

**HOME BUILDERS ASSOCIATION
OF
SOUTHWEST COLORADO, INC.
BY-LAWS**

ARTICLE I

Name, Location and Affiliation

Section 1. The name of this Association shall be HOME BUILDERS ASSOCIATION OF SOUTHWEST COLORADO, INC. (Association)

Section 2. The Principal address of this Association shall be 109 S. Camino del Rio, Durango, CO 81303 or such other place as the Board of Directors (Board) may from time to time designate.

Section 3. This Association is and shall be an affiliated association of the National Association of Home Builders of the United States (NAHB) and Colorado Association of Home Builders (CAHB) and shall abide by their respective bylaws as amended from time to time.

Section 4. The operations of this Association shall be conducted in the jurisdiction as defined by the NAHB.

ARTICLE II

Purposes

Section 1. The purposes of this Association, to the extent permitted by law, shall be:

- (A) To associate the builders within its jurisdiction for the purpose of mutual advantage and cooperation.
- (B) To collaborate with all fields related to the building industry within the Association's jurisdiction for the benefit of the industry as a whole.
- (C) To assist in the accomplishment of the mutual objectives of the NAHB and CAHB.
- (D) To operate without profit and no part of the income of the Association shall inure to the benefit of any member.

ARTICLE III

Membership

Section 1. CLASSES OF MEMBERS. The Association shall have the following classes of members. The designation of such classes and the qualifications of the members of such classes shall be as follows:

(A). BUILDER MEMBERS. Any individual who is or has been in, or employed by a firm or corporation in the business of building or rebuilding homes, apartments, schools, commercial, industrial, or other structures normally related and appurtenant to a community, or in land development, and whose activities are not inconsistent with the purpose of this Association shall be eligible to be a Builder Member. If a code of ethics is adopted by the HBASC, the member must act in accordance with the Code.

(B). ASSOCIATE MEMBERS. Any individual who is or has been engaged or employed by a firm or corporation engaged in the trade, industry, or profession related to building and whose activities are not inconsistent with the purpose of this Association shall be eligible to be an Associate Member. If a code of ethics is adopted by the HBASC, the member must act in accordance with the Code.

(C) AFFILIATE MEMBERS. Any individual who is an employee of a Builder or Associate member of the association as defined by these Bylaws. Affiliate members will receive local, state and national publications and event invitations to special meetings of the membership. Affiliates shall not be able to vote or hold a position as an Officer or Director, but may serve on any committees and councils.

Section 2. ACCEPTANCE OF MEMBERS.

(A). Applicants for membership shall apply in a form satisfactory to the Board, which contains information showing that the applicant meets the requirements of the preceding Section 1. On majority vote by the Board an applicant shall become a member. Prior to approval, the Board may require a hearing on an application if the Board has reasonable grounds to believe that the reasons set forth in Section 3, below, for suspension or revocation of membership may exist. The provisions of Section 3 shall apply to such hearing except that a majority vote of the Board shall be sufficient for approval for the applicant. The Board may vote digitally upon receipt of the application as time is of the essence in processing applications.

(B). Applicants approved and accepted by this Association, upon payment of dues, shall be members of the NAHB and CAHB, and, while in good standing, shall be entitled to the full benefits, services and privileges of the respective associations.

Section 3. SUSPENSION AND REVOCATION OF MEMBERSHIP.

(A). Membership will be automatically suspended or revoked of any member for failure to meet financial obligations to the Association after 60 days of scheduled renewal date The member shall be given at least thirty (30) days written notice in advance of cancellation.

(8) The Board by 2/3rds vote may suspend or revoke the membership of any member for conduct detrimental to the Association for reasons not limited to violations to the code of ethics as specified in the membership application. The member shall be given at least thirty (30) days written notice in advance of the meeting of the Board at which the vote is to be taken, and shall be afforded a reasonable opportunity to be heard.

(C). A vote of two-thirds (2/3) of the Board shall be required to reinstate any membership suspended or revoked under this section. Reinstatement shall be subject to such conditions as the Board may impose.

Section 4. MEETINGS OF THE MEMBERS.

(A). An annual meeting of the membership of this Association shall be held in the last quarter of each calendar year, or at such other times as the Board may designate.

(8). Regular meetings of the membership of this Association shall be held at such time as the Board may designate.

(C). Special meetings of the membership of this Association shall be held at such time as the Board may designate.

(D). Notice shall be given of the date, hour, and place of all meetings to each member at least five (5) days in advance.

ARTICLE IV

Dues

Section 1. DUES. The dues of this Association shall be established by the Board and shall include those required for membership in the NAHB and CAHB, which this Association shall collect and remit in accordance with the requirements of the NAHB and CAHB.

ARTICLE V

BOARD OF DIRECTORS

Section 1. COMPOSITION AND AUTHORITY

(A). The Board of Directors shall be the governing body of the Association. The Association shall elect five (5) Directors, the majority of which shall be builder members. A Director so elected shall hold office for two years from January 1 of the calendar year immediately following the annual meeting/election or until a successor is duly elected.

{B). In accordance with the NAHB Bylaws Amendment regarding Local Association Leadership adopted October 2013, Associate members are allowed to serve in any officer position, including President, as long as the majority of the corporate officers and members of the Board of Directors are builder members.

Section 2. EXECUTIVE COMMITTEE MEMBERS: As provided for in the following Article VI "Officers", Section 1, Items (A & B), the Executive Committee will be comprised of five (5) additional Directors as Officers of the Board as the President, Vice President, Immediate Past President, Secretary, and Treasurer and shall be members of the Board with full voting privileges. Additionally, the Executive Committee may appoint up to four (4) additional Directors for one year terms at their discretion

Section 3. CHAIRMAN. The President shall be the Chairman of the Board.

Section 4. VACANCIES. Vacancies on the Board because of disability, death, or resignation shall be filled by appointment of the President, subject to the concurrence of a majority of the Board. Persons so appointed will serve until the next annual meeting of the membership.

Section 5. NATIONAL AND STATE DIRECTORS. The Board shall prescribe the method of selection of any national and state directors and alternate directors to which the association is entitled under the provisions and conditions prescribed in the bylaws of the NAHB and CAHB. The selection shall be made pursuant to the requirements/conditions of the NAHB and CAHB.

Section 6. MEETINGS. Meetings of the Board shall be held as follows:

(A) Regular meetings of the Board shall be held monthly.

(B) Special meetings of the Board may be called by the President or upon the request in writing of a majority of the Board.

(C) Notice of the date, hour and place of all meetings shall be given to the Board at least five (5) days in advance.

Section 7. VOTING. A simple majority vote shall decide an issue provided a quorum is present. Voting may take place in person, by phone or electronically.

Section 8. QUORUM. The presence of two-thirds of the elected Board members shall constitute a quorum.

ARTICLE VI

Officers

Section 1. ELECTIONS

(A). The following Officers shall be elected by the membership and shall hold office for a term of one (1) year from January 1 of the calendar year immediately following the election, or until their successors are elected and duly qualified:

(1). A President, who shall be a Builder or Associate Member of the Association, shall be the Chief Officer of this Association and shall preside at its meetings and those of the Board. The President shall be the official spokesperson of this Association in matters of public policy. The President shall be by virtue of his or her status, a de facto member of all committees, and shall perform all other duties usual to such office. If willing to serve, the President shall automatically be appointed as the immediate Past President, and as a member of the Executive Committee. If the President declines then the office shall become vacant.

(2). The Vice President, who shall be a Builder or Associate Member of the Association, shall perform such duties as are assigned by the President and in the absence of the President, or upon direction, shall perform all of the duties of the President. If willing to serve, the Vice President shall automatically be appointed President. If the Vice President declines then the office shall be nominated and voted under the same rules as otherwise set forth.

(B). The following Officers shall be elected by the membership at its annual meeting and shall hold office for a term of two (2) years from January 1 of the calendar year immediately following the annual meeting/election, or until their successors are elected and duly qualified:

(1). A Treasurer, who shall be a member, shall be responsible to the Association for an accounting of all monies collected and disbursed by the Association and shall render a monthly report to the Board and a year end

annual report, and upon direction of the President, may perform other duties appropriate to this office.

(2). A Secretary, who shall be a member, shall keep a record of all of the official proceedings of this Association and its Board, including the reports of committees and, upon direction of the President, may perform other duties appropriate to this office.

Section 2. SUCCESSION OF OFFICE.

(A). In the event of the absence, disability, resignation, suspension, revocation or death of the President, then the Vice President shall act as President of the Association. Should neither the President nor the Vice President be able to serve for any of the foregoing reasons, then the Treasurer shall act as President. If the Treasurer shall be unable to serve for any of the foregoing reasons, then the Secretary shall act as President. The Officer so designated to act as President shall serve until such time as the Board names from among its Builder or Associate Members a President to fill the un-expired term.

(8). In the event of a vacancy, other than in the office of the President, the Board shall name from among its members a successor to fill the un-expired term.

ARTICLE VII Administrative Offices

Section 1. An Executive Officer may be employed by the Board at a rate of compensation as the Board deems fair and proper.

Section 2. The Executive Officer shall serve as the Chief Administrative Officer of the Association and shall perform the duties and responsibilities delegated by the Board and all other functions usual to such office.

Section 3. The Executive Officer shall be empowered to employ and supervise an adequate staff to carry on the business of this Association as instructed by the Board within the limitations of the budget.

ARTICLE VIII Voting, Quorums

Section 1. All Association members in good standing shall be entitled to one (1) vote except as may be provided in other sections of these bylaws. Voting may take place in person, by mail or electronically.

Section 2. A simple majority vote shall decide an issue of those members who vote on issues given sufficient notice for voting, but no less than fifteen (15) days.

Section 3. Section omitted.

ARTICLE IX

Elections

Section 1. The Board shall solicit the membership, consider recommendations, and shall nominate at least one candidate for each office to be filled.

ARTICLE X

Committees and Councils

Section 1. COMMITTEES

(A). The President with the advice and consent of the Board shall, upon taking office, establish standing committees for the Association except as may otherwise be specifically provided for in these bylaws.

(8). Committee chairpeople and members of all committees of the Association shall be recommended and ratified by the Board members.

(C). A President may, with the advice and consent of the Board, remove the chairman or members of any committee appointed pursuant to this article.

(D). Special committees may be appointed by the President, as deemed advisable.

(E). Meetings of all committees shall be upon the call of the committee chairpersons.

(F). The chairpersons of a committee or Board Liaison for each committee shall report to the President and shall discharge the duties of the committee as defined by the Board.

Section 2. COUNCILS

(A). There shall be within the Association such councils as the Board may from time to time find necessary to adequately serve the needs of respective members of this Association.

(B). The activities of the council shall be managed by a minimum of three (3) Board members.

(C). The council shall operate subject to rules of procedure, which shall be adopted and may be amended by the council membership, subject to approval by the Board.

ARTICLE XI Finance

Section 1. The fiscal year of this Association shall be the year commencing on the first day of January and terminating on the last day of December.

Section 2. The Board shall adopt a budget for each fiscal year, and this Association shall function within the total of such budget. The Board must authorize an expenditure in excess of an approved budget.

Section 3. Dues and other monies collected by the Association shall be placed in a depository selected by the Board.

Section 4. The following Officers of the Association, and any others as may from time to time be authorized by resolution of the Board, shall have authority to sign checks for and on behalf of the Association: Any member of the Executive Committee (President, Past President, Treasurer, Secretary and Vice President), as outlined in the following:

(A) For checks made for disbursements of \$1,000 or less, one (1) signature from the authorized signors will be required.

(B) For checks made for disbursements over \$1,000, two (2) signatures from the authorized signors will be required.

(C) With the Executive Officer's prior approval and if within the approved operating budget, the staff may make disbursements with their duly issued debit cards without authorized signors approval for amounts of \$1,000 or less. Debit card purchases over \$1,000 must also have the approval of two (2) authorized signors.

Section 5. The President, the Executive Officer or any other Officer of the Association duly authorized to act for them in a specific instance, may execute contracts. The Board may also authorize any Officer or member of the Association, in addition to the Officers authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 6. The Board may, by a two-thirds vote, authorize the creation of a reserve fund for the future operations of the Association. Such funds may be used for such purposes as may be authorized by a two-thirds vote of the Board.

Section 7. The Treasurer and other Officers or members of the staff authorized by the Board to handle the funds/accounts of this Association, shall furnish a bond, at the expense of the Association, in such amount, as the Board determines or requires.

Section 8. In the event of dissolution of the Association, the assets of the Association shall, after appropriate provision for its debts and liabilities, be distributed in accordance with liquidation proceedings of a corporation, trust or association which is not organized for profit and is exempt from federal income taxation under the Internal Revenue laws applicable at the time of such dissolution.

ARTICLE XII

Rules of Procedure

Section 1. Roberts' Rules of Order shall govern the parliamentary procedure of the meetings of the Association provided for in these bylaws.

ARTICLE XIII

Amendments

Section 1. These bylaws may be amended by a simple majority of votes received of the membership in favor of the amendments. The proposed amendments shall be provided to each member in good standing at least fifteen (15) days prior to the vote. Voting may take place in person, by telephonic, electronically or by mail.

ARTICLE XIV

Notices

Section 1. Members shall furnish the Secretary with their official mailing address. The mailing of any notice to the last known official address shall be deemed service of such notice upon them as of the date of the mailing.

ARTICLE XV

Indemnification

Section 1. In addition to any other rights to which any such person may be entitled by contract or otherwise under law, the Association shall indemnify, defend and save harmless any person, his/her heirs, executors and administrators, against any cost, expense (including attorney's fees and amounts paid in settlement), fine, penalty, judgment and liability reasonably incurred by or imposed upon such person in connection with any action, suit or proceeding, civil or criminal, to which such person may be made a party or with which such a person shall be threatened, by reason of such person's being or having been a member, Director, Officer, committee member, employee or agent of the Association or serving or having served in any capacity in any other organization at the request of the Association, unless with respect to any matter such person shall have been adjudicated in any proceeding to be liable for gross negligence or willful misconduct in the performance of such person's duties as such.

Approved by a vote of the general membership, and officially adopted at the May 10, 2016 Board of Directors meeting in Durango, Colorado.



HBASC Secretary