

BY-LAWS
OF
KB HOME
(amended and restated April 5, 2007)

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ARTICLE I
OFFICES

Section 1. Registered Office. The registered office shall be in the County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

Section 3. Books. The books of the Corporation may be kept within or without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. Time and Place of Meetings. All meetings of stockholders shall be held at such place, either within or without the State of Delaware, on such date and at such time as may be determined from time to time by the Board of Directors (or the Chairman of the Board in the absence of a designation by the Board of Directors).

Section 2. Annual Meeting. Annual meetings of stockholders shall be held to elect members of the Board of Directors necessary to fill any expired terms or vacancies (except as otherwise provided in these By-laws) and to transact such other business as may properly be brought before the meeting.

Section 3. Special Meetings. Special meetings of stockholders may be called only by the Board of Directors or the Chairman of the Board. The power of stockholders to call or request a special meeting of stockholders is expressly denied.

Section 4. Notice of Meetings, Adjourned Meetings and Waivers of Notice.

(a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by the General Corporation Law of the State of Delaware (“Delaware Law”), such notice shall be given not less than 10 days or more than 60 days before the date of the meeting to each stockholder of record entitled to vote at such meeting. Unless these By-laws otherwise require, when a stockholder meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, any business may be transacted which might have been transacted at the original meeting. If the adjournment is for more than 30 days or if a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

(b) A written waiver of any such notice signed by the person entitled thereto, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting unless the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened and the person so objects. Business transacted at a special meeting of stockholders shall be limited to the purposes stated in the notice for such meeting.

Section 5. Quorum. Unless otherwise provided in the Corporation’s Certificate of Incorporation (as it may be amended from time to time, the “Certificate of Incorporation”) or these By-laws, and subject to Delaware Law, the presence in person or by proxy of the holders of a majority of the outstanding capital stock of the Corporation entitled to vote at a meeting of stockholders shall constitute a quorum for the transaction of business.

Section 6. Voting.

(a) Unless otherwise provided in the Certificate of Incorporation, and subject to Delaware Law, each stockholder shall be entitled to one vote for each outstanding share of capital stock of the Corporation held by such stockholder. Unless otherwise provided in the Certificate of Incorporation or these By-laws, and subject to Delaware Law, the affirmative vote of a majority of the shares of the capital stock of the Corporation present in person or by proxy at a meeting of stockholders and entitled to vote on an item of business at the meeting shall be the act of the stockholders as to that item.

(b) Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date unless the proxy provides for a longer period.

Section 7. Organization. At each meeting of stockholders the Chairman of the Board, if one shall have been elected or such other person as the Board of Directors or the Chairman of the Board has appointed or authorized shall act as chairman of the meeting. The

Secretary (or in his or her absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting) shall act as secretary of the meeting and keep the minutes thereof.

ARTICLE III DIRECTORS

Section 1. General Powers. Except as otherwise provided in Delaware Law or the Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 2. Number, Election and Term of Office.

(a) The Board of Directors shall consist of not less than three or more than twelve directors.

(b) Except as provided in Section 12 of this Article III, directors shall be elected at each annual meeting of stockholders in accordance with the Certificate of Incorporation and these By-laws. Each director so elected shall hold office until his or her term expires and his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal.

(c) If at any time the holders of any class or series of stock of the Corporation having a preference over the Common Stock as to dividends or upon liquidation of the Corporation are entitled, by a separate class vote, to elect directors pursuant to the terms of the Certificate of Incorporation, then the provisions of the Certificate of Incorporation with respect to such stockholders' rights shall apply. Except as otherwise expressly provided in the Certificate of Incorporation (including any Certificate of Designation thereto), the directors that may be so elected by the holders of any such class or series of stock shall be elected for terms expiring at the next annual meeting of stockholders and vacancies among directors so elected by the separate class vote of any such class or series of stock may be filled by the remaining directors elected by such class or series, or, if there are no such remaining directors, by the holders of such class or series in the same manner in which such class or series initially elected directors.

(d) If at any meeting for the election of directors more than one class of stock, voting separately as classes, shall be entitled to elect one or more directors and there shall be a quorum of only one such class of stock, that class of stock shall be entitled to elect its quota of directors notwithstanding the absence of a quorum of the other class or classes of stock.

Section 3. Quorum and Manner of Acting. Unless the Certificate of Incorporation or these By-laws require a greater number, a majority of the total number of directors shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of

Directors. When a meeting is adjourned to another time and place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Board of Directors may transact any business which might have been transacted at the original meeting. If a quorum shall not be present at a meeting of the Board of Directors the directors present thereat may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 4. Time and Place of Meetings. The Board of Directors shall hold its meetings at such place either within or without the State of Delaware and at such time as may be determined from time to time by the Board of Directors (or the Chairman of the Board in the absence of a determination by the Board of Directors).

Section 5. Annual Meeting. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business as soon as practicable after each annual meeting of stockholders, on the same day and at the same place where such annual meeting shall be held. Notice of such meeting need not be given. In the event such annual meeting of stockholders is not so held, the annual meeting of the Board of Directors may be held at such place either within or without the State of Delaware on such date and at such time as shall be specified in a notice thereof given as hereinafter provided or permitted in Section 7 of this Article III or in a waiver of notice thereof signed by all directors.

Section 6. Regular Meetings. After the place and time of regular meetings of the Board of Directors shall have been determined and notice thereof shall have been once given to each member of the Board of Directors, regular meetings may be held without further notice being given.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Chief Executive Officer or the President and shall be called by the Chairman of the Board, Chief Executive Officer, President, or Secretary on the written request of any three directors. Notice of special meetings of the Board of Directors shall be given to each director in such manner as is determined by the Board of Directors at least three days before the date of the meeting. Attendance of a director at a special meeting shall constitute a waiver of notice by the director of such meeting.

Section 8. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of designation of the Board of Directors and subject to the Certificate of Incorporation and these By-laws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it, subject to the limitations of Section 141(c)(2) of the Delaware Law, which subsection shall apply to the

Corporation instead of Section 141(c)(1). Each committee shall keep regular minutes of its meetings and report on its activities to the Board of Directors when requested.

Section 9. Action by Consent. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 10. Remote Participation in Meetings. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee, as the case may be, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 11. Resignation. Any director may resign at any time by giving written notice to the Board of Directors or to the Secretary of the Corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 12. Vacancies. Unless otherwise provided in the Certificate of Incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the vote of a majority of directors then in office, even if less than a quorum, or by a sole remaining director. Each director so chosen shall hold office until the expiration of his or her term and until his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal. If there are no directors in office, then an election of directors may be held in accordance with Delaware Law. Unless otherwise provided in the Certificate of Incorporation, when one or more directors resign from the Board of Directors effective at a future date, a majority of directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this Section 12.

Section 13. Compensation. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, the Board of Directors shall have authority to fix the compensation of directors, including fees and reimbursement of expenses, except that no compensation shall be paid to directors who are employees of the Corporation.

Section 14. Majority Election of Directors. At a meeting of stockholders a nominee for director shall be elected to the Board of Directors if the votes cast for such nominee's election exceed the votes cast against such nominee's election; provided, however, that directors shall be elected by a plurality of the votes cast at any meeting of stockholders for which (i) the Secretary

of the Corporation receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for director set forth in Section 15 of this Article III and (ii) such nomination has not been withdrawn by such nominating stockholder on or prior to the day next preceding the date the Corporation first delivers its notice of meeting for such meeting to stockholders. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against any nominee for director.

Section 15. Nomination of Directors. Nominations for the election of directors at a meeting of stockholders may be made by the Board of Directors or by a nominating committee appointed by the Board of Directors or by any stockholder entitled to vote in such election of directors. However, any stockholder entitled to vote in the election of directors may so nominate a director only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than, (i) with respect to an election of directors at an annual meeting of stockholders (except as provided in clause (ii) of this Section 15), 90 days prior to the first anniversary of the preceding year's annual meeting, and (ii) with respect to an election to be held at a special meeting of stockholders or at an annual meeting of stockholders advanced more than 30 days before or delayed more than 60 days after the first anniversary of the preceding year's annual meeting, the close of business on the seventh day following the date on which notice of such meeting is first given to stockholders. In no event shall the adjournment of a meeting of stockholders commence a new time period for the giving of a stockholder's notice as described herein.

Each such notice shall set forth:

- (a) the name and address of the stockholder who intends to make the nomination at a meeting of stockholders and of the person or persons to be nominated;
- (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;
- (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder;
- (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated or intended to be nominated by the Board of Directors;
- (e) a signed statement of consent of each nominee to serve as a director of the Corporation if so elected; and

(f) a statement that such person, if elected, intends to tender promptly following such person's election (or reelection) an irrevocable resignation in the form then set forth in the Corporation's Corporate Governance Principles effective upon such person's failure to receive the required vote for election at any subsequent meeting at which such person faces election and upon acceptance of such resignation by the Board of Directors, in accordance with the Corporation's Corporate Governance Principles.

The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

ARTICLE IV OFFICERS

Section 1. Principal Officers. The principal officers of the Corporation shall be a Chairman of the Board of Directors, a President, one or more Vice Presidents, a Treasurer and a Secretary, who shall have the duty, among other things, to record the proceedings of the meetings of stockholders and directors in a book kept for that purpose. The Corporation may also have such other principal officers, including one or more Controllers, as the Board of Directors may in its discretion appoint. One person may simultaneously hold and perform the duties of any two or more offices, except that no one person shall simultaneously hold or perform the duties of the offices of Chairman of the Board and Secretary.

Section 2. Election, Term of Office and Compensation. The principal officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting thereof. Each such officer shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. The Board of Directors shall have authority to fix the compensation of all officers of the Corporation. Any vacancy in any office shall be filled in such manner as the Board of Directors shall determine.

Section 3. Subordinate Officers. In addition to the principal officers enumerated in Section 1 of this Article IV, the Corporation may have one or more Assistant Treasurers, Assistant Secretaries and Assistant Controllers and such other subordinate officers, agents and employees as the Board of Directors may deem necessary, each of whom shall hold office, agency or employment for such period as the Board of Directors may from time to time determine. The Board of Directors may delegate to any principal officer the power to appoint and to remove any such subordinate officers, agents or employees.

Section 4. Removal. Except as otherwise permitted with respect to subordinate officers, any officer may be removed with or without cause at any time by resolution adopted by the Board of Directors.

Section 5. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors (or to a principal officer if the Board of Directors has delegated to

such principal officer the power to appoint and remove such officer). The resignation of any officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Powers and Duties. The Board of Directors may designate an officer as the Chief Executive Officer. The Chief Executive Officer shall, subject to the direction and oversight of the Board of Directors, be the general manager of and supervise and direct the business and affairs of the Corporation and the conduct of the officers of the Corporation. The other officers of the Corporation shall have such powers and perform such duties incident to each of their respective offices and such other duties as may from time to time be conferred upon or assigned to them by the Board of Directors.

ARTICLE V GENERAL PROVISIONS

Section 1. Fixing the Record Date.

(a) In order that the Corporation may determine the stockholders: entitled to receive notice of or to vote at any meeting of stockholders or any adjournment thereof; to express consent to corporate action in writing without a meeting; to receive payment of any dividend or other distribution or allotment of any rights; or to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix in advance a record date, which shall not be more than 60 days or less than 10 days before the date of such meeting, nor more than 60 days prior to any other action. A determination of stockholders of record entitled to receive notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) If no record date is fixed by the Board of Directors:

(i) The record date for determining stockholders entitled to receive notice of or to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held; and

(ii) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 2. Dividends. Subject to limitations contained in Delaware Law and the Certificate of Incorporation, the Board of Directors may declare and pay dividends upon the

shares of capital stock of the Corporation, which dividends may be paid either in cash, in property or in shares of the capital stock of the Corporation.

Section 3. Fiscal Year. The fiscal year of the Corporation shall commence on December 1 and end on November 30 of each year.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 5. Voting of Stock Owned by the Corporation. The Board of Directors may authorize any person, on behalf of the Corporation, to attend, vote and grant proxies to be used at any meeting of stockholders of any corporation (except this Corporation) in which the Corporation may hold stock.