



BYLAWS

REVISED 12/5/2024

**BYLAWS OF THE
FLATHEAD BUILDING ASSOCIATION**

Revised April 1, 2015

ARTICLE I. NAME AND LOCATION

- Sec. 1. The name of this Association shall be Flathead Building Association ("FBA" or the "Association").
- Sec. 2. The principal office of this Association shall be located at such place as the Board of Directors may from time to time designate.
- Sec. 3. This Association is and shall be an Affiliated Association of the National Association of Home Builders ("NAHB") of the United States and the Montana Building Industry Association ("MBIA") and shall abide by their respective Bylaws as amended from time to time.
- Sec. 4. The operations of this Association shall be conducted in the territory assigned to its jurisdiction now and hereafter by the NAHB.

ARTICLE II. OBJECTIVE

SEC. 1. FLATHEAD BUILDING ASSOCIATION OBJECTIVE. FBA is a non-profit trade Association affiliated with the Montana and National Associations of Home Builders, is dedicated to promoting professionalism, credibility, quality, and vitality in the building industry, to benefit its members and the citizens of Northwest Montana.

- (a) FBA achieves this by: (1) Serving as the voice of our members by being a proactive influence in the legislative and regulatory process, (2) providing industry information and education to our membership and the public, (3) furthering the ethical and professional standards of our members, (4) maintaining the positive image of our industries and association, and (5) promoting home ownership.
- (b) Our goal is to influence the quality growth of Northwest Montana by supporting the growth and effectiveness of the local Association and its members, thereby improving conditions in the building industry and providing safe, quality housing.

SEC. 2. PURPOSE. The purpose of this Association shall be:

- (a) To collaborate with all fields related to the building industry within the Association's jurisdiction for the benefit of the industry as a whole.

- (b) To assist in the accomplishment of the mutual objectives of the NAHB and MBIA.
- (c) To model and support the code of ethics for the membership to follow as established in the MBIA Bylaws.
- (d) To operate without profit and no part of the income of the Association shall inure to the benefit of any individual member.

ARTICLE III. MEMBERSHIP

SEC. 1. CLASSES OF MEMBERS. Membership of this Association shall be of four classes:

- (a) **BUILDER MEMBERSHIP** which shall be open to any individual or entity that is *a residential or commercial contractor*, and meets the following requirements:
 - i. is registered as a contractor with the State of Montana,
 - ii. is in the business of building or rebuilding homes, apartments, or other structures normally related and appurtenant to a community;
 - iii. transacts such business, or resides, within the territorial jurisdiction of this Association;
 - iv. is of good character and business reputation;
 - v. agrees to abide by the provisions of the Bylaws of this Association;
 - vi. subscribes to the purpose of this Association;
 - vii. and receives approval of the Board of Directors.
- (b) **ASSOCIATE MEMBERSHIP** which shall be open to any person, firm, or corporation engaged in any allied trade, industry, or profession within the territorial jurisdiction of this Association; who meets the following requirements:
 - i. is of good character and business reputation;
 - ii. agrees to abide by the provisions of the Bylaws of this Association;
 - iii. subscribes to the purposes of this Association
 - iv. and receives approval of the Board of Directors.
- (c) **HONORARY MEMBERSHIP** may be awarded solely in the discretion of the Board of Directors to any person engaged in an allied profession in cases where paid membership is not feasible. Honorary members shall not have voting privileges, be eligible to hold office or serve on the Board of Directors, nor be affiliated with or a member of any state and/or national organizations.
- (d) **AFFILIATE MEMBERSHIP** shall be open to any employee of a member business at a price set by *NAHB* with an attached fee as determined by the MBIA and the FBA and for the purpose of participating and receiving mailings and

promotional materials from both the Local, State and National Associations. Affiliate Memberships shall be awarded solely in the discretion of the Board of Directors to individuals who are of good character and business reputation and will enrich the membership of FBA.

SEC. 2. ACCEPTANCE OF MEMBERS.

- (a) Applicants for membership shall apply in a form satisfactory to the Board of Directors and meet such other requirements as the Board may from time to time prescribe.
- (b) Following receipt of an application for membership, the Board of Directors shall make a vote on whether such application meets the requirements for membership above.
- (c) Applicants for Builder and Associate Memberships approved and accepted by this Association, upon payment of dues, shall become members of the NAHB of the United States and the MBIA.

SEC. 3. SUSPENSION AND REVOCATION OF MEMBERSHIP.

- (a) The Board of Directors by a two-thirds vote may suspend or revoke the membership of any member (1) for failure to continue to meet the requirements for membership outlined in Section 1, (2) failure to continue in good standing with relation to their dues as outlined in Article IV or (3) for conduct detrimental to this Association. The member shall be given at least thirty days' 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.
- (b) A vote of two-thirds of the Board shall be required to reinstate any membership suspended or revoked under this Section. Reinstatement shall be subject to such terms and conditions as the Board may impose.

SEC. 4. MEETINGS OF THE MEMBERSHIP.

- (a) An annual meeting of the membership of this Association shall be held in the fourth quarter of each year, or at such other time as the Board may designate, for the express purpose of announcing and/or electing the officers of the Association, a Board of Directors, and taking up such other matters as may properly come before the general membership.
- (b) Regular meetings of the membership of this Association shall be held quarterly at such time as the Board of Directors may designate.

- (c) Special meetings of the membership of this Association may be called by the President or, if requested in writing or by email, by a majority of the members of the Board of Directors.
- (d) Notice shall be given of the date, hour, and place of all meetings to each member at least five days in advance.

SEC. 5. ACTION WITHOUT MEETING.

- (a) Any action permitted or required to be taken at an annual, regular, or special meeting of the members may be taken without a meeting if the association delivers a written ballot to every member entitled to vote on the matter, on paper or by electronic communication. Such ballot must set forth each proposed action, and provide an opportunity to vote for or against each proposed ballot matter. Such solicitation for votes must also indicate the number of responses needed to meet the quorum requirements, state the percentage of approvals necessary to approve each action, and specify a time by which the ballot must be received by the Association to be counted.
- (b) Action by ballot without meeting shall be effective if the Association receives a quorum of responses and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting.

ARTICLE IV. DUES

SEC. 1. DUES. The dues of this Association shall be payable at the rate of:

- (a) A sum as mandated by the Board of Directors for each category of membership.
- (b) These dues shall include those required for membership in the NAHB and MBIA which this Association shall collect and remit in accordance with the requirements of the NAHB and MBIA, as provided for from time to time.
- (c) The Board of Directors will annually review the due and any proposed change of local dues must be adopted by the Board of Directors.
- (d) A special assessment may only be assessed by a two-thirds vote of the membership a special meeting or by written consent of the membership without a meeting.

- (e) Total payment of annual dues shall be made to be considered “in good standing” and must be made prior to receiving any of FBA’s privileges and services.

ARTICLE V. BOARD OF DIRECTORS

SEC. 1. COMPOSITION AND AUTHORITY. The Association at its Annual Meeting shall elect at least 9 and up to 17 directors to serve on the Board of Directors, the majority of which must be Builder members. The Board of Directors shall be the governing body of the Association. Terms of office for directors may be 3-year, 2- year, or 1- year terms as set by the Board of Directors to reasonably stagger terms. A director from the date of election through their term or until a successor is duly elected, whichever occurs sooner.

SEC. 2. EX-OFFICIO MEMBERS. The President, Vice-President, Secretary, Treasurer, and Immediate past President shall be members of the Board of Directors with full voting privileges even if their term has otherwise ended.

SEC. 3. ACTION WITHOUT A MEETING. Any action permitted or required to be taken at a meeting of the Board may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all the Directors entitled to vote with respect to the matter.

SEC. 4. VACANCIES.

- (a) Vacancies on the Board shall exist (i) on the death, resignation, or removal of any Director, or (ii) whenever the number of authorized Directors is increased.
- (b) The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by final order or judgment of any court to have breached any duty owed to the Association under the Montana Nonprofit Act.
- (c) Directors may be removed with or without cause by a majority of the members or by a two-thirds super-majority of the Directors then in office, except that any notice of any such meeting shall contain a statement of the purpose of the meeting and the name or names of the Directors to be removed. A Director may be removed by a majority of the Directors if they miss more than 4 board meetings in a year.
- (d) Any Director may resign effective upon giving written notice to the Chair, the Secretary, or the Board, unless the notice specifies a later time to the effectiveness of such resignation. No Director may resign if the Association would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General.
- (e) Vacancies on the Board may be filled by the affirmative vote of the majority of the Directors then in office.

- (f) A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board or until their death, resignation, or removal from office.

SEC. 5. NATIONAL DELEGATES, STATE DIRECTORS, AND LIFE DIRECTORS.

- (a) The Board shall prescribe the method of selection of any National Delegates and State Directors and Alternates to which the Association is entitled under the provisions and conditions prescribed in the Bylaws of the National and State Association. National Delegates and State Directors and Alternates shall be members of FBA, and shall include the President or their representative, the Vice-President, and two members elected at-large.
- (b) A Local Life Director is a member who has been approved by the Board of Directors of the Flathead Building Association and is eligible as follows:
 - (1) A combined total of 10 years' service on the FBA Board of Directors attending the majority of the Board meetings and has served as a chairperson of one or more of the FBA committees, programs, and/or events.
 - (2) Regularly attended educational programs, networking events, social programs, and annual meetings.
- (c) The Life Director may attend all Board of Director meetings. To be eligible to vote on the Board of Directors, a Life Director must attend at least three Board of Director meetings within the prior 12-month period and provide notice of intent to vote. Life directors who are not in good standing are considered non-voting. Life Directors shall not count toward the Board of Directors for purposes of Article V, Section 1.
- (d) A Life Director who has served a combined 10 years' service and has met the Life Director voting requirements shall be designated a Senior Life Director, in which case a Senior Life Director shall have attained a permanent voting right with no continuing attendance requirement. Any time accrued in excess of the 10 years' service requirement for the Life Director prior to receiving the Life Director status shall be applied toward the requirements for the Senior Life Director.

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

- (a) The Board of Directors shall hold regular board meetings.
- (b) Special meetings of the Board of Directors may be called by the President or upon the request, in writing, of a majority of the Directors or a majority of the members.

- (c) Notice of the date, hour, and place of all meetings shall be given to the Directors at least two days in advance personally, by US mail, or by email. If the purpose of the meeting is to consider (i) an amendment to the Articles of Incorporation, (ii) a plan of merger, (iii) the sale, lease, exchange, or disposition of all, or substantially all of the Association's property, or (iv) the dissolution of the Association, then a notice must be given to each Director at least seven days before the meeting stating the purpose. The notice must be accompanied by a copy or the summary, if applicable, of the proposed amendment to the Articles of Incorporation, the proposed plan of merger, the transaction for the disposition of the Association's property, or proposed plan of dissolution.
- (d) Any Director may waive notice of any meeting. The waiver must be in writing, signed by the Director entitled in the notice, and filed with the minutes or corporate records. A Director's attendance at a meeting waives the Director's right to object to lack of notice of defective notice of the meeting unless the Director, at the beginning of the meeting (or promptly upon arrival), objects to holding the meeting or transacting business at the meeting and does not vote for or assent to action taken at the meeting.

SEC. 7. VOTING. A simple majority vote shall decide an issue provided a quorum is present.

SEC. 8. QUORUM. The presence of a majority of the Directors at a meeting shall constitute a quorum.

ARTICLE VI. OFFICERS' TERMS, QUALIFICATIONS, DUTIES

SEC. 1. OFFICERS. The following officers shall be elected by the Board of Directors prior to the Annual Meeting and shall hold office for a term of one year from the date of election or until their successors are duly elected and installed into office and duly qualified:

- (a) A President, who shall be a Builder or Associate Member of the Association. The President shall be the chief principal executive officer of this Association and shall preside at its meetings and those of the Board of Directors. The President shall be the official spokesperson of the Association in matters of public policy. The President shall appoint all committees, shall be an ex-officio member of all committees, and shall perform all other duties usual to such office.
- (b) A Vice-President, who shall be President-elect and a Builder or Associate Member of the Association. The Vice-President shall serve as a representative on the State Board. They shall monitor the Association's strategic plan and yearly goals and

shall perform such duties as are assigned to them by the President. The Vice-President shall, in the absence of the President, or upon their direction, perform all of the duties of the President.

- (c) A Secretary/Treasurer who shall be Vice-President-elect and a Builder or Associate Member of the Association who shall be responsible to the Association for an accounting of all monies collected and distributed by the Association and shall render a monthly report to the Board of Directors and an annual report to the membership, who shall keep a record of all official proceedings of this Association and its Board of Directors including the reports of committees, the Secretary/Treasurer may direct the Executive Officer to perform such duties to keep and maintain all records as necessary.

SEC. 2. COMMITTEES.

- (a) The Board may create committees by a majority vote of the Directors then in office. Such committees shall include no fewer than two Directors. Appointments to Board committees shall be approved by a majority vote of the Directors then in office. To the extent provided in the resolution designating and appointing the Board committee, it may take any action on behalf of the Board as may from time to time be permitted by law, other than those actions specifically prohibited in below. Each committee may, subject to the approval of the Board, prescribe rules and regulations for the call and conduct of committee meetings and other matters relating to its procedure.
- (b) A committee shall not have authority with respect to:
 - (1) The election, appointment, or removal of Directors or filling of vacancies on the Board or in any of its committee.
 - (2) The fixing of compensation of the Directors for serving on the Board or any committee.
 - (3) The adoption, amendment, or repeal of the Articles of Incorporation or these Bylaws.
 - (4) The amendment or repeal of any resolution of the Board.
 - (5) The appointment of committees of the Board or the members thereof.
 - (6) The approval of any self-dealing transaction.
 - (7) The approval of dissolution, merger, sale, pledge, or transfer of all or substantially all of the Association's assets.

SEC. 3. EXECUTIVE BOARD. The Executive Board members are Senior Officers: President, Vice- President, Secretary/Treasurer, and Immediate Past President.

- (a) The Executive Board between meetings of the Board of Directors shall have and shall exercise the authority of the Board of Directors in the management of the Association except that it shall not have the authority to elect, appoint, or remove any member of the Executive Board or any directors or officers of the Association or any committees; amending or restating the Articles of Incorporation or these Bylaws, authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; authorizing distributions; authorizing or recommending to the members the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Association; or amending, altering or repealing any resolution of the Board of Directors.
- (b) The Executive Board shall have jurisdiction over matters relating to the budget of the Association. The Executive Board shall provide general supervision of the administration of the budget after approval by the Board of Directors.
- (c) Members of the Executive Board shall be ex-officio members of all committees unless otherwise provided. Membership on the Executive Board shall not take away the right to vote if the right exists otherwise.
- (d) The members of the Executive Board are responsible for selecting and monitoring member benefit programs which are deemed to be a viable membership service, and which may produce non-dues revenue for the Association, subject to the approval of the Board of Directors. Implementation and administration of such programs will be conducted by the administration of the Executive Officer and staff of the Association and any outside assistance as may prove necessary for the marketing and administration of such programs. The Executive Board may also recommend to the Board of Directors the deletion of any member benefit programs; but the authority to delete such programs rests with the Board of Directors.

SEC. 4. SUCCESSION OF OFFICE. In the event of the absence, disability, resignation, 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 Secretary/Treasurer shall act as President. The officer so designated to act as President shall serve until such time as the Board of Directors names from among its members a President to fill out the unexpired term.

ARTICLE VII. MEMBERSHIP VOTING

- SEC. 1. PROCEDURE.** Each Builder, Associate, or Affiliate member in good standing shall be entitled to vote. Voting shall be by electronic ballot or verbally in person at meetings. To the extent a Builder or Associate membership is granted to an entity, such entity shall only have one vote which shall be cast by a duly designated representative. The record date for a vote shall be 30 days prior to the date of such meeting or action without meeting as identified in the notice.
- SEC. 2. EFFECT.** Except where otherwise stated, a simple majority vote shall decide an issue provided a quorum is present.
- SEC. 3. QUORUM.** The presence of one-third of the members in good standing shall constitute a quorum.

ARTICLE VIII. BOARD ELECTIONS

SEC. 1. NOMINATION.

- (a) There shall be a Nominating Committee appointed by the Board of Directors. Appointment shall be made, and notice given to the membership at least five days in advance of an election. The President shall designate the Chairperson of the Committee.
- (b) The Committee shall solicit the membership, consider recommendations, and shall nominate at least one candidate for each office to be filled unless otherwise set forth in this Article. The Committee may resolve questions relating to the nomination of candidates, suggest rules of procedures for the elections and upon direction of the President perform other appropriate duties.

SEC. 2. PROCEDURE.

- (a) The Board of Directors shall be elected through an online vote or at the Annual Meeting of the Membership. The Nominating Committee shall submit its report at such meeting. Additional nominations may be made from the floor.
- (b) Whenever only one nomination for an elective office is presented to the Membership, election may be by voice vote. Whenever more than one nomination is presented, vote shall be by secret ballot. All online voting is considered a secret ballot. If more than two candidates are named for an office, a majority of the members voting shall be necessary to elect. If no candidate receives a majority, a second vote shall be taken upon the two leading candidates.
- (c) If there is a vacancy, the Board of the Directors shall vote during a Meeting, or through an online ballot to fill the vacancy for the remaining term or until the Annual meeting of the association.

ARTICLE IX. MISCELLANEOUS

- SEC. 1. FISCAL YEAR.** The fiscal year of this Association shall be the year commencing on the first day of January and terminating on the 31st day of December.
- SEC. 2. BUDGET AND EXPENDITURE.** The Board of Directors shall adopt a budget for each fiscal year, and this Association shall function within the total of such budget. Any expenditure in excess of an approved budget must be authorized by the Board of Directors.
- SEC. 3. COLLECTION OF DUES.** Dues and other monies collected by the Association shall be placed in a depository selected by the Board of Directors. Payments from the funds of the Association shall be made on the signature of the Secretary/Treasurer and/or any person so authorized by the Board of Directors.
- SEC. 4. BOOKS AND RECORDS.** The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees having any of the authority of the Board. All books and records of the Association may be inspected by any Director, their agent or attorney, for any proper purpose at any reasonable time at the office of the Association.
- SEC. 5. CONFLICT OF INTEREST.** A Director shall disclose to the Board any material interest which the Director directly or indirectly has in any person or entity which is a party to a transaction under consideration by the Board. A Director's position or involvement with a member is not a conflict of interest. The interested Director shall abstain from voting on the transaction, provided, however that the Director's presence may be counted in determining whether a quorum is present.

ARTICLE X. INDEMNIFICATION AND INSURANCE

- SEC. 1. MANDATORY INDEMNIFICATION.** The Association shall indemnify a Director or former Director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which they were a party because they were a Director of the Association against reasonable expenses incurred by them in connection with the proceedings.
- SEC. 2. PERMISSIBLE INDEMNIFICATION.** The Association shall indemnify a Director or former Director, made a party to a proceeding, because they were a Director of the Association, against liability incurred in the proceeding, if determination to indemnify them has been made in the manner proscribed by the Montana Nonprofit Act and payment has been authorized in the manner proscribed by the Montana Nonprofit Act.
- SEC. 3. ADVANCE FOR EXPENSES.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final

disposition of such action, suit or proceeding, as authorized by the Board in the specific case, upon receipt of: (a) a written affirmation from the Director, officer, employee or agent of his or her good faith belief that they are entitled to indemnification as authorized in this Article; and (b) an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association authorized in this Article.

SEC. 4. INSURANCE. The Association may purchase and maintain insurance: (a) to insure itself with respect to the indemnification payments it is authorized or obligated to make pursuant to this Article; and (b) on behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise to insure against any liability asserted against person and incurred by him or her in any such capacity, or arising out of their status as such, whether or not the Association would have the power to indemnify the person against such liability under the provisions of this Article.

ARTICLE XI. AMENDMENT AND DISSOLUTION

SEC. 1. AMENDING BYLAWS. These Bylaws may be amended by a two-thirds vote of the Board of Directors if the amendment does not relate to the number of directors, the composition of the board, the term of office of directors, or the method or way in which the directors are elected or selected. Any other amendments must be approved by two-thirds vote of the membership. Any proposed bylaw amendments must be provided to the Board or members, as applicable, at least 15 days prior to the meeting date.

SEC. 2. DISSOLUTION. The property of the Association is irrevocably dedicated to charitable purposes and no part of the net income, property, or assets of the Association shall ever inure to the benefit of any Director, or officer thereof or to the benefit of any private person. Upon dissolution or winding up of the Association, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Association shall be distributed to one or more nonprofit fund, charity, corporation, society, or organization which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status for charitable purposes consistent with those of the Association. Such transfer or conveyance shall be pursuant to a plan of distribution adopted, as provided for in the Montana Nonprofit Act.

ARTICLE XI. ADMINISTRATIVE OFFICERS AND STAFF

SEC. 1. RETENTION. An Executive Officer may be retained by the Board of Directors with such terms as it deems fair and proper.

SEC. 2. EXECUTIVE OFFICER. The Executive Officer shall serve as the Chief Administrative Officer of this Association. The Executive Officer shall perform the duties and responsibilities delegated to him by the Board of Directors and all other functions usual to such office.

SEC. 3. DUTIES AND COMPENSATION. The Executive Officer shall be empowered to employ and supervise an adequate staff to execute the business of this Association as instructed by the Board of Directors. The rates of compensation shall be those that the Board may deem fair and proper within the limitations of the fiscal budget.