwealth of Virginia, as from time to time may be fixed by the Board.

3.2 Annual Meetings. The date and time of the annual meeting of the members for the election of directors and transaction of such other business as may come before the meeting shall be fixed by the President or the Board.

3.3 Special Meetings. A special meeting of the members for any purpose or purposes may be called at any time by (i) the Chairman of the Board, (ii) the President, or (iii) upon written request of at least twenty-five percent of the members of the Association. At a special meeting no business shall be transacted and no corporate action shall be taken other than that stated in the notice of the meeting.

3.4 Notice of Meetings. A written or printed notice (including by facsimile) or electronic e-mail notice, stating the place, day and hour of every meeting of the members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or sent via electronic e-mail (as the case may be), not less than ten (10) nor more than sixty (60) days before the date of the meeting to each member entitled to vote at such meeting, at his or her address which appears on the records of the Association. Such further notice shall be given as may be required by law, but such meetings may be held without notice if all the members at the meeting are present in person or if notice is waived in writing by those not present, either before or after the meeting.

3.5 Quorum. Except as otherwise required by the Articles of Incorporation, any number of members together holding at least a majority of the votes which may be cast with respect to the business to be transacted, who shall be present in person or represented by proxy at any meeting duly called, shall constitute a quorum for the transaction of business. If less than a quorum shall be in attendance at the time for which a meeting shall have been called, the meeting may be adjourned from time to time by a majority of the members present or represented by proxy without notice other than by announcement at the meeting.

ARTICLE 4

DIRECTORS

4.1 General Powers. The property, affairs and business of the Association shall be managed under the direction of the Board, and, except as otherwise expressly provided by law, the Articles of Incorporation or these Bylaws, all of the powers of the Association shall be vested in such Board.

4.2 Number of Directors. The Board shall consist of seven persons: the President, Vice President, Secretary/Treasurer, the immediate past president, and three Association members. The immediate past president shall be the Chairman of the Board. In the event that the immediate past president is unable to serve as a director, there shall be four Association members on the Board. At least four of the seven directors on the Board shall be filled by a member of a firm primarily engaged in residential or light commercial remodeling. The number of directors may be increased or decreased by amendment to the Bylaws, but only the members of the Association may increase or decrease by more than thirty percent the number of directors last elected by the members; provided that the tenure of office of an incumbent director shall not be affected by any decrease in the number of directors. Directors need not be members of the Association.

4.3 Resignation. A director may resign at any time by delivering written notice to the Board, the President or the Secretary. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

4.4 Removal. The members may remove one or more directors with cause at a meeting of the members called for the purpose of removing the director(s), which purpose shall be stated in the notice of the meeting. A director may be removed with cause by the vote of the directors, provided that the number of votes cast to remove him or her constitutes at least two-thirds of the directors then serving.

4.5 Election of Directors; Vacancies; Quorum.

(a) Directors shall be elected at each annual meeting of the members to succeed those directors whose terms have expired and to fill any vacancies then existing.

(b) Any vacancy occurring on the Board by reason of death, disability, resignation, removal or otherwise, shall be filled by action of a majority of the remaining members of the Board, although such majority is less than a quorum. Any vacancy occurring by reason of an increase in the number of directors shall be filled by action of a majority of the members of the Board. Any director elected by the Board shall serve until the next annual meeting of members.

If there are not directors in office, then an election of directors may be held in accordance with the Virginia Nonstock Corporation Act.

(c) A majority of the number of directors prescribed in these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of directors present at a meeting at which a quorum is present shall be the act of the Board. Less than a quorum may adjourn any meeting.

4.6 Annual Meeting. An annual meeting of the Board shall be held each year after the annual meeting of the members for the purpose of general organization, the election of officers, the designation of committees and consideration of any other business that may properly be brought before the meeting. If this day is a legal holiday, then the Board shall meet on the first day immediately following that is not a legal holiday. The failure to hold the annual meeting at the time stated herein shall not affect the validity of any corporate action.

4.7 Regular or Special Meeting in Addition to the Annual Meeting. Regular or special meetings of the Board may be held upon notice by telephone, letter, facsimile or electronic e-mail, delivered not later than twenty-four hours preceding the time for the meeting, upon call of the President or any three members of the Board. The notice may, but shall not be required to, set forth the agenda and items of business requiring a vote. All meetings of the Board shall be open to the general membership, unless two-thirds of the directors then serving direct otherwise.

4.8 Telephonic Meetings. Members of the Board may participate in a meeting of such Board by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

4.9 Compensation. No director shall be entitled to any salary or other compensation.

4.10 Ex-Officio Directors. The President, with the approval of the Board, may appoint no more than three ex-officio directors to serve in an advisory capacity. Such ex-officio directors shall be entitled to attend all meetings of the Board and to participate in discussions but they shall be unable to make or second motions or resolutions and shall have no vote. Each ex-officio director shall serve for a term of one year, or until he or she is elected at the annual meeting of the Board. The Executive Director of the Association shall be deemed an ex-officio director and shall attend all meetings of the Board.

4.11 Action Without a Meeting. Any action required or permitted to be taken at a Board meeting may be taken without a meeting if the action is taken by all members of the Board.

The action shall be evidenced by one or more written consents stating the action taken, signed by each director either before or after the action taken, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last director signs the consent unless the consent specifies a different date, in which event the action taken is effective as of the date specified therein provided the consent states the date of execution by each director. A consent signed under this Section shall have the same effect of a meeting vote and may be described as such in any document.

4.12 Nominations. Nominations for the election of directors shall be made by the Board or a committee appointed by the Board which shall not consist of less than two directors. The Board or committee shall name one or more qualified nominees for each open directorship position, and shall notify each such nominee and confirm such nominee's willingness to serve on the Board if elected.

ARTICLE 5

COMMITTEES

5.1 Committees. The Board may create one or more committees and appoint members of the Board to serve on them. Each committee may have two or more directors, who shall serve at the pleasure of the Board. Each Board committee may exercise the authority of the Board, subject to the limitations set forth in Section 13.1-869(D) of the Code.

5.2 Executive Committee. The Board, by resolution adopted by a majority of the directors then serving, may elect an Executive Committee which shall consist of not less than three directors, including the President, the Vice President, the Secretary/Treasurer, the immediate past president, the General Counsel (ex-officio) and the Executive Director (ex-officio). It shall constitute the body to represent the Board between Board meetings and to serve as an advisory administrative group to the Executive Director. The Executive Committee may hold meetings as necessary and it shall report to the Board on all actions taken as soon as practicable.

5.3 Marketing and Communications Committee. The Board, by resolution adopted by a majority of the directors then serving, may elect a Marketing and Communications Committee, which shall consist of not less than three directors. The Marketing and Communications Committee is responsible for making the public aware of the Association, its members and the benefits of using professional remodelers. It is advisable that a Vice President (if he or she is also a director) chair this committee.

5.4 Membership Committee. The Board, by resolution adopted by a majority of the directors then serving, may elect a Membership Committee, which shall consist of not less than three directors. The Membership Committee shall be responsible for the planning and

development of strategies, which will increase Association membership in all categories and retain existing members. It is advisable that a Vice President (if he or she is also a director) chair this committee.

5.5 Meetings. The provisions of these Bylaws which govern meetings, action without meetings, and quorum and voting requirements of the Board, shall apply to committees and their members as well.

5.6 Reporting. Each Board committee chairman shall report at the next regular or special meeting of the Board all actions which such committee may have taken on behalf of the Board since the last regular or special meeting of the Board.

5.7 Vacancies. Any vacancy occurring in a committee resulting from any reason whatsoever may be filled upon the vote of a majority of the Board.

ARTICLE 6

OFFICERS

6.1 Election of Officers; Terms. The officers of the Association shall consist of a President, a Vice President, and a Secretary/Treasurer. Other officers, including a Chairman of the Board, one or more Vice-Presidents (whose seniority and titles, including Executive Vice-Presidents and Senior Vice-Presidents, may be specified by the Board), and assistant and subordinate officers, may from time to time be elected by the Board. All officers shall hold office until the next annual meeting of the Board and until their successors are elected. The Chairman of the Board, if any, shall be chosen from among the directors. Any two officers may be combined in the same person as the Board may determine.

6.2 Removal of Officers; Vacancies. Any officer of the Association may be removed summarily with cause, at any time, by the Board, provided that such removal is approved by at least two-thirds of the directors then serving.

6.3 Duties. The officers of the Association shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as are prescribed by law or are hereinafter provided or as from time to time shall be conferred by the Board. The Board may require any officer to cooperate with the Association in obtaining a bond for the faithful performance of his duties as the Board may see fit.

6.4 Chairman of the Board. The Chairman of the Board shall be the immediate past president and shall serve during his or her successor's term or terms of office. The Chairman

shall preside over the meetings of the Board. The Chairman of the Board shall assist the President and perform such other duties as may be assigned to him or her by the Board.

6.5 Duties of the President. The President shall preside at all meetings of the Association and the Board. Subject to the provisions of these Bylaws and to the direction of the Board, and subject to such supervisory powers and authority as may be given by the Board to the Chairman of the Board, the President shall have the general powers and duties and supervision and management usually vested in the office of the President of a corporation. He or she shall have authority over the general management and direction of the business and operations of the Association and its divisions, if any, subject only to the ultimate authority of the Board. He or she shall perform all duties incident to the office of the President and such other duties as from time to time may be assigned to him or her by the Board.

6.6 Duties of the Vice-President. The Vice-President shall have such powers and duties as may from time to time be assigned to him or her by the President or the Board. He or she shall perform all duties incident to the office of the Vice-President and such other duties as from time to time may be assigned to him or her by the Board.

6.7 Duties of the Secretary/Treasurer. The Secretary/Treasurer shall have such powers and duties as may from time to time be assigned to him or her by the President or the Board. The Secretary/Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Association, and shall deposit all monies and securities of the Association in such banks and depositories as shall be designated by the Board and shall be responsible (i) for maintaining adequate financial accounts and records in accordance with generally accepted accounting practices; (ii) for the preparation of appropriate operating budgets and financial statements; (iii) for the preparation and filing of all tax returns required by law; and (iv) for the performance of all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board. The Secretary/Treasurer shall act as secretary of all meetings of the Board and members of the Association. When requested, he or she shall also act as secretary of the meetings of the committees of the Board. He or she shall keep and preserve the minutes of all such meetings in permanent books. He or she shall see that all notices required to be given by the Association are duly given and served; shall have custody of the seal of the Association and shall affix the seal or cause it to be affixed to all documents the execution of which on behalf of the Association under its corporate seal is duly authorized in accordance with law or the provisions of these Bylaws; shall have custody of all deeds, leases, contracts and other important corporate documents; shall have charge of the books, records and papers of the Association relating to its organization and management as a Association; shall see that all reports, statements and other documents required by law (except tax returns) are properly filed; and shall in general perform all the duties incident

to the office of Secretary or Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board.

6.8 Compensation. No elected officer shall be entitled to any salary or other compensation.

ARTICLE 7

ADMINISTRATIVE OFFICERS

7.1 Executive Director. An Executive Director shall serve as the chief administrative head of the Association. The Executive Director shall employ an adequate staff to carry on the business of the Association as instructed by the Board. The Executive Director shall act as an assistant Secretary/Treasurer of the Association and shall be responsible to the Association for an accounting of all monies collected and disbursed by the Association and shall render a semi-annual statement to the Board and an annual statement to the membership. The Executive Director shall also keep a record of all official proceedings of the Association and its Board. The Executive Director may be compensated, provided that such compensation is approved by a majority of the directors then serving.

7.2 General Counsel. A General Counsel shall be an attorney-at-law admitted to practice within the territorial jurisdiction of the Association. The General Counsel may be compensated, provided that such compensation is approved by a majority of the directors then serving.

ARTICLE 8

EMERGENCY BYLAWS

In the event that a quorum of the Association's Board cannot readily be assembled because of some catastrophic event, the Board may, consistent with Section 13.1-824 of the Code, adopt other bylaws to be effective only in such an emergency, which bylaws shall be subject to amendment or repeal by the Board, and shall provide procedures for calling a meeting of the Board, quorum requirements for the meeting, and designation of additional or substitute directors, as well as other provisions necessary for managing the Association during such emergency. All provisions of these Bylaws consistent with such emergency bylaws shall remain effective during such emergency. Such emergency bylaws shall not be effective after such emergency ends. Corporate action taken in good faith in accordance with such emergency bylaws shall bind the Association and may not be used to impose liability on a director, officer, employee or agent of the Association.

ARTICLE 9

SPECIAL CORPORATE ACTS NEGOTIABLE INSTRUMENTS, DEEDS AND CONTRACTS

All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money of the Association; all deeds, mortgages, and other written contracts and agreements to which the Association shall be a party; and all assignments or endorsements of registered bonds or other securities owed by the Association, shall be signed by such officers as the Board may from time to time direct. The Board may authorized any one of its officers to sign any of such instruments, for and in behalf of the Association, without necessity of countersignature; may designate officers or employees of the Association, other than those named above, who may, in the name of the Association, sign such instruments; and may authorize the use of facsimile signatures of any of such persons.

ARTICLE 10

TRANSACTIONS WITH DIRECTORS

Any contract or other transaction between the Association and one or more of its directors, or between the Association and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the Association and any corporation or association of which one or more of its directors are shareholders, members, directors, officers or employees, or in which they are not interested, shall be valid for all purposes, notwithstanding the presence of the director or directors at the meeting of the Board that acts upon, or in reference to, the contract or transaction, and notwithstanding his, her or their participation in the action, if the fact of such interest be disclosed or known to the Board and the Board shall, nevertheless, authorize or ratify the contract or transaction, the interested director or directors to be counted in determining whether a quorum is present and to be entitled to vote on such authorization or ratification. This Section shall be construed to invalidate any contract or other transaction that would otherwise be valid under the common and statutory law applicable to it.

ARTICLE 11

MISCELLANEOUS PROVISIONS

11.1 Seal. The corporate seal shall be in such form as shall be approved by the Board.

11.2 Fiscal Year. The fiscal year of the Association shall end on such date and shall consist of such accounting periods as may be fixed by the Board or any committee thereof to whom the Board shall have designated such responsibility.

11.3 Amendment of Bylaws. Unless proscribed by the Articles of Incorporation, these Bylaws may be amended, altered or repealed by the vote of at least two-thirds of the directors then serving. The members entitled to vote in respect of the election of directors, however, shall have the power to rescind, amend, alter or repeal any Bylaws and to enact Bylaws which, if expressly so provided, may not be amended, altered or repealed by the Board.