

BYLAWS
OF THE
NATIONAL ASSOCIATION OF HOME INSPECTORS, INC.[®]
(Adopted April 16, 2008)

ARTICLE I - NAME AND PURPOSE

Section 1.1. Name. The name of this organization is the National Association of Home Inspectors, Inc.[®] ("Association").

Section 1.2. Location. The Association, a nonprofit corporation incorporated in the State of Minnesota, shall maintain a registered office in Minnesota. The Association shall maintain its principal place of business in a location determined by the Board of Directors ("Board").

Section 1.3. Objectives. The objectives of the Association are:

(a) to establish and maintain a nationwide organization to promote and develop the home inspection industry;

(b) to further the professionalism of the home inspection industry by promulgating standards of practice to provide a consistent method of performance of home inspections;

(c) to promote educational opportunities to benefit its members, the home inspection industry, and consumers of home inspections services;

(d) to inform the public of the importance of a reputable home inspection as an integral part of the residential real estate transaction; and

(e) to protect consumers from fraudulent, misleading, or deceptive practices.

ARTICLE II - MEMBERSHIP

Section 2.1. Classes. Qualifications, rights, and responsibilities for the various classifications of members shall be established by the Board of Directors. Membership is nontransferable and shall be one of nine (9) classes:

(a) NAHI Certified Real Estate Inspector (NAHI CRI)[®]. Any natural person interested in the promotion and development of the home inspection industry and qualified to conduct home inspections according to the Association's standards and rules and who has passed the Association Certification Exam is eligible for NAHI CRI membership. NAHI CRI members have voting rights.

(b) Regular. Any natural person interested in the promotion and development of the home inspection industry and qualified to conduct home inspections according to the Association's standards and rules is eligible for regular membership. Regular members have voting rights.

(c) Associate. Any natural person interested in the promotion and development of the home inspection industry who has obtained training and competence to conduct home inspections according to the Association's standards and rules is eligible for associate membership. Associate members have voting rights.

(d) Life. All past presidents of the association will receive, upon leaving office, a lifetime membership in the association. Life members have voting rights. In order to receive "Life" status, a President must serve their term in its entirety, unless beset with a catastrophic situation which facilitates a resignation. The NAHI Board of Directors will then vote regarding status recognition.

(e) Honorary. Any natural person, other than a regular member, may be designated as an honorary member by Board resolution. Honorary members do not have voting rights.

(f) Affiliate. Any business entity providing goods or services to the home inspection industry is eligible for affiliate membership. Affiliate members do not have voting rights.

(g) Corporate. Any business entity at the NAHI Corporate Membership level is available to any natural person who as a licensed practicing attorney has knowledge of the home inspection profession, or any natural person who is actively employed in the position of owner and/or manager of a nationally recognized home inspection operation which has 15 or more employed home inspectors, franchisees, licensees, or any other related title approved by NAHI and who provide home inspections in accordance with the NAHI Standards of Practice. The Corporate Membership has the same rights as the NAHI Regular Member and is for the exclusive use of the corporate office of that respective company or licensed practicing attorney with home inspection profession expertise only. Special NAHI logos are available for this membership level. The Corporate Membership level does not replace the individual home inspector memberships of Associate, Regular or NAHI CRI. Any home inspectors of a multi-inspector firm must be members of NAHI in order to receive all the benefits and logo usage of being a NAHI member. Corporate members have voting rights.

(h) Retired. Annual dues for Retired Members are half the regular member dues rate. Requirements for Retired membership are that the home inspector is at least 65 years of age or older and performs less than fifty home inspections per year. As a Retired Member, we would also like to ask for your participation as a Mentor in the MAP (Member Assistance Program) established in 2003. In the MAP program, new inspectors are paired up with Retired or seasoned inspectors for the purpose of mentoring. Mentors would be available and willing to answer questions, review reports, etc. for the new inspector. If you agree to participate, NAHI will notify you of the name and contact information of the new inspector, and we will provide them with your contact information.

(i) Friend of the Industry. Any natural person who is not a home inspector, or home inspector member, who is interested in participating in the Association. Friend of the Industry members do not have voting rights.

Section 2.2. Admission. Upon application and payment of necessary dues and fees, an individual qualified to conduct home inspections according to Association standards

may be admitted to a class of membership. The Board and its authorized representatives may accept or reject any applicant deemed unsuitable for membership.

Section 2.3. Dues and Assessments. The Board determines dues and fees. The Board also has authority to make assessments as needed to conduct the business of the Association. Regular, Associate, NAHI CRI, Affiliate, Retired and Corporate members pay dues annually. New members pay dues and fees according to a schedule adopted by the Board. Any member delinquent in payment of dues and assessments is ineligible to vote until reinstatement as provided in section 2.6.

Section 2.4. Conduct. Every member must conduct inspections according to the Association's standards and code of ethics. Failure to do so may result in suspension or termination of membership.

Section 2.5. Termination and Suspension.

(a) Board Direction. Any membership may be terminated or suspended by a decision of the Board. Cause for termination or suspension includes, but is not limited to, conduct which is prejudicial to the interests of the home inspection industry or the Association. Any member whose membership is recommended to be terminated or suspended by the Board must receive written notice at least fifteen (15) days prior to termination or suspension and an opportunity to be heard, either orally or in writing, at least five (5) days prior to the proposed termination or suspension.

(b) Nonpayment of Dues. Failure to render payment of dues within ninety (90) days from the due date will result in termination of membership. The Association will provide reasonable notice that payment of dues is outstanding.

Section 2.6. Reinstatement. Payment of one year's dues, fees, and assessments in arrears shall entitle a member to reinstatement, unless the membership was terminated by Board decision, as provided in section 2.5(a). A membership terminated by Board decision may be reinstated only upon approval by a majority of the Board and payment of an amount equal to one year's dues, fees, and assessments in arrears. A suspended member must pay outstanding dues, fees, and assessments in arrears.

ARTICLE III - MEETINGS OF MEMBERS

Section 3.1. Annual Meetings. The annual meeting of members shall be held at the time and place designated by the Board. If an annual meeting has not been held during the preceding fifteen (15) months, ten percent (10%) of the voting members as of December 31 of the prior year, may call an annual meeting upon delivery of a signed, written demand to the President or Secretary/Treasurer.

Section 3.2. Special Meetings. Special meetings of members may be called by the Board to transact any business requiring the vote of the membership. Special meetings shall be held at the time and place designated by the Board. Special meetings of members may be called by ten percent (10%) of the voting members as of December 31 of the prior year, upon delivery of a signed, written demand to the President or Secretary/Treasurer describing the purpose of the meeting.

Section 3.3. Notice of Meetings. Written or printed notice stating the place, day, and hour

of the annual meeting of members shall be delivered to each member entitled to vote at the meeting. In case of a special meeting of members, notice shall be sent at the direction of the President, Secretary/Treasurer, or other persons properly calling the meeting. Notice of a special meeting must identify the purpose(s) for which the meeting is called. Notice of any meeting of members shall be delivered not less than five (5) nor more than sixty (60) days before the date of the meeting, either personally or by mail. If mailed, notice of any meeting shall be deemed to be delivered when deposited in the United States Mail, postage prepaid, addressed to the last known address of the member. The notice must state that proxy voting is permitted and describe the procedure for appointing proxies.

Section 3.4. Voting, Act of the Members. Each regular, life, associate, NAHI CRI, retired, and corporate member shall be entitled to one (1) vote. Honorary, affiliate and friend of the industry members may not vote. Unless a greater proportion is required under the Minnesota nonprofit corporation act, the affirmative vote of a majority of the members entitled to vote who are present or represented by proxy at a meeting at which there is a quorum is an act of the members. Members shall not have the right to cumulate their vote.

Section 3.5. Proxies. A member entitled to vote may vote by proxy. Authorization of a proxy must be executed in a written appointment, signed by the member either personally or by an attorney-in-fact. An appointment is valid for eleven (11) months from the date of its execution, unless otherwise authorized in the written appointment. No proxy is valid for more than three (3) years.

Section 3.6. Quorum. Ten percent (10%) of the voting members as of December 31 of the prior year, present either in person or by proxy, shall constitute a quorum at a meeting of members. If a meeting cannot begin because a quorum is not present, the meeting may be adjourned until the time and place determined by the voting members present. Upon adjournment, it shall not be necessary to give notice of the adjourned meeting or of the normal business to be transacted other than by announcement at the meeting at which the adjournment is taken.

ARTICLE IV - BOARD OF DIRECTORS

Section 4.1. Powers. The affairs of the Association shall be managed by the Board of Directors. The Board has authority to appoint or hire person(s) it deems necessary to assist with its duties.

Section 4.2. Number. There shall be at least three (3), but not more than eleven (11), Directors of the Association. The Board may, by majority resolution, adjust the number of Directors, provided that the number is not decreased below three (3) nor increased beyond eleven (11), and that the term of an incumbent is not decreased.

A maximum of two (2) seats shall be occupied by the Corporate Member classification of a seven (7) to eleven (11) member Board of Directors and one (1) on a board of less than seven (7) members.

Section 4.3. Qualifications, Term of Office. Each Director must be a NAHI CRI or regular or corporate member and shall serve for a term of two (2) years, beginning at the annual Board meeting following his/her election.

Section 4.4. Immediate Past President. The Immediate Past President is a voting Member

of the Board of Directors.

Section 4.5. Nominations. By November 15 of each year, the Nominations and Elections Committee, as provided in section 7.3, shall submit the names of NAHI CRI or Regular or Corporate members as candidates for the positions of Directors whose terms are being concluded. The Nominations and Elections Committee shall submit at least one name per position being elected. The Secretary/Treasurer shall provide a written and/or electronic ballot with nominated candidates to all members by December 1 of each year.

Section 4.6. Election. The annual election of Directors shall be held by written and/or electronic ballot. Each member with voting rights shall be eligible to vote in the election and shall be sent an official ballot. The ballot shall include the list of candidates furnished by the Nominations and Elections Committee. Notice must be sent to voting members that ballots of at least ten percent (10%) of voting members must be received at the corporation office by January 15 of the following year the ballot was sent. Members must vote on the official ballot provided by the corporation and may not be revoked. The candidate(s) receiving the highest number of votes, up to the number of Directors to be elected, shall be elected.

Section 4.7. Vacancies. The President may appoint, subject to confirmation by the Board, a member to fill any vacancy occurring on the Board. A Director appointed to fill a vacancy shall be appointed for the unexpired term of the predecessor in office. Vacancies on the Board shall exist on the death or resignation of a Director, or if a Director is removed for failure to perform his/her duties by a unanimous vote by the remainder of the Board.

ARTICLE V - MEETINGS OF BOARD OF DIRECTORS

Section 5.1. Annual Meetings. The annual meeting of the Board for the ratification of the election of new Directors, election of Officers, and transaction of other business properly before the Board shall be held within sixty (60) days of the election.

Section 5.2. Special Meetings. Special meetings of the Board may be held at any place, at any time, whenever called by the President or Secretary/Treasurer, or any five (5) or more Directors.

Section 5.3. Notice of Special Meetings. Notice of the time and place of special meetings of the Board shall be given by the Secretary/Treasurer, or by the Directors calling the meeting, by mail, telegram, or by personal communication over the telephone or otherwise, at least five (5) days prior to the date on which the meeting is to be held. Neither the business to be transacted nor the purpose of any meeting of the Board need to be specified in the notice.

Section 5.4. Waiver of Notice. Whenever notice is required to be given to any Director of the corporation by the Articles of Incorporation or Bylaws, or by law of the State of Minnesota, a waiver thereof in writing signed by the person(s) entitled to notice, whether before or after the time stated therein shall be equivalent to the giving of notice. Neither the business to be transacted nor the purpose of any meeting of the Board must be specified in waiver of notice of the meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of the meeting, unless the Director objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened and does not participate in the

meeting.

Section 5.5. Quorum. A majority of the Board shall constitute a quorum for the transaction of business. The act of the majority of Directors present at a meeting at which a quorum is present, shall be the act of the Board, any business may be transacted, and the Board may exercise all of its powers.

Section 5.6. Actions by Written Consent. Any corporate action required or permitted by the Articles of Incorporation or Bylaws, or by the laws of the State of Minnesota, to be taken at a meeting of the Directors of the corporation or at a meeting of a committee may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or all of the members of the committee, as the case may be, entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote, and may be described as such. Consent may be filed in the corporate minutes book or with the records of the acting committee.

Section 5.7. Conference Calls. Members of the Board or of any committee appointed by the Board may participate in a meeting of the Board or committee by means of a conference telephone, or similar communications equipment, by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence at a meeting.

Section 5.8. Rules of Procedure. The rules of procedure at meetings of the Board of the corporation shall be the rules contained in Robert's Rules of Order on Parliamentary Procedure, newly revised, so far as applicable and when not inconsistent with these Bylaws, the Articles of Incorporation, or any resolution of the Board.

ARTICLE VI - OFFICERS

Section 6.1. Officers Enumerated. The Officers of the corporation shall be a President, a Vice President, a Secretary/Treasurer, and other officers and assistant officers as may be deemed necessary by the Board. Each Officer shall be elected by the Board and shall serve until their successors are duly elected and qualified to hold office. No two (2) offices may be held by the same person. In addition to the powers specified below, the Officers shall have powers and may perform duties prescribed by the Board.

Section 6.2. President. The President must be a Director of the Association. The President shall exercise the usual executive powers pertaining to the office of President and shall preside at meetings of the Board, Executive Committee, and the members.

Section 6.3. Vice President. The Vice President must be a Director of the Association. In the absence or disability of the President, the Vice President shall act as President.

Section 6.4. Secretary/Treasurer. The Secretary/Treasurer must be a Director of the Association. It shall be the duty of the Secretary/Treasurer to keep records of the proceedings of the Board and when requested by the President to do so, to sign and execute with the President all deeds, bonds, contracts, and other obligations, or instruments, in the name of the corporation, to keep the corporate seal, and to affix the same to proper documents. The Secretary/ Treasurer shall have the care and custody of and be responsible for all funds and investments of the Association, shall cause to be kept regular books of account, and shall cause to be deposited all funds

and other valuable effects in the name of the Association in depositories designated by the Board. In general, the Secretary/Treasurer shall perform all of the duties incident to the office of the Secretary/Treasurer.

Section 6.6. Election. Officers shall be elected annually by the Board at the annual Board meeting as specified in section 5.1.

Section 6.7. Vacancies. Vacancies in any office arising from any cause may be filled by the Board at any regular or special meeting.

Section 6.8. Salaries. The salaries of all Officers and agents of the corporation shall be affixed by the Board.

Section 6.9. Removal. Any Officer elected or appointed may be removed by the Board whenever in its judgement the best interests of the corporation will be served thereby.

ARTICLE VII - COMMITTEES

Section 7.1. Committees. The President may appoint, subject to confirmation by the Board, various committees, other than the Executive Committee which is provided for in sections 7.2. The committees appointed under the authority provided in this subparagraph shall have and exercise authority as shall be conferred by the Board. The Board shall have the power at any time to change the members of any committee, fill vacancies, and discharge any committee.

Section 7.2. Executive Committee. The Executive Committee shall consist of the President, Vice-President, and Secretary/Treasurer of the Association. The Executive Committee shall consider matters referred to it by the Board or the President. The Executive Committee shall not have the authority of the Board in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of the Executive Committee or any Director or Officer of the corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefore; adopting a plan for the distribution of the assets of the corporation; or amending, altering or repealing any resolution of the Board unless the terms of the resolution specifically provide that it may be amended, altered or repealed by the Executive Committee. Delegation of authority to the Executive Committee shall not operate to relieve the Board or any individual Director of any responsibility imposed by law.

Section 7.3. Nominations and Elections Committee. A Nominations and Elections Committee consisting of three members shall be appointed by the President, subject to confirmation by the Board, by October 15 of each year. The Committee shall nominate candidates for election as Directors.

ARTICLE VIII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 8.1. Indemnification. Each Director or Officer now or hereafter serving the corporation and each person who serves at the request of or on behalf of the corporation as a director or officer of any other corporation, whether for profit, or not for profit, and the respective heirs, executors, and personal representatives of such

person, shall be indemnified by the corporation against expenses actually and necessarily incurred in connection with the defense of any action, suit or proceeding in which such person is made a party by relation to matters as to which such person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duties; but such indemnification shall not be deemed exclusive of any other rights to which such person may be entitled under any Bylaw, agreement, vote of Board, or otherwise.

ARTICLE IX - ADMINISTRATIVE AND FINANCIAL PROVISIONS

Section 9.1. Fiscal Year. The fiscal year of the Association shall be from July 1 to June 30.

Section 9.2. Loans Prohibited. No loans shall be made by the Association to any Director or Officer of the Association.

Section 9.3. Corporate Seal. The Board has provided for a corporate seal.

Section 9.4. Books and Records. The corporation shall keep current and complete copies of the Articles and Bylaws, accounting records, and minutes of meetings of members, the Board, and committees having the authority of the Board. All such records may be inspected by any member or Director, or the agent or attorney of a member or Director, for any proper purpose at any reasonable time.

Section 9.5. Amendment of Bylaws. These Bylaws may be altered, amended or repealed by the affirmative vote of a majority of the Board at any annual or special meeting of the Board, provided the Board may not adopt, amend, or repeal a bylaw fixing a quorum for meetings of members, prescribing procedures for removing Directors or filling vacancies in the board, or fixing the number of Directors or their classifications, qualifications, or terms of office, but may amend a bylaw to increase the number of Directors.

Section 9.6. Mergers. Any consideration given to a merger with, or by, another association or other entity must first pass a two-thirds approval vote of the membership. Once the details of the merger have been thoroughly investigated and conceptualized, a two-thirds approval vote by the voting membership is required for confirmation.