

RESIDENTIAL CONSTRUCTION

EMPLOYERS COUNCIL

Bylaws

(As Amended through November 2008 and currently In Force)

ARTICLE I

Name and Location of Principal Office

Section 1.1 Name: The name of this association shall be the Residential Construction Employers Council.

Section 1.2 Principal Office: The principal office of the Council is located in Downers Grove, Illinois, or at such other place as the Board of Directors may from time to time designate.

ARTICLE II

Purposes

Section 2.1 Purposes of Council: The purposes of this Council are as follows:

- (a) To promote the residential building industry, within the Council's geographical jurisdiction of the midwest region, and
- (b) To provide a clearing house for such problems as may arise within the residential building industry in order that members may benefit from the experience of other members, and
- (c) To provide information to members with respect to innovations in the residential building industry, and
- (d) To provide such necessary services to members which may be incidental to the foregoing stated purposes, and
- (e)
 - (1) To negotiate and execute labor agreements on behalf of Employer Members who have authorized in writing the Council to act in their behalf with the Chicago Regional Council of Carpenters and to negotiate and execute labor agreements with other labor unions as the Council may designate in writing to the Council Membership upon approval of the Council Board of Directors, limited to the midwest region.
 - (2) To negotiate and execute labor agreements in the construction industry on behalf of such other employers and other employer associations who may authorize Council to act in their behalf; to delegate such powers to other employer associations; to join other employers and employer associations in bargaining and dealing with labor organizations; and to do all things necessary and proper to maintain the unity and bargaining position of its members; and provided such activity is limited to the midwest region.
 - (3) To negotiate and execute such additional labor agreements on behalf of Employer Members of the Council and other employees or other organizations who may authorize the Council to act in their behalf, provided the Council Board

of Directors approves the execution, further provided such labor agreement is limited to work performed by such persons in the midwest region.

(f) To provide safety education and training and to make available safety materials and equipment to members through use of promotional materials, direct sales or sales through third parties.

Section 2.2 Financial Restrictions: The Council shall issue no shares of stock, shall pay no dividends, and shall distribute no part of its income to its members, directors, or officers; provided, however, that the Council may make a distribution of assets upon its dissolution or final liquidation as the Board of Directors shall then determine and as authorized by law.

ARTICLE III

Membership

Section 3.1 Eligibility: Membership in the Council shall consist of two classes of members, Employer Member, and Broker Builder Member. Such membership shall be open to any partnership, corporation or person who:

- (a) is a Broker Builder and/or an Employer of the various crafts involved in the construction of homes in the midwest region, and
- (b) shall agree to be bound by the provisions of these Bylaws, as the same may be from time to time amended, and
- (c) shall be approved by the Board of Directors, or by such committee or office as the Board may designate, and
- (d) meets the definition of a Broker Builder which is a home building contractor that subcontracts all of construction craft labor to other contractors, or
- (e) meets the definition of an Employer Member which is a contractor that directly employs individuals on its payroll, and those employees perform all or some of the craft labor.

Section 3.2 Application for Membership: A membership candidate shall submit his; application in writing on a form supplied by the Council. This form shall designate the membership class and contain a statement by which the applicant agrees to be bound by these Bylaws, as the same may be from time to time amended. The application shall be accompanied by payment in an amount sufficient to cover the current year's dues, as the same are provided for in these Bylaws. All payments so made shall be returned in full if the application is not approved. In addition, Employer Members who are or will be signatory to the carpenters collective bargaining agreement are subject to the Employer Member Independent Membership Review which includes a one-time non-refundable application fee noted on the Employer Membership Application.

Section 3.3 Notices: Each member shall furnish the Secretary with his address and shall designate one individual to receive all mailings and to be listed, together with the member whom he represents, on the membership roster. The mailing of any notice to said individual representative at such address shall be deemed service of notice upon the member as of the date of mailing the same.

Section 3.4 Suspension and Expulsion:

(a) The failure of a member to pay dues, contributions to the RCEC Industry Promotional Fund, the MidResCom Construction Industry Advancement Fund or any other charges, for a period of ninety days after they become due and payable shall suspend the member membership privileges, including all voting rights, and shall constitute grounds for expulsion. The Board of Directors and officers, by a vote of two-thirds of those present and voting, may expel such member; provided, however, that written notice of his delinquency and suspension shall be given to such member by the RCEC Staff at least ten days prior to the taking of such action by the Board, and that said member shall, upon his request, be granted a hearing before the Board, or such committee as the Board may designate, for the purpose of presenting reasons why he should not be expelled.

(b) The repeated and/or flagrant breach by an Employer Member of any provision contained in any collective bargaining agreement between the Council and the local unions within its jurisdiction in the midwest region shall constitute grounds for expulsion. The Board of Directors and officers, by a vote of two-thirds of those present and voting, may expel such members; provided, however, that written notice of his alleged breach shall be given to such member by the Secretary at least ninety days prior to the taking of such action by the Board, and that said member shall, upon his request, be granted a hearing before the Board, or such committee as the Board may designate for the purpose of presenting reasons why he should not be expelled.

Section 3.5 Reinstatement: Any member expelled pursuant to the provisions of this Article shall be reinstated at the discretion of the Board of Directors and officers. Said reinstatement shall require a vote of two-thirds of those present and voting.

Section 3.6 Resignation: Subject to the provisions of Section 13.3 herein, any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member of the obligation to pay any dues, contributions to the RCEC Industry Promotional Fund, the MidResCom Construction Industry Advancement Fund or any other charges which shall then be due and unpaid. The obligation of a member so resigning to make further contributions to the RCEC Industry Promotional Fund shall terminate on the first day of the month following the date on which such member's resignation is received by the RCEC Office.

Section 3.7 Collection of Delinquent Charges: Upon a vote of two-thirds of the Board of Directors and officers present and voting, the Board may direct that legal action be taken to collect any amounts due from a member or from a former member who has been expelled or who has resigned.

ARTICLE IV

Meetings of Members

Section 4.1 Annual Meeting: An annual meeting of the membership shall be held during the month of October each year, or at such other time near October as may be selected, for the purpose of electing members of the Board of Directors (in those years when any directorships shall expire) and for the purpose of reviewing the affairs of the Council for the past year. The Board of Directors shall determine the date of the annual meeting in time to comply with all the requirements of the Bylaws.

Section 4.2 Special Meeting: Special meetings of the membership may be called at any time by the President, the Board of Directors, or the Executive Committee, or upon the written request of members, having one-tenth of the votes entitled to be cast at such meeting. Such written request shall specify a date for such meeting which is not less than 20 days or more than 30 days from the date of such request except that when such meeting is being called specifically for the purposes as outlined in Article XIII, Section 13.1 (c) of these Bylaws, the request may specify a date for such meeting which is not less than two days from the date of such request.

Section 4.3 Notice: Written notice of the date, hour and place of all membership meetings, whether special or annual, shall be given to each member at least ten days in advance of the date of the meeting except those special meetings provided for in Section 4.2 hereof which are called for the purposes of Articles XIII. Section 13.1 (c) of these Bylaws, for which notice shall be given each member at least two days in advance of the meeting. Notice of any cancellation or change in date must also be given in the same manner unless such notice is impractical, in which event other means of notification may be utilized.

Section 4.4 Voting Rights: Each Employer Member signatory to the carpenters collective bargaining agreement shall be entitled to one vote on any matter coming before a meeting of the membership, including the election of Directors. Each Employer Member not signatory to the carpenters collective bargaining agreement, may vote on any matter other than matters concerning carpenter labor issues and agreements. Each Broker Builder may vote on any matter, other than matters concerning labor, including election of directors. Members may vote in person or by proxy; provided, however, that all votes cast by proxy must be cast in person by the individual to whom the proxy is drawn, such person must be the regularly listed representative of a member or in the event of a vote on the provisions of Article XIII, Section 13.1 (c) upon written notification made to the President and/or Secretary, such individual may be a person other than the regular listed representative but must be a member of the Employer Member firm. The form of proxy shall be prescribed by the Secretary and shall be distributed at the time the notice of meeting is mailed.

Section 4.5 Quorum: The members holding one-tenth of the votes which may be cast at any meeting shall constitute a quorum at such meeting. Unless otherwise provided in these Bylaws, a majority of the votes entitled to be cast by the members present or represented by proxy shall be sufficient to carry any matter voted upon.

ARTICLE V

Dues

Section 5.1 Time for Payment: The annual dues shall be payable annually in advance on the first day of June. If a new member joins in the months of March, April or May, the dues paid for the three months shall stand as the dues to be paid for the complete year beginning in June of the year of membership.

Section 5.2 Amount: The annual membership dues shall be \$350.00 for Employer Members signatory to the carpenters collective bargaining agreement; an Employer Member is one who contributes to the RCEC Promotional Fund. The annual membership dues shall be \$400.00 for an Employer Member non-signatory to the carpenters collective bargaining agreement; they are not obligated to pay to the RCEC Promotional Fund. The annual membership dues shall be \$250.00 for the first 50 units, \$250.00 for the next 50 units, and \$110.00 additional for each 100 units for Broker Builder Members; a Broker Builder is a member who does not contribute to the RCEC Promotional Fund, subject to the provisions of section 3.1 (d) and 3.1 (e).

ARTICLE VI

RCEC Industry Promotional Fund

Section 6.1 Contributions to Fund: In addition to, and separate and apart from, the membership dues provided for in Article V of these Bylaws, each Employer Member signatory to the carpenters collective bargaining agreement shall contribute to the RCEC Industry Promotional Fund one cent per hour worked by each tradesman in their employ. Contributions to the RCEC Industry Promotional Fund shall be made no later than the last business day each month and shall coincide with other welfare and pension payments sent to the union.

Section 6.2 Uses of Fund: The monies paid into the Fund shall be used exclusively for the purpose of promoting the home building industry in the midwest region. Said promotion may take the form of advertising, research, the dissemination of information to the public, or any other lawful means, but shall be for the promotion of the home building industry in said area generally and not for any particular member, other person or home builder group. To the extent that dues or other contributions made by members are deemed by the Board of Directors to be insufficient to meet (a) the administrative expenses of the Council, or (b) any undertaking by the council to maintain a fund to guarantee the payment by members of sums for which they are liable pursuant to any collective bargaining agreement to which the Council is party, the Fund may be drawn upon for either or both of said purposes.

Section 6.3 Administration of Fund: The Fund shall be indicated on the Council's Income Statement separately from all other monies collected or held by the Council. It shall be administered by a committee designated by the Board of Directors or by such other person or persons as the Board may designate and said committee or other person(s) shall, subject to the approval of the Board, determine from time to time the manner in which it shall be expended; provided, however, that no person who is a member or an agent or employee of a labor organization, or who is in any way affiliated therewith, shall have any power or control over said Fund or any disposition or use thereof.

Section 6.4 Powers of the Board: The Board shall have the right to direct any authorized representative or agent of the Board, at all reasonable times during business hours, to enter upon the premises of any member and to examine and copy such books, records, papers and reports of the member as may be necessary to determine the number of employees, the hours of work performed, the place of performance, and that the member is complying with the obligations described in Section 6.1. Each employer shall make these books, records, papers and reports available to authorized representative or agent of the Board for such purposes. In the event that the Board utilizes legal counsel to aid them in securing compliance by any member with the provisions of this Section, such member shall be liable for all costs incurred, including, but not limited to, reasonable attorney's fees, even though no legal actions are actually initiated, and court costs. In the event the audit discloses that any member during the period of the audit had underpaid its contributions, the member shall be liable for the costs of the examination. The Board shall have the authority, however, to waive all or part of such costs for good cause shown.

Section 6.5 Liquidated Damages: It is recognized and acknowledged by all members of the Council that the regular and prompt payment of contributions is essential to the maintenance of the RCEC Industry Promotional Fund and that it would be extremely difficult, if not impracticable, to fix the actual expense and damage to the RCEC Industry Promotional Fund which would result from the failure of an individual member to pay the required contributions within the time provided. Therefore, if any individual employer shall fail to pay the required contribution by the due date, such employer shall be liable, in addition, for liquidated damages of \$35.00 for each delinquency of liquidated damages in the amount of 1 1/2% per month on the whole amount of contributions remaining from time to time unpaid, whichever is greater.

In the event the Board places the account in the hands of legal counsel for collection, the delinquent member shall be liable for reasonable attorney's fees, and for all reasonable costs incurred in the collection process, including but not limited to, court fees and audit fees. The Board shall have the authority, however, to waive all or part of the liquidated damages, interest, attorney's fees, or collection costs, for good cause shown.

ARTICLE VII

Board of Directors

Section 7.1 Number and Qualifications and Limitations: There shall be a Board of twelve Directors and three Officers. Any person who is the regularly listed representative of a member of the Council, which is also a home building contractor, may serve as Director. Any individual may serve concurrently as both a Director and an officer. An individual may serve

consecutive terms as a Director, and there shall be no restriction on the number of terms which an individual may serve as a Director. Employer Directors may vote on all matters coming before the Board. Broker Builder Directors may vote on all matters except those matters relating to labor. Employer Directors non-signatory to the carpenters collective bargaining agreement cannot vote on labor matters.

Section 7.2 Terms: The term of each Director shall be three years. The term of each Director shall commence with his election and he/she shall serve as Director until the date of the election held in the year in which his/her term expires.

Section 7.3 Vacancies: Vacancies on the Board of Directors which shall be occasioned by death, resignation, or any other reason shall be filled by the Board of Directors. A Director appointed by the Board of Directors to fill such a vacancy shall serve for the unexpired term of his predecessor.

Section 7.4 Nomination: A Nominating Committee composed of the President, First Vice President and Executive Vice President and two members elected by the Board of Directors by June shall solicit and consider the recommendations of the membership as to candidates for each directorship to be filled, and shall then determine a slate of candidates. The Nominating Committee shall make a report of its slate to the Board of Directors at the regular August Board meeting. Within ten days after the September meeting of the Board of Directors, a written notice shall be mailed to each member of the Council reporting the recommended slate of candidates to be voted on at the annual membership meeting in October.

Section 7.5 Election: Directors shall be elected by the members at their annual meeting in October in any year in which any directorships shall expire. Each directorship shall be voted upon individually. In the event there are more than two candidates for any directorship and no candidate receives the vote of a majority of members voting, then a second vote shall be taken upon the two candidates receiving the greatest number of votes.

Section 7.6 Removal: A director may be removed by the Board of Directors and officers, by a vote of two-thirds of those present and voting, whenever in their judgement the best interest of the Council will be served thereby.

Section 7.7 Life Directors: The office of Life Director is established to honor and recognize former Officers and Directors for their service to the Council. A Life Director shall be accorded the privilege of the floor and the right to vote at Board meetings. However, their number shall not be considered for the purpose of determining a quorum.

ARTICLE VIII

Meetings of the Board of Directors

Section 8.1 Regular Meetings: An annual meeting of the Board of Directors shall be held immediately preceding the annual October meeting of the membership for the purpose of considering such matters as may properly come before it. Other regular meetings of the Board of Directors shall be held on the second Tuesday of each month or at such other time as the Board

may direct. Regular meetings of the Board of Directors may be canceled by the Officers if they deem it is justified and prudent.

Section 8.2 Special Meeting: Special meeting of the Board of Directors may be called by the President or upon the written request of five directors.

Section 8.3 Notice: Notice of the date, hour and place of all meetings whether annual, regular or special, must be given to each Director at least five days in advance of the date of the meeting.

Section 8.4 Absences: Any members of the Board of Directors who for three (3) consecutive monthly meetings of said board shall be unexcusably absent, or shall be unexcusably absent five (5) times in a calendar year will automatically be removed from his office, and said office shall thereupon become vacant and may be filled in accordance with the provisions to fill vacancies. Any Director so removed from office shall thereafter be ineligible for one year to be either nominated or elected as a Director.

Section 8.5 Quorum: Unless otherwise provided in these Bylaws or required by law, one-third of the directors and officers shall constitute a quorum for the transaction of business at any meeting of the Board, and the vote of a majority of those present at the meeting shall be sufficient to act on any matter coming before the meeting.

ARTICLE IX

Officers

Section 9.1 Designation and Term: The following officers shall be appointed at the annual Board of Directors meeting in October of each year: a President, a First Vice President, and a Treasurer/Secretary. Each officer shall serve until his successor shall have been appointed at the annual meeting of the Board to be held in the following year.

Section 9.2 President: The President shall be the chief executive officer of the Council, and shall in general supervise and control all of the business and affairs of the Council. He shall preside as Chairman at any meetings of its members, of the Board, and of the Executive Committee. He shall be the official spokesman of the Council in matters of public policy. He shall make all appointments to committees except as otherwise provided in these Bylaws, shall be an ex-officio member of all committees. He may sign any contract or other instrument which the Board of Directors have authorized to be executed, except as provided otherwise by these Bylaws or by resolution of the Board, and shall perform all other duties usual to the office of President. He shall have the privilege of the floor and the right to vote.

Section 9.3 First Vice President: The First Vice President shall, in the absence of the president or upon his direction, perform all of the duties of the President, and shall perform such other duties as may be assigned to him by the President or by the Board of Directors. He shall have the privilege of the floor and the right to vote.

Section 9.4 Treasurer/Secretary: The Treasurer/Secretary shall have custody of and be responsible for all funds of the Council, oversee the monies due and payable to the Council from any source whatsoever, and oversee all such monies in the name of the Council in such banks, trust companies, or other depositories as shall be selected in accordance with these Bylaws. The Treasurer/Secretary shall render a monthly report to the Board of Directors. The Treasurer/Secretary shall review the minutes of all the official proceedings of the Council; order that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; know the location of the records and of the seal of the Council and see that the seal of the Council is affixed to all documents, the execution of which on behalf of the Council under its seal is duly authorized in accordance with the provisions of the Bylaws. Direct RCEC staff to keep a register of the post office address of each member which shall be furnished to the RCEC office by such member. The Treasurer/Secretary shall in general perform all duties incident to the office of Treasurer/Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. He shall have the privilege of the floor and the right to vote.

Section 9.5 Immediate Past President: The immediate Past President shall serve as an ex-officio member of the Board of Directors and the Executive Committee. He shall have the privilege of the floor and the right to vote.

Section 9.6 Executive Vice President: The Executive Vice President shall serve as the chief administrative head of the Council. It shall be the duty of the Executive Vice President to supervise the entire staff and perform such other duties as may be delegated to him/her by the Officers and Board of Directors and all other duties usual to such office. The Executive Vice President shall be empowered to employ an adequate staff to carry on the business of the Council as instructed by the Officers and Board of Directors, at such rates of compensation as the Officers and Board of Directors may deem fair and proper within the limitations of the annual budget. The employment and salaries of all staff members shall be ratified by the Board of Directors upon recommendation of the Executive Committee.

Section 9.7 Compensation: The Executive Vice President will be employed by the Board of Directors at such rate of compensation as they deem fair and proper. No other officer shall receive any compensation for his services.

Section 9.8 Vacancies: In the event of the death, resignation, or removal from office of any officer during his tenure, the Board of Directors shall appoint a successor who shall serve until the expiration of the term for which his predecessor was elected.

Section 9.9 Removal: An Officer may be removed by the Board of Directors and Officers, by a vote of two-thirds of those present and voting, whenever in their judgement the best interest of the Council will be served thereby.

Section 9.10 Additional Officers: The Board of Directors may create such other offices as it deems desirable including Vice Presidents, and they shall serve such terms and have such powers as the Board of Directors determines.

Section 9.11 Limitations: For the purpose of voting, all officers described herein that are Employer officers may vote on all matters and officers that are Broker Builders and non-signatory Employers Members may vote on all matters, except matters of labor.

ARTICLE X

Committees

Section 10.1 Executive Committee: The Board of Directors shall annually elect an Executive Committee, which shall consist of the President, the First Vice President, the Immediate Past President, three members elected by the Board from the Board, and three members of the Board appointed by the President. The President shall serve as Chairman of the Committee.

(a) Vacancies on the Executive Committee which shall be occasioned by death, resignation, or any other reason shall be filled by the President. A member appointed by the President shall serve the unexpired term of his predecessor.

Section 10.2 Other Committees: Other committees, not having or exercising the powers of the Board of Directors in the management of the Council, may be designated by resolution of the Board of Directors.

Section 10.3 Quorum: A majority of the members of any committee shall constitute a quorum for the transaction of business at any meeting, and the vote of a majority of those present shall be sufficient to act on any matter coming before the meeting.

ARTICLE XI

Finance

Section 11.1 Budget: A proposed budget for the forthcoming year shall be submitted annually by the Executive Committee to the Board of Directors, and the Board of Directors shall adopt a budget for each year. No funds shall be expended or committed other than as authorized by said budget, unless approved by the Board of Directors. Any expenditure over \$10,000.00 not included in the budget or in excess of the noted budget of any committee must be approved by the Officers and Board of Directors.

Section 11.2 Deposit of Funds: All monies held or received by the Council shall be placed in a bank or other depository selected by the Board of Directors, or may be invested in direct obligations of the United States Government due in less than one year, or in such other types of securities as the Board of Directors may approve. Payments from the funds of this Council shall be made on the signature of the Treasurer and the Executive Vice President or other Officers, as designated by the Board of Directors.

Section 11.3 Audit: There shall be an annual certified audit of the finances of this Council by an independent Certified Public Accountant, and this shall be submitted to the Officers and Board of Directors as soon as practicable after the close of each fiscal year.

ARTICLE XII

Procedure at Meetings

Section 12.1 Rules: Robert's Rules of Order Revised shall govern the procedure of all meetings of members, Officers, Directors, and committees, except as such Rules of Order may be modified by these Bylaws.

ARTICLE XIII

Membership Obligations

Section 13.1 Assignment of Rights: Each Employer Member of the Council employing union carpenters by applying for or maintaining Membership in the Council and by separately and in writing authorizing the Council to act in their behalf with respect to collective bargaining with the Carpenters' Union does hereby covenant and agree with all other Employer members employing union carpenters to be bound hereunder and;

- (a) Does hereby designate and authorize the Council to act as the sole and exclusive agent of said member for all purposes set forth in Section 2.1 (e) herein, and
- (b) Does hereby agree that no Employer Member employing union carpenters will negotiate, bargain or agree to any collective bargaining agreement, or any term or condition of employment, directly or indirectly, with any labor organization as provided in Section 2.1 (e)(1), within the Council's geographical jurisdiction without prior written approval of the Council, and
- (c) Does further agree that upon the request of the Council. Executive Committee or Board of Directors such request having been duly authorized by a two-thirds percent vote of the general membership in attendance at the regular annual membership meeting or at a special general membership meeting called under Article IV, Section 4.2 of these Bylaws, and to the extent it may lawfully do so, to lock out its employees, including subcontractors, to protect or enhance the bargaining position or bargaining unity of all members, and
- (d) Does further agree to take no action which in the opinion of the Council would weaken the bargaining position or bargaining unity of the other Employer members; and, specifically, agrees not to perform any work, which it would have performed but for a strike or lockout.
- (e) (1) After acquired, non-residential work may be exempted by written notification to the Secretary of the Council.
- (2) The Council shall give all Employer Members employing union carpenters written notice of the provisions of this section at least thirty (30) days prior to the expiration of any Collective Bargaining Agreement.

(3) For purposes of this section, “residential” is defined as a residential structure which is not more than three and one-half (3 ½) stories in height (single family residences, apartment buildings, condominiums, and townhomes) and for work performed in the remodeling of or on the construction of an addition of such unit. This applies only to structures used as a personal dwelling, but not to any structure maintained by the owner or occupant for commercial purposes (such as senior assisted living buildings or nursing homes). A mixed-use building shall be regarded as residential as long as the Employer is not performing any work on the commercial portion of the building. In such cases, this shall apply to the residential work.

(f) Does hereby designate and authorize the Council to participate in the MidResCom Construction Industry Advancement Fund to accomplish the purposes set forth in Section 2.1(a) herein, to determine from time to time the amount of required contributions to such Fund, and in accordance with the terms of the trust agreement of such fund, to authorize any act or expenditure which shall be consistent with the purposes set forth in Section 2.1(a) herein.

Section 13.2 Authorization Irrevocable: The authorizations, designations and agreements set forth in Section 13.1 herein are irrevocable except upon resignation of a member pursuant to Section 13.3 herein.

Section 13.3 Resignation: Any Broker Builder Member or any Employer Member may resign from the Council by filing written notice with the Secretary; provided, however, that in no event may any Employer Member signatory to the Chicago Regional Council of Carpenters collective bargaining agreement resign from the Council under the following circumstances.

(a) Within six (6) months prior to the expiration of any labor agreement covering the member seeking to resign and any labor organization.

(b) After the start of negotiations by the Council or its designee with any labor organization whose members are employed by the Council member seeking to resign.

(c) At any time when the Council declares that there is in effect, or threatened any labor trouble or controversy with which the Council is involved in any way.

Section 13.4 Liquidated Damages:

(a) All Employer Members signatory to the Chicago Regional Carpenters collective bargaining agreement recognize it would be extremely difficult, if not impossible, to fix the actual damage to the Council and its members which would result from the breach of the provisions of this Article, and, therefore, all Employer Members agree that the liquidated damages payable for each breach of said provisions shall be One Hundred Dollars (\$100.00) for each employee employed by the breaching member, who is a member of a labor organization described in sub-paragraph (b) of this section, for each day the breach continues.

(b) For the purpose of subparagraph (a) of this section, a labor organization is one involved in or related to a breach of Sections 13.1,13.2, or 13.3 herein.

(c) For the purposes of subparagraph (a) of this section, an employee shall include employees of a member's subcontractor.

(d) For the purposes of subparagraph (a) of this section, the number of employees shall be calculated at 80 per cent (80%) of the highest number of employees employed at any one time by the member or his subcontractor, or both, in the twelve (12) months immediately preceding the breach.

(e) Damages under this section shall be payable to the Council as liquidated damages and not as a penalty.

(f) Damages paid under this section, if lawful to do so, shall be distributed on a fair basis to Council members or otherwise disposed of in such lawful manner as the Council shall decide.

Section 13.5 Arbitration:

(a) Any dispute arising under the provisions of this Article shall be submitted to and decided by an impartial arbitrator selected by the Council from among arbitrators residing in Illinois who are members in good standing of the National Academy of Arbitrators.

(b) Arbitration proceeding under this Article shall be instituted by written notice from the Council to the Employer Member charged with breaching a provision of this Article; which notice shall set forth the matter to be arbitrated, the time of the arbitration hearing (which time shall be not less than ten (10) days after the date of notice), the place of the arbitration hearing and the name of the arbitrator. Arbitration may proceed to hearing despite the failure or refusal of said member to appear.

(c) The arbitrator shall have the authority to determine whether an Employer Member has violated any of the provisions of this authorization and, if so, to compute in accordance with the formula set forth above the amount of the liquidated damages payable to the Council in consequence of such violation and render a decision and award in favor of the Council in the amount of such damages together with such other mandatory of restraining order or award as the arbitrator shall consider appropriate. The fees and expenses of the arbitrators shall be borne the member in the event the arbitrator finds it has violated the provisions of authorization; otherwise, the fees and expenses shall be borne by the Council.

Section 13.6 Board of Directors: Powers of the Council under this Article may be exercised by the Board of Directors or its designee.

Section 13.7 Election To Be Bound: Any Broker Builder may elect to be bound by provisions of this Section and the provisions of Section 2.1 (e) by executing a form approved by the Board. If a Broker Builder exercises such election, then the Broker Builder will be considered an Employer for all purposes within these Bylaws including, but not limited to, voting rights, labor negotiations and assignment of rights.

However, each Broker Builder Member shall be deemed to have designated the Council as its collective bargaining agent with respect to any trade union unless the member informs the Council in writing as to its election to be excluded from Collective Bargaining.

ARTICLE XIV

Corporate Seal

Section 14.1 Design: The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Council and the words "Corporate Seal Illinois."

ARTICLE XV

Waiver of Notice

Section 15.1 Whenever any notice whatever is required to be given under the provisions of the General Not-for-Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation or the Bylaws of this Council, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated there-in, shall be deemed equivalent to the giving of such notice.

ARTICLE XVI

Amendments

Section 16.1 Power:

(a) The power to alter, amend or repeal these Bylaws shall be vested exclusively in the Board of Directors.

(b) These Bylaws may be altered, amended or repealed by the Board of Directors at any regular or special meeting, by two-thirds (2/3) vote of those Board members in attendance and voting, provided that notice of said meeting accompanied by a copy of the proposed action shall have been mailed to each member of the Board not less than fifteen (15) days prior to the meeting at which the vote on the alteration, amendment or repeal of the Bylaws is to be taken.

Section 16.2 Notice: Any alteration, amendment or repeal of these Bylaws shall take effect immediately upon the action of the Board of Directors provided, however, that with-in ten days of such action a copy of the alteration amendment or repeal shall be mailed to each member of the council.

Section 16.3 Effective Date: These Bylaws shall become effective immediately upon their adoption by the Board of Directors named in the Council's Articles of Incorporation, and thereafter copies of the same shall be distributed to each member as soon as possible.

NGEDOCS: 1581384.1