



Current Bylaws of the
Montana Taekwondo
Association
2018

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ARTICLE 1 “ The Corporation

Section 1 “ Purpose of the Corporation:

The purpose of the corporation shall be:

- 1.1 To organize and manage, on an ongoing basis, an association of Taekwondo school/club owners/operators, coaches, referees, athletes, students, enthusiasts, and supporters for the purpose of promoting the development of a large, vital, and diverse Taekwondo "community" within the State of Montana.
- 1.2 To promote the development of Taekwondo as a martial art and sport within the State of Montana through the development and execution of Taekwondo and Taekwondo-related activities, events, and programs.

Section 2 “ Name of the Corporation:

The name of the Corporation shall be:

- 2.1 "The Montana Taekwondo Association, Incorporated' (hereafter referred to in these bylaws as the "State Association').
 - 2.1.1 The State Association may establish such acronyms or abbreviations as may be appropriate for business use, and may establish logos, service marks or trademarks as may be appropriate to further its purposes, mission, recognition, and goals.

Section 3 " Legal Status of the Corporation:

The Corporation shall be a non-profit corporation, organized and existing under the laws of the State of Montana:

- 3.1 The Corporation shall be a non-profit corporation and operate consistent with and shall maintain a tax-exempt status in accordance with section 501(c)(3) of the Internal Revenue Code.
- 3.2 No member, officer, or representative of the State Association shall personally profit (financially or in property or other physical assets) from the activities of the Corporation.
- 3.3 Notwithstanding the above, reasonable compensation may be paid to any person acting as an agent or employee of the State Association in exchange for services rendered as approved by the Executive Committee.
- 3.4 Members acting on the behalf of the State Association may be reimbursed for reasonable expenses incurred during the performance and administration of his or her duties as approved by the Executive Committee.

Section 4 " Mandates:

The State Association shall recognize the need for base-level performance and service requirements (mandates) to provide a means of measuring the effectiveness of the State Association leadership, and designed to meet the needs of the members as related to the management of Taekwondo sport in Montana, the development of all those participating in and supporting Taekwondo sport in Montana, and the ongoing development of a vital community of Taekwondo practitioners and enthusiasts within the state of Montana.

These mandates shall include but not be limited to:

- 4.1 **Board of Directors Meeting:** The State Association shall hold regular Annual to Bi-Annual Board of Directors meetings of the State Association comprised of all Directors and open to all State Association Officers, Board of Governors representatives, and members.
- 4.2 **Membership Meetings:** The State Association shall hold regular Annual to Bi-Annual membership meetings of the State Association comprised of all association Officers, Board of Governors, Directors of the Corporation, and open to all members.
- 4.3 **Official Reports:** The State Association shall submit and publish full reports for all monthly or regular if there was no monthly activity all matters pertaining to the performance and activities of the State Association on an ongoing basis.
- 4.4 **Regular Competition:** The State Association shall set standards and coordinate a schedule to facilitate the ongoing development and presentation of a "competition

circuit' to ensure that members have access to safe, fair, and well-organized competition leading up to a State Taekwondo Championships.

4.5 **State Championships:** The State Association shall organize and host a "State Taekwondo Championships' each calendar year. This tournament will be scheduled before the close of the previous year.

4.51 The MTA State Championships shall be open to all MTA members.

4.52 The MTA State Championships will not be limited to just Montana residents. It shall be open to any interested martial arts athlete so long as they adhere with MTA requirements for competition.

4.511 The National Qualifiers will not be held in conjunction with the State Championships but may be held in conjunction with another tournament or clinic.

4.6 **Referee Training & Certification:** The State Association shall sponsor and coordinate the presentation of an "official' referee training and certification seminar within the State of Montana during each calendar year to facilitate the development of a talented referee pool in support of competitions associated with the State Association, as well as those members seeking to serve as referees at the regional and national level. Referee Certification Seminars may be done through one or any combination of the following organizations: MTA, USAT, and AAU.

4.7 **Coach Training & Certification:** The State Association shall sponsor and coordinate the presentation of an "official' coaching and competition seminar within the State of Montana during each calendar year to facilitate the development of a talented coaching pool in support of competitions associated with the State Association, as well as those members seeking to coach at the regional and national level. Coach Seminars may be done through one or any combination of the following organizations: MTA, USAT, and AAU.

4.8 **Athlete Development:** The State Association shall sponsor and coordinate the presentation of an "official: competition clinic within the State of Montana, led by a recognized "elite' Taekwondo coach or athlete, during each calendar year to facilitate the development of a talented pool of athletes.

4.9 **"Kukkiwon' Black Belt Testing:** The State Association shall organize and host within the State of Montana a Kukkiwon Dan (black belt) examination each calendar year to provide the members with access to internationally recognized black belt certification.

4.10 **Finances:** The State Association shall organize fundraising activities and establish revenue streams designed to maintain it as a self-sustaining entity. The State Association shall not be allowed to run on a deficit.

4.11 **Community:** The State Association shall on an ongoing basis demonstrate that it is engaged in community-building efforts and the development of additional programs and activities designed to enhance member participation in Taekwondo and the appreciation of Taekwondo as a Martial Art, Sport, method of Self-Defense, and Recreational Activity within the State of Montana.

Section 5 " The MTA,s Relationship with the Amateur Athletic Union (AAU), USA Taekwondo (USAT) and World Taekwondo Federation (WT):

The State Association shall maintain, as much as possible, a direct relationship with the AAU

and USAT in order to take advantage of national-level associations, services, programs, and opportunities that may benefit the members of the State Association with the following conditions:

- 5.1 Serving the members within the State of Montana shall always be the **FIRST PRIORITY** of the State Association and its leadership. National-level WT, USAT and AAU programs and activities found not to be to the benefit of the members shall not be pursued or knowingly subsidized.
- 5.2 Insofar as it does not conflict with the above, the State Association shall support the US Olympic Committee...s national governing body for Taekwondo, USA Taekwondo, Inc. (USAT), and the Amateur Athletic Union (AAU), in their efforts to promote Taekwondo as an Olympic Sport, martial art, "grass roots' movement, and recreational activity. This shall include participation in their programs, activities, and governance (as deemed appropriate);
- 5.3 The State Association need not comply with the National or International Organizations. In the event that the structure of any, USAT or AAU bylaw, procedure, or requirement makes compliance impossible, the State Association shall be free to adopt a "common sense' solution or process that attempts to comply with the "spirit' of the requirement in question. The State Association shall not be "frozen' as the result of an error, gap, missing or unworkable procedure, or other shortcoming in the WT, USAT or AAU bylaws or procedures.
- 5.4 In the event that USAT and/or AAU cease operation for any reason, the State Association shall continue to operate in accordance with its own bylaws, and in such an event any compliance requirement referencing the defunct organization shall be waved until the State Association bylaws can be amended.

ARTICLE 2 “ State Association Offices

Section 1 “ Business Office:

- 1.1 The State Association's principal office shall be located within Montana.
 - 1.2 The State Association's most current Annual Report, filed with the Montana Secretary of State, shall identify the location of the principal office
 - 1.3 The State Association may have other offices within Montana. The Board of Directors may designate the location of these other offices.
 - 1.4 The Secretary of the State Association shall maintain a copy of the records required by these bylaws at the principal office.

Section 2 “ Registered Office:

- 2.1 The State Association's registered office shall be located within Montana at the address of the State Association's registered agent.
- 2.1 The location of the registered office may be, but need not be, identical with that of the principal office if the latter is located within Montana.

- 2.1 The Board of Directors, the Board of Governors, or a majority of the members may change the registered agent and the address of the registered office from time to time, upon filing the appropriate statement with the Secretary of State.

ARTICLE 3 “ Members

Section 1 “ General:

The State Association shall be a membership organization open to all persons and Taekwondo and Martial Arts clubs participating or interested in the promotion and development of Taekwondo as a martial art, sport, and recreational activity within the state of Montana.

- 1.1 Persons and organizations living or located outside of the State of Montana may be allowed as members.
- 1.1a The Executive Committee may deny membership to any individual, organization or club that it perceives may do harm to the organization. This determination will be made based off the past behaviors of this individual, organization or club.
- 1.2 The State Association...s membership will not require to hold any national or international association memberships. USAT and/or AAU membership.

Section 2 “ Duration:

Membership shall be valid for the duration of one full year (365) days

Section 3 “ Types of Membership:

There shall be two types of membership in the State Association: club membership and individual membership:

- 3.1 **Club Membership** is for any group or organization established and operated for the purpose of providing Taekwondo training and instruction, seeking to participate in the development and promotion of Taekwondo in the state of Montana through the State Association...s activities, events, and programs.
- 3.2 **Individual Membership** is for any individual person seeking to participate in the development and promotion of Taekwondo in the state of Montana through the State Association...s activities, events, and programs.

Section 4 “ Privileges & Restrictions:

Each combined type and class of membership will have certain privileges and be subject to certain restrictions:

- 4.1 All members may participate in any State Association activity or function without restrictions as defined in these bylaws:
- 4.2 Club members shall each be allowed to appoint a single Director to the Montana Taekwondo Association Board of Directors.
- 4.3 Individual members 21 or older shall be allowed to select (elect) the Athlete, Coach, and Referee Directors to the the Montana Taekwondo Association Board of Directors (based on voting affiliation).

- 4.4 Individual members may serve in, as, or on any office, board, chair or committee within the State Association without restriction except where otherwise defined in these bylaws.

Section 5 “ Application for Membership:

Members shall file an application online (including fees) for membership with the Membership Committee Chairperson Secretary of the State Association. The application shall include, but not be limited to:

5.1 Club Membership Application:

5.1.1 Club Name.

5.1.2 Club President/Operator/Owner.

5.1.3 Club Mailing Address.

5.1.4 Club Physical Address (location).

5.1.5 City, State, Postal Code.

5.1.6 Club Telephone Number.

5.1.7 Club Web Site URL.

5.1.8 Club E-mail Address.

5.1.9 Name, Signature, Date.

5.2 Individual Membership Application:

5.2.1 Member Name and date of birth.

5.2.2 Mailing Address (cannot be a club address).

5.2.3 City, State, Postal Code.

5.2.4 Telephone Number.

5.2.5 E-mail Address.

5.2.6 Club Name.

5.2.7 Instructor Name.

5.2.8 Club Address.

5.2.9 Club City, State, Postal Code.

5.2.10 Checkboxes indicating voting affiliation (Athlete, Coach, Referee).

5.2.11 Membership Agreement Waiver, Release of Liability, Assumption of Risk, Parental Consent, and Indemnity Agreement.

5.2.12 Name, Signature, Date.

Section 6 “ Membership Fees:

Members shall pay an annual membership fee made payable to the State Association:

- 6.1 The annual fee for club membership shall be set on annual bases by the Board of Directors at a duly called meeting of the Board of Directors.
- 6.2 The annual fee for individual membership shall be set on annual bases by the Board of Directors at a duly called meeting of the Board of Directors.

Section 7 “ Administration:

All membership applications shall be processed in a timely fashion by the State Association to ensure the satisfactory delivery of services of the membership:

- 7.1 **Membership List:** A membership database will be established and maintained to facilitate the management and reasonable use of membership information including but not limited to the creation of mailing lists, e-mail distributions, and reports for the purposes of promoting the interests and activities of the State Association.

- 7.1.1 **Membership List Restrictions:** Membership information and information derived thereof shall **NOT** be shared with any individual or organization outside of the State Association, and shall never be sold for profit (mailing and e-mail lists/distributions).

- 7.2 **Renewals:** Renewal are the responsibility of the clubs and individual members.

- 7.3 **Cancellation:** The State Association may cancel any membership, with cause, upon approval of the Board of Directors or Board of Governors.

ARTICLE 4 “ The Board of Directors

Section 1 “ General:

The Board of Directors sets the “vision’ for the State Association and all corporate powers shall be exercised by or under the authority of the Board of Directors. The business and affairs of the State Association shall be managed under the direction of the Board of Directors.

Section 2 “ Composition, Eligibility, and Tenure of Directors:

Each director shall have one (1) vote on any matter that comes before the Board. Elected Directors shall hold office for two years or until removed in accordance with these bylaws. However, if the Director's term expires, the Director shall continue to serve until the members have elected a qualified a successor. Directors must be residents of Montana and members of the State Association.

- 2.1 **Composition:** The Board of Directors shall be composed of the following positions:

- 2.1.1 Club Director: Each member club shall appoint a representative to the Board of Governors tasked with representing individual club interests. These positions are not subject to term limits as their appointment is determined at the club...s sole discretion, subject to the below age and membership requirements.
 - 2.1.3 Athlete Director (1) “ Elected by the individual members who have indicated the “Athlete’ voting preference on their membership application, to represent

the interests of Montana Taekwondo athletes.

- 2.1.4 Coach Director (1) “ Elected by individual members who have indicated the ”Coach’ voting preference on their membership application, to represent the interests of Montana Taekwondo coaches.
- 2.1.5 Referee Director (1) “ Elected by the individual members who have indicated the ”Referee’ voting preference on their membership application, to represent the interests of Montana Taekwondo referees.
- 2.1.6 No Club may have more than two delegates designated to the Board of Directors. This would include no more than one Club Director and no more than one membership director (Coach, Referee or Athlete) for any one club. In the case where it is to the benefit of the MTA a club may have more than one member on the board but in this case will only be give one vote per club representative.

2.2 **Eligibility:** To serve on the Board of Directors, board members must satisfy the following requirements:

2.2.1 Be at least 21 years of age.

- 2.2.2 To serve as a Club Representative or the Coach, Referee or Athlete Representative, he or she must be a current member in good standing of the Montana Taekwondo Association.
- 2.2.3 To serve as the Coach Representative or Referee Representative, he or she must be a current member in good standing of the Montana Taekwondo Association. This individual should have a higher understanding of the Coaching needs due to their continued, local and higher level involvement. This individual must serve as a Coach at most State Association events as well as participating at the National or International level events annually.
- 2.2.4 To serve as the Referee Representative, he or she must have a current Level B1 State Association Referee and hold certification as a National, International, USAT or AAU Referee certification. This individual should have a higher understanding Referee needs due to their continued, local and higher level involvement. This individual must be serving as a Referee at most State Association events as well as participating at the National or International level events annually.
- 2.2.4 To serve as the Athlete Representative, he or she must be participating in most State Association sanctioned events as well as participated in US Nationals, (USAT or AAU), Team Trials or the US Open within one year of running for this position. This individual should have a higher understanding of the Athletes needs due to their continued, local and higher level involvement.

Section 3 “ Selection & Removal of Directors:

The following procedures shall be followed:

- 3.1 **Selection:** There shall be a Nomination and Election Committee appointed by the State Association President tasked with identifying potential candidates for board positions, verifying the eligibility of candidates, preparing the slate of candidates for

elections, and administering/monitoring elections. Committee responsibilities include:

- 3.1.1 Receiving and reviewing letters of intent and petitions for individuals desiring to be candidates for board positions, when needed.
- 3.1.2 Verifying the eligibility of all potential candidates.
 - 3.1.3 Preparing the final slate of candidates and ballots for each election.
 - 3.1.4 Mailing ballots to members eligible to vote for each specific position based on requirements in these bylaws.
- 3.1.5 Collecting, counting, and certifying the ballots for each election.
 - 3.1.6 Announcing the results to the overall State Association membership via mail, e-mail, and/or the State Association web site.
 - 3.1.7 Club Directors shall be selected by their respective clubs by whatever means they deem appropriate within each club.
 - 3.1.8 All ballots shall be mailed to the Secretary or Legal Counsel; the Secretary or Legal shall make sure that each member of the nominations committee receives a copy of each submitted ballot.
- 3.2 **Removal:** A Director may be removed, with cause, if a majority of the members present at a duly constituted meeting votes for the removal.
 - 3.2.1 Must acquire a majority vote present at a duly constituted meeting to remove Directors or the entire Board elected by them.
- 3.2.2 Removal is effective only if it occurs at a meeting called for that purpose.
 - 3.2.3 Notice must be sent to all members and Directors that a purpose of the meeting is removal.
- 3.2.4 Cause shall be defined, but not necessarily limited to:
 - 3.1.1.1 Acting in a manner that is not in the best interest of the State Association.
 - 3.1.1.2 Non-performance or dereliction of duties.
 - 3.1.1.3 Conviction of any crime.
 - 3.1.1.4 Moral turpitude (i.e., engaging in activities that are not in keeping with the moral or ethical standards of the general Montana Taekwondo Community).
 - 3.1.1.5 Any member of the Board who misses two consecutive meetings requiring their attendance may be removed.

Section 4 “ Board of Director Vacancies:

If a vacancy occurs on the Board of Directors the Directors may fill the vacancy.

4.1 If the Directors remaining in office constitute less than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

4.2 If a Director resigns effective at a specific later date, the Directors may fill the vacancy, before the vacancy occurs, but the new Director may not take office until the vacancy actually occurs.

4.3 When the Directors elect a Director to fill a vacancy, the Director's term expires at the next membership meeting at which members elect Directors.

Section 5 “ Ex-Officio Members of the Board:

Officers and executive directors or managers of the State Association shall serve as non-voting, ex-officio members of the Board. They are members by virtue of their office. Each ex-officio member officer or Director may attend Board meetings and participate in discussion; however, each ex-officio member shall be entitled to one vote only if the individual is a regularly elected or appointed Board member.

Section 6 “ Regular Meetings of the Board of Directors:

The Board of Directors shall hold a regular meeting immediately after, and at the same place as, all annual membership meetings. No notice of the meeting other than this bylaw is required. The Board of Directors may provide, by resolution, the date, time and place of additional regular meetings. Regular Board of Director meetings may be held by conference telephone as defined in these bylaws.

Section 7 “ Special Meetings of the Board of Directors:

The presiding officer of the Board, the President, or twenty percent (20%) of the Directors then in office may call and give notice of special meetings of the Board of Governors. Those authorized to call special Board meetings may fix the place and time of the meeting. Special Board of Director meetings may be held by conference telephone or similar technologies as defined in these bylaws.

Section 8 “ Board of Director Meetings by Conference Telephone (or Similar Technologies):

If, authorized by the Board of Directors, attendees may participate in board meetings by means of a conference telephone or similar communications equipment, provided all persons entitled to participate in the meeting received proper notice of the telephone meeting as defined in these bylaws, and provided all persons participating in the meeting can hear each other at the same time. A Director participating in a conference telephone meeting is deemed present in person at the meeting. The chairperson of the meeting may establish reasonable rules as to conducting the meeting by phone.

Section 9 “ Notice of, and Waiver of Notice for, Special Director Meetings:

The following procedures shall be followed and observed:

9.1 **Notice:** The State Association's Secretary shall give either oral or written notice of any special director meeting at least two (2) days before the meeting. The notice shall include the meeting place, day and hour. If the meeting is to be held by conference telephone, (regardless of whether it is regular or special), the Secretary must provide instructions for participating in the telephone meeting.

- 9.2 **Effective Date:** If mailed, notice of any director meeting shall be deemed to be effective at the earlier of:
- 9.2.1 Five (5) days after deposited in the United States mail, addressed to the Director's business office, with postage prepaid; or
 - 9.2.2 the date shown on the return receipt (if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the Director); or
 - 9.2.3 the date when received.
- 9.3 **Waiver of Notice:** Any Director may waive notice of any meeting. The waiver must be in writing, signed by the Director entitled to the notice, and filed with the minutes or corporate records.
- 9.3.1 A Director's attendance at a meeting waives the Director's right to object to lack of notice or defective notice of the meeting; this shall be true 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.
 - 9.3.2 Neither the Secretary nor Director needs to specify in the notice or waiver of notice the business to be transacted at, or the purpose of, any special board meeting.

Section 10 “ Director Quorum:

Forty percent (40%) of the number of Directors shall constitute a quorum for the transaction of business at any board of director meeting.

Section 11 “ Directors, Manner of Acting:

The following procedures shall be followed and observed:

- 11.1 **Required Number to Constitute Act:** The act of a majority of the Directors present at a meeting at which a quorum is present (when the vote is taken) shall be the act of the Board of Directors. If no quorum is present at a meeting of Directors, the Directors may not take action on any board matter other than to adjourn the meeting to a later date.
- 11.2 **Director Approval:** The State Association shall deem a Director to have approved of an action taken if the Director is present at a meeting of the Board unless:
- 11.2.1 the Director objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; or
 - 11.2.2 the Director's dissent or abstention from the action taken is entered in the minutes of the meeting; or
 - 11.2.3 the Director delivers written notice of dissent or abstention to the presiding officer of the meeting before its adjournment or to the State Association immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

Section 12 “ Conduct of Board of Director Meetings:

The President, or in the President's absence, the President-Elect, or in their absence, any person chosen by the Directors present shall call the meeting of the Directors to order and shall act as the chairperson of the meeting. The chairperson, or the chairperson's designee, shall establish rules of the meeting that will freely facilitate debate and decision making. The chairperson will indicate who may speak when and when a vote will be taken. The Secretary of the State Association shall act as the Secretary of all meetings of the Directors, but in the Secretary's absence, the presiding officer may appoint any other person to act as the Secretary of the meeting.

Section 13 “ Mediation/Arbitration if Board Deadlocked:

If the Board of Directors is equally divided on any aspect of the management of the property, business and affairs of the State Association, or State Association transactions, or any other question, dispute, or controversy, and the deadlock is preventing action or non-action by the Board, then the Board shall submit the deadlock to mediation in accordance with these bylaws. If the Directors are unable to resolve the deadlock through mediation, the Directors agree to submit the dispute to binding arbitration in accordance with these bylaws.

13.1 **Mediation:** If the Board of Directors is unable to resolve the deadlock itself, the Directors agree to submit the dispute to mediation and the following guidelines shall apply:

13.1.1 The Directors agree to have the dispute mediated by a disinterested third-party.

13.1.2 The Directors agree to follow the mediation procedure selected by the Mediator.

13.1.3 Mediation shall terminate upon the request of the Mediator or thirty percent (30%) of the Directors.

13.2 **Arbitration:** If the Board of Directors are unable to resolve the deadlock through mediation, upon written request of thirty percent (30%) of the Directors, the Directors agree to submit the deadlock to binding arbitration in the following manner:

13.2.1 At a duly held Board meeting, Directors shall submit written requests for an arbitrator; the Board shall then vote on which arbitrator to select. If the majority of Board members agree on a single arbitrator, then the Board shall contact that individual with a request for arbitration. If a majority of the Board members can not agree on a single arbitrator, then the Board shall select two (2) arbitrators, each Director having, in the selection, a number of votes equal to the number of Directors under a system of cumulative voting; after the members appoint two (2) arbitrators, those two (2) arbitrators shall select a third (3rd) arbitrator to be the professional who actually arbitrates for the Board. If the initial two (2) arbitrators are unable to agree within fifteen (15) days upon a third (3rd) arbitrator, the President of the State Association will ask an officer at the State Association's primary banking facility to appoint the third (3rd) arbitrator.

13.2.2 The arbitrator shall determine, decide on and help resolve the matters that are equally dividing the Board of Directors. The arbitrator's scope of responsibility will be to decide on matters including (but not limited to) whether the subject before the Board is a proper subject for action by the Board; the arbitrator may decide whether matters have been properly submitted to the Board for decision, whether, the Board is actually divided, and whether this section and the

arbitration provisions provided here were properly invoked by the Board or applicable. The arbitrator may act until all questions, disputes and controversies are determined, adjudged, and resolved.

13.2.3 The arbitrator shall conduct the arbitration proceedings in accordance with the rules of the American Arbitration Association, then in effect, except where these bylaws make a special provision.

13.2.4 The arbitrator's decision shall be conclusive and binding upon the Board of Directors, the State Association and the parties on all matters that the Board submits to the arbitrator. The arbitrator's decision shall be the equivalent of a resolution unanimously passed by the full Board at an organized meeting. The decision may not be revoked, amended, or overruled, except by a majority action. The arbitrator's decision shall be filed with the Secretary of the State Association; and the arbitrator may enter judgment on the decision in the highest court of the forum having jurisdiction.

Section 14 " Director Action Without a Meeting:

The Directors may act on any matter generally required or permitted at a Board meeting, without actually meeting providing that all the Directors take the action, each one signs a written consent describing the action taken, and the Directors file all the consents with the records of the State Association. Action taken by consents is effective when the last Director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be referred to as a meeting vote in any document.

Section 15 " Board of Director Committees:

The following procedures shall be followed and observed:

15.1 **Creation of Committees:** The Board of Directors may create committees and appoint members of the Board to serve on them, who serve at the pleasure of the Board of Directors.

15.2 **Selection of Members:** To create a committee and appoint members to it, the Board must acquire approval by the majority of all the existing Directors when the action is taken.

15.3 **Required Procedures:** bylaws governing meetings, notice and waiver of notice, quorum and voting requirements, conduct of the Board of Directors, and action without meetings apply to committees and their members. In addition, committees shall keep regular minutes of their proceedings and report the same to the Board of Governors. The committees are subject to all the procedural rules governing the operation of the Board itself.

15.4 **Authority:** Each committee may exercise the specific Board authority which the Board of Directors confers upon the committee in the resolution creating the committee. A committee may not:

15.4.1 approve or recommend to members dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the State Association's assets;

15.4.2 elect, appoint, or remove Directors or fill vacancies on the Board of Governors or on any of its committees; or

15.4.3 adopt, amend, or repeal the articles or bylaws.

Section 16 “ Compensation, Loans to, or Guarantees for Directors:

The following procedures shall be followed and observed:

- 16.1 **Director Compensation:** The Board of Directors may, upon approval of the majority of that Board, pay each Director expenses, if any, of attendance at each Board meeting or committee meeting of the Board. The Directors shall not be paid a salary or fee for attending the meeting. A Director may, however, serve the State Association as an employee and receive compensation.
- 16.2 **Loans to or Guaranties for Directors:** The State Association may not lend money to or guarantee the obligation of a Director of the State Association.

Section 17 “ Chair of the Board of Directors:

The Board of Directors shall elect a Chair to serve as its representative on the Executive Committee.

ARTICLE 5 “ Officers

Section 1 “ Definitions, Responsibilities, and Authority:

The Officers of the State Association shall be elected in accordance with these bylaws by the Directors sitting on the Board of Directors without regard to sex, race, religion, or national origin; and shall include the Past President, President, President-Elect, Secretary, and Treasurer:

- 1.1 **Past President:** The Past President shall be the person who has most recently completed a term as President and serve as Past President for a 2 year term.
 - 1.1.1 This Past President shall serve in an advisory role on the Executive committee to ensure "institutional memory" for the State Association.
 - 1.1.2 The Past President shall **NOT** exercise any "presidential" authority in any other capacity.
- 1.2 **President:** The President shall be the person who has most recently completed a term as President-Elect and serve as President for a 2 year term.
 - 1.2.1 The President shall serve as the President of the Corporation, Chief Executive Officer of the Executive Committee, and Head of the State Association.
 - 1.2.2 The President shall be responsible and accountable for managing the ongoing operation of the State Association.
 - 1.2.3 The President shall preside over all meetings of the State Association.
 - 1.2.4 The President shall exercise the tie-breaking vote during all State Association meetings, but will otherwise have no vote.
 - 1.2.5 The President shall be empowered to appoint committees and committee leaders (chairs), pending approval by the Board of Directors, to carry out the

functions of the State Association.

1.2.6 The President shall be, ex officio, a non-voting member of all committees, with the exception of the Executive Committee for which he or she shall exercise the tiebreaking vote, and shall perform all duties as assigned by the Board of Directors, the Executive Committee, the Articles of Incorporation, the Bylaws, and the Code of Operations of the State Association.

1.3 **President-Elect:** The President-Elect shall be elected to a two-year term by the State Association Board of Directors.

1.3.1 The President-Elect shall serve as chief assistant to the President and "president-in-training."

1.3.2 The President-Elect shall perform and discharge such duties as assigned by the President, the Board of Directors, the Executive Committee, the Articles of Incorporation, the Bylaws, and the Code of Operations of the State Association.

1.3.3 The President-Elect shall perform the duties of the President in case of absence, resignation, removal, or other inability to act in his or her capacity as President.

1.3.4 The President-Elect shall immediately ascend to the presidency upon the end of the President...s term, or in the event that the presidency is vacated for any reason.

1.4 **Secretary:** The Secretary shall be elected to a two-year term by the State Association Board of Directors.

1.4.1 The Secretary shall keep the seal and the records of the State Association, attest documents, and supervise the taking, production, and distribution of meeting minutes.

1.4.1.1 The Secretary shall publish and distribute all minutes via regular mail and/or electronic mail (e-mail) within 30 days of the respective meeting.

1.4.1.2 Meeting minutes shall be posted on the State Association web site to provide access to all interested parties and members.

1.4.2 The Secretary shall assist in, and attend to, the production, publication, and distribution of official reports.

1.4.2.1 All official reports shall be distributed to the members via regular mail and/or electronic mail within 30 days of production/publication.

1.4.2.2 All official reports shall be posted on the State Association web site to provide access to all interested parties and members

1.4.3 The Secretary shall maintain the State Association membership list and manage all related documentation and information.

1.4.4 The Secretary shall perform and discharge other such duties as assigned by the President, the Board of Directors, the Board of Governors, the Executive Committee, the Articles of Incorporation, the Bylaws, and the Code of

Operations of the State Association.

- 1.5 **Treasurer:** The Treasurer shall be elected to a two-year term by the State Association Board of Directors.
- 1.5.1 The Treasurer shall have charge of the State Association funds and books of accounts and shall administer them in accordance with the Bylaws and Code of Operations.
- 1.5.2 The Treasurer shall manage “ receive and deposit “ and disperse funds as authorized by the Executive Committee, Board of Directors, or the Board of Governors.
- 1.5.3 The Treasurer shall render an annual financial report to the Executive Committee and Board of Governors no later than January 31 of each year, as well as special reports as requested by the Executive Committee, Board of Directors, or the Board of Governors.
- 1.5.3.1 The Treasurer shall publish and distribute all financial reports to members of the Executive Committee upon request via mail and/or electronic mail (e-mail) within 30 days.
- 1.5.3.2 All financial reports shall be held and distributed by the Treasurer and/or Secretary.
- 1.5.3.3 The Treasurer shall make sure that all tax documentation and filing is done in a manner as to satisfy the Montana and Federal Tax code as to not accrue any penalties or liabilities other than the normal tax annual liability
- 1.5.4 The Treasurer may enable other persons to receive, deposit, or disperse funds in accordance with the Bylaws
- 1.5.5 The Treasurer shall use Quick Books or another book keeping program approved by the Board of Directors as that files may be easily transfer.

Section 2 “ Eligibility:

To serve as a State Association Officer, Officers must satisfy the following requirements:

- 2.1 Be a current member in good standing of the Montana Taekwondo Association.
- 2.2 Be at least 21 years of age.

Section 3 “ Selection & Removal:

State Association Officers are elected by the representatives sitting on the Board of Directors. The following procedures shall be followed:

- 3.1 **Selection:** There shall be a Nomination and Election Committee appointed by the State Association President tasked with identifying potential candidates for Officer positions, verifying the eligibility of candidates, preparing the slate of candidates for elections, and administering/monitoring elections. Committee responsibilities include:
- 3.1.1 Receiving and reviewing letters of intent and petitions for individuals desiring to

be candidates for board positions.

- 3.1.2 Verifying the eligibility of all potential candidates.
 - 3.1.3 Preparing the final slate of candidates and ballots for each election.
 - 3.1.4 Mailing ballots to members eligible to vote for each specific position based on requirements in these bylaws.
- 3.1.5 Collecting for the Secretary or Legal Counsel, counting, and certifying the ballots for each election.
 - 3.1.6 Announcing the results to the overall State Association membership via mail, e-mail, and the State Association web site.
- 3.2 **Removal:** Officers may be removed before the end of their terms if it is determined by the Board of Directors that there is cause to do so.
 - 3.2.1 Removal shall require a two-thirds majority vote of the Board of Directors.
 - 3.2.2 Cause shall be defined, but not necessarily limited to:
 - 3.2.2.1 Acting in a manner that is not in the best interest of the State Association.
 - 3.2.2.2 Non-performance or dereliction of duties.
 - 3.2.2.3 Conviction of any crime.
 - 3.2.2.4 Moral turpitude (i.e., engaging in activities that are not in keeping with the moral or ethical standards of the general Montana Taekwondo Community).

Section 4 “ Filling Unexpected Vacancies:

In the event that an Officer position is vacated before the expiration of his or her term, the president has the right to fill the position with whomever he or she deems suitable for the remaining term of the vacant position.

ARTICLE 6 “ The Executive Committee

Section 1 “ Composition:

The Executive Committee shall be comprised of the President, Past President, President-Elect, Chair of the Board of Directors, Secretary, and Treasurer. The President shall serve as the Chair of the Executive Committee. Each member on the committee shall have one vote with the exception of the President, who shall cast the tie-breaking vote in the event of a deadlock or tie.

Section 2 “ Purpose and Authority:

The Executive Committee shall superintend the State Association and make and enforce ministerial decisions necessary to affect the policies, programs, and activities mandated by the Board of Directors.

- 2.1 The Executive Committee shall be responsible for preparing the annual budget for submission to the Board of Directors.

- 2.1.1 The budget shall be prepared in time to be presented the members of the Board of Governors for approval at the first annual State Association meeting for each calendar year.
- 2.1.2 All budgets, etc. shall be published on the State Association web site upon approval to provide access to the members and other interested parties.
- 2.2 The Executive Committee shall perform other such duties as prescribed in the Bylaws, Code of Operations, or by the State Association Board of Directors.

Section 3 “ Meetings:

The Executive Committee shall meet at the call of the President, or at the call of the Executive Director, or upon written demand of at least two of its members. All members shall be given at least 48 hours notice by mail, e-mail, or telephone, of the time and place of any meeting. Action of the Executive Committee may also be taken by mail, e-mail, or telephone vote. Any meeting called by the President or Executive Director shall include notice to all other members of the Board of Directors.

Section 4 “ Quorum:

Three Executive Committee Members shall constitute a quorum for the transaction of business at any Executive Committee meeting.

ARTICLE 7 “ Executive Director or Membership Manager

Section 1 “ General:

There shall be an Executive Director of the State Association who shall be the chief executive officer of the administrative staff and in direct charge of the State Association office, its records, property, and equipment. The Executive Director shall be hired by the Board of Directors under terms of employment and compensation fixed and reviewed annually by the Executive Committee. Subject to the general control of the Officers, Executive Committee, and Board of Directors and as appropriate and consistent with the requirements of these bylaws, the Executive Director shall:

- 1.1 Attend meetings of the Executive Committee and Board of Directors, and keep and disseminate the minutes of such meetings.
- 1.2 Collect, deposit and disburse the association...s funds pursuant to the budget, and invest surplus funds at the direction of the Executive Committee.
- 1.3 Maintain membership lists, and member files.
- 1.4 Advise and assist the officers, trustees, sections and committees.
 - 1.5 Make the arrangements for association meetings.
- 1.6 Perform such other duties as may be directed by the Board of Directors or Officers, or as prescribed by these bylaws.

ARTICLE 8 “National Organization Delegates

“USAT and AAU Delegate””

Section 1 “ General:

The MTA Executive Committee shall be empowered to select a representative to attend regular and special meetings of AAU and or USAT as deemed necessary and beneficial to the State Association.

- 1.1 This position shall not have a specified “term” and may be vacated and filled at the committee...s discretion.

ARTICLE 9 “ Permanent Committees

Section 1 “ General:

The State Association and the Board o Directors shall establish permanent committees to pursue initiatives and carry out efforts on an ongoing basis designed to benefit the State Association and its members at the behest of the Board of Directors.

- 1.1 Each committee may exercise only the specific authority conferred upon the committee in the resolution creating the committee. A committee may not:
 - 1.1.1 approve or recommend to members dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the State Association's assets;
 - 1.1.2 elect, appoint, or remove, fill or vacancies on the Board of Directors or Board of Governors or on any of their respective committees; or
 - 1.1.3 adopt, amend, or repeal the articles or bylaws.

Section 2 “ Permanent Committees:

The following permanent committees shall be established and maintained by the State Association:

- 2.1 **Athlete, Coach, and Referee Development Committee**, which shall develop and execute activities and programs designed to further the development of Montana Taekwondo Athletes, Coaches, and Referees (including certifications). Further, this committee shall develop and maintain written guidelines and procedures to be included in the State Association Code of Operations to facilitate the ongoing management of these activities and programs.
- 2.2 **Tournament Committee**, which shall coordinate the scheduling, promotion, organization, and sanctioning of open tournaments comprising the State Association...s “Taekwondo competition circuit;” as well as all aspects related to the hosting of the Montana State Taekwondo Championships and/or AAU and USAT affiliated/sanctioned events. Further, this committee shall develop and maintain written guidelines and procedures to be included in the State Association Code of Operations to facilitate the ongoing promotion and management of these events.
- 2.3 **Kukkiwon Dan Certification Committee**, which shall offer regularly scheduled Kukkiwon dan (black belt) certification exams and coordinate all processes related to

the testing of candidates, processing of applications, and timely distribution of certificates. Further, this committee shall develop and maintain written standards, guidelines, and procedures to be included in the State Association Code of Operations to facilitate the ongoing management of this program.

2.4 **Membership and Fundraising Committee**, which shall work to grow the membership base of the State Association and develop and promote fundraising programs and efforts designed to benefit the State Association and its member. Further, this committee shall develop and maintain written guidelines and procedures to be included in the State Association Code of Operations to facilitate the ongoing management of membership and fundraising efforts.

2.5 **Publications Committee**, which shall develop and maintain the State Association...s web site; and create, publish, and distribute all other State Association publications.

Section 3 “ Establishing and Dissolving Permanent Committees:

The State Association may choose to create new permanent committees in addition to those described in these bylaws, and likewise, any permanent committee may be dissolved by majority vote of the Board of Directors as deemed appropriate.

ARTICLE 10 “ Membership Meetings

Section 1 “ Regular Membership Meetings:

The State Association shall hold at least one regular membership meeting each year comprised of all State Association Directors, Officers, and open to all members.

Section 2 “ Special Membership Meetings:

Any State Association Officer, any group equal to or greater than ten percent (10%) of the number sitting on the Board of Directors, or any group equal or greater than ten percent (10%) of the total individual adult (age 18 and older) members of the State Association may call a special membership meeting for any purpose or purposes described in the meeting notice.

2.1 If ten percent (10%) of members request a special meeting, they must do so in writing, and sign, date, and deliver the demand to any corporate officer at least ten (10) days before the State Association must give notice of the meeting; the President shall then call the special meeting on these members' behalf.

2.2 For purposes of determining whether the members have met the 10% requirement, the record date is at the close of business on the thirtieth (30th) day before delivery of the demand or demands for a special meeting to any corporate officer.

Section 3 “ Place of Membership Meeting:

Meetings shall be held in any city within the State of Montana with consideration given to the burden of travel for all attendees; therefore, a central location shall be desirable unless it is otherwise determined that the location selected shall be most convenient for the majority of the attendees.

3.1 This section shall not apply to the annual meeting to be held in conjunction with the

Montana State Taekwondo Championships.

Section 4 “ Conference Telephone (and Similar Technologies):

Meetings may be held utilizing conference telephone or other similar technologies, and members may attend meetings utilizing conference telephone or other similar technologies.

- 4.1 All persons entitled to participate in the meeting must receive proper notice of the telephone meeting and/or the availability of this option.
- 4.2 All persons participating in the meeting can hear each other at the same time.
- 4.3 Members participating in this manner are deemed present in person at the meeting.
- 4.4 The chairperson of the meeting may establish reasonable rules as to conducting business at any meeting by phone.

Section 5 “ Notice of Membership Meeting:

Notice is required and the Secretary of the State Association shall deliver notice of the membership meeting to each record member.

- 5.1 **Manner of Communication:** The Secretary of the State Association may deliver to members notice of the membership meeting by a separate written notice, through a regular publication, by electronic mail (e-mail), by MTA web calendar, or by a newsletter of the State Association.
 - 5.1.1 The notice must be given in a fair and reasonable manner.
 - 5.1.2 The Notice must be in writing and state the place, day and hour of any annual or special membership meeting.
 - 5.1.3 If the meeting will be held by conference telephone, the notice shall indicate the proper telephone number.
 - 5.1.4 If it is determined that separate written notice or notice by a regular publication, email, or a newsletter of the membership meeting is impracticable, the Secretary of the State Association may give notice of the membership meeting by any other means deemed practical.
- 5.2 **Effective Date:** The Secretary shall deliver the notice no less than ten (10), nor more than sixty (60), days before the date of the meeting. Notice shall be deemed to be effective at the earlier of the following:
 - 5.2.1 The date when the notice was deposited on the web calendar, in the United States mail, if mailed postpaid and correctly addressed to the member at the member's address as it appears in the State Association's records.
 - 5.2.2 The date shown on the return receipt (if sent registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee).
 - 5.2.3 The date when received, sent (via email), published, or broadcast on the web calendar.

- 5.2.4 The date five (5) days after deposit in the United States mail, if mailed postpaid and correctly addressed to an address other than that shown in the State Association's records.
- 5.3 **Adjourned Meeting:** If the members adjourned any membership meeting to a different date, time, or place, the Secretary need not give notice of the new date, time and place, if the new date, time, and place is announced at the meeting before adjournment.
- 5.3.1 If a new record date for the adjourned meeting is fixed, or must be fixed, the Secretary must give notice in compliance with these bylaws.
- 5.4 **Waiver of Notice:** Any member entitled to a notice may waive notice of the meeting (or any notice required by the Montana Nonprofit State Association Act or bylaws). The waiver must be in writing and signed, and the member must send the notice of waiver to the State Association (either before or after the date and time stated in the notice) for inclusion in the minutes or filing with the corporate records. A member's attendance at a meeting:
- 5.4.1 Waives the member's right to object to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.
- 5.4.2 Waives the member's right to object to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.
- 5.5 **Contents of Notice:** Unless the Montana Nonprofit State Association Act requires it, the notice of an annual membership meeting need not include a description of the meeting's purpose or purposes. However the notice of each special membership meeting shall include a description of the meeting's purpose or purposes.
- 5.5.1 Regardless of whether the notice is of an annual or special membership meeting, if a purpose of the meeting is for the members to consider either:
- 5.5.1.1 a proposed amendment to the articles of the State Association (including any restated articles requiring member approval);
- 5.5.1.2 a plan of merger;
- 5.5.1.3 the sale, lease, exchange or other disposition of all, or substantially all of the State Association's property;
- 5.5.1.4 the dissolution of the State Association; or
- 5.5.1.5 the removal of a director,
- ◆ then the notice must state this purpose and be accompanied by a copy or summary, if applicable, of the:
- 5.5.1.6 amendment to articles;
- 5.5.1.7 plan of merger; or
- 5.5.1.8 transaction for disposition of all the State Association's property.
- 5.5.2 Likewise, if the State Association indemnifies or advances expenses to a

director as defined by the Montana Nonprofit State Association Act, the Secretary shall report this information in writing to all the members with or before notice of the next membership meeting.

Section 6 “ Conduct of Membership Meetings:

The President, or in the President's absence, the President-Elect, or in their absence, any person chosen by the members present, shall call the membership meeting to order and shall act as the chairperson of the meeting.

- 6.1 The chairperson (or a person designated by the chairperson) shall establish rules of the meeting that will freely facilitate debate and decision making.
- 6.2 The chairperson will indicate who may speak when, and when a vote will be taken.
- 6.3 The Secretary of the State Association shall act as the secretary of all meetings of the members, but in the Secretary's absence, the presiding officer may appoint any other person to act as the secretary of the meeting.
- 6.4 **Order of Business:** The order of business at a membership meeting shall be as follows:
 - 6.4.1 Call to order.
 - 6.4.2 Reading of prior minutes.
 - 6.4.3 Election of directors, if that is the purpose of the meeting.
 - 6.4.4 Business specified by the notice.
 - 6.4.5 Unfinished business.
 - 6.4.6 New business.
 - 6.4.7 Adjournment.
- 6.5 At annual meetings, the President and Treasurer shall report on the activities and financial condition of the State Association.

ARTICLE 11 “ Corporate (State Association) Records

Section 1 “ Minutes and Accounting Records:

The State Association shall keep a permanent record of the minutes of all meetings of the Board of Directors, the Executive Committee, other committees, and its members; a record of all actions taken without a meeting, and a record of all actions taken by any board or committee acting on behalf of the State Association. The State Association shall maintain appropriate accounting records.

Section 2 “ Membership List:

The State Association shall maintain a record of the members' names and contact/membership information as defined in these bylaws. This record may only be used for State Association

purposes.

Section 3 “ Form:

The State Association shall maintain its records in written form (hardcopy) and electronic form (databases, spreadsheets, and on the web as appropriate).

Section 4 “ Other Records:

The State Association shall keep a copy of the following records at its principal office or at a location from which the records may be recovered within two (2) business days:

- 4.1 its articles or restated articles of incorporation and all amendments to them currently in effect;
- 4.2 its bylaws or restated bylaws and all amendments to them currently in effect;
- 4.3 resolutions adopted by its Board of Directors;
- 4.4 the minutes of all membership meetings, and records of all actions taken by members without a meeting, for the past three (3) years;
- 4.5 the financial statement furnished for the past three (3) years to the members;
- 4.6 a list of the names and business addresses of its current directors and officers; and,
- 4.7 its most recent annual report delivered to the Secretary of State.

Section 5 “ Member's Rights to Inspect Corporate Records:

- 5.1 **Absolute Inspection Rights of Records by Members:** A member (or a member's agent or attorney) is entitled to inspect and copy, at a reasonable time and location specified by the State Association, any of the records of the State Association described in the section above.

The member must give the State Association written notice or a written demand to inspect at least five (5) days before the date on which the member wishes to inspect and copy.

- 5.2 **Conditional Inspection Right:** The member (or the member's agent or attorney) may inspect and copy, at a reasonable time and reasonable location specified by the State Association, additional records if the member meets the following criteria:
 - 5.2.1 the member must give the State Association a written demand to inspect made in good faith and for a proper purpose at least five (5) business days before the date on which the member wishes to inspect and copy; and the member must describe with reasonable particularity:
 - 5.2.2 the member's purpose and
 - 5.2.3 the records that the member desires to inspect; and
 - 5.2.4 the State Association must approve that the records are directly connected with the member's purpose.

- 5.3 **Additional Records:** If the member meets the requirements of section 2.19(b), the member may inspect and copy:
- 5.3.1 excerpts from minutes of any meeting of the Board of Governors, records of any action of a committee of the Board of Governors acting on behalf of the State Association, minutes of any meeting of the members, and records of action taken by the members without a meeting, to the extent not subject to inspection under paragraph (a) of section 2.18;
 - 5.3.2 accounting records of the State Association; and
 - 5.3.3 subject to provisions of section 2.10(c), the membership list.
- 5.4 **Copy Costs:** The right to copy includes the right to photograph, Xerox, or copy by other reasonable means. The State Association may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. The charge may not exceed the estimated cost of production or reproduction of the records.

ARTICLE 12 “ Contracts, Loans, Checks, and Deposits

Section 1 “ Contracts:

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instruments in the name of and on behalf of the State Association and such authorization may be general or confined to specific instruments.

Section 2 “ Loans:

The State Association shall not allow anyone to contract on behalf of it for indebtedness for borrowed money unless the Board of Directors authorizes such a contract by resolution. The State Association shall not allow anyone to issue evidence of the State Association's indebtedness unless the Board of Directors authorizes the issuance by resolution. The authorization may be general or specific.

Section 3 “ Checks, Drafts, etc.:

The Board of Directors shall authorize by resolution which officer(s) or agent(s) may sign and issue all State Association checks, drafts or other orders for payment of money, and notes or other evidence of indebtedness. The Board of Directors shall also determine by resolution the manner in which these documents will be signed and issued.

Section 4 “ Deposits:

The Treasurer of the State Association shall deposit all funds of the State Association, that are not being used, in banks and other depositories; the Board of Directors shall authorize by Board resolution the exact location of the banks and depositories.

ARTICLE 13 “ Notification of Attorney General

Section 1 “ General:

The Secretary of the State Association shall notify the attorney general of the State of Montana when dissolution, indemnification, merger, removal of Directors, and the sale of assets (as defined in the Montana Nonprofit State Association Act) occur. The Secretary shall deliver notice in the manner required by each event and cooperate with the Attorney General in providing necessary information.

Section 2 “ Dissolution:

In the event of dissolution, the Secretary shall give the Attorney General written notice that the State Association intends to dissolve at or before the time the Secretary delivers articles of dissolution to the Secretary of State. The notice must include a copy or summary of the plan of dissolution.

- 1.1 The State Association shall not transfer or convey assets as part of the dissolution process until twenty (20) days after the Secretary has given the written notice required by these bylaws to the Attorney General or until the Attorney General has consented in writing to the dissolution or indicated that the Attorney General will not take action in respect to transfer or conveyance, whichever is earlier.
- 1.2 When the State Association has transferred or conveyed all or substantially all of its assets following approval of dissolution, the Board shall deliver to the Attorney General a list showing those, other than creditors, to whom the State Association transferred or conveyed assets. The list must indicate the address of each person, other than creditors, who received assets and an indication of what assets each received.

Section 3 “ Indemnification:

The Secretary of the State Association must give the Attorney General written notice of its proposed indemnification of a Director. The State Association may not indemnify a Director until twenty (20) days after the effective date of the written notice.

Section 4 “ Merger:

The Secretary of the State Association must give the Attorney General written notice of a proposed merger of the State Association, and include with the notice a copy of the proposed plan of merger, at least twenty (20) days before consummation of any merger.

Section 5 “ Removal of Directors:

The Secretary of the State Association must give written notice to the Attorney General if the State Association or at least ten percent (10%) of its members commence a proceeding to remove any Director by judicial proceeding.

Section 6 “ Sale of Assets:

The Secretary of the State Association must give written notice to the Attorney General twenty (20) days before it sells, leases, exchanges, or otherwise disposes of all or substantially all of its property if the transaction is not in the usual and regular course of its activities, unless the Attorney General has given the State Association a written waiver of this subsection.

ARTICLE 14 “ Indemnification

Section 1 “ General:

An individual made a party to a proceeding because the individual is or was a Director, Representative, Officer, Agent, or Employee of the State Association may be indemnified against liability incurred in the proceeding, but only if the indemnification is both determined permissible and authorized, as defined in these bylaws.

1.1 **Determination and Authorization:** The State Association shall not indemnify the Director, Representative, Officer, Agent, or Employee under these bylaws unless:

1.1.1 **Determination:** Determination has been made in accordance with procedures set forth in the Montana Nonprofit State Association Act that the individual(s) met the standard of conduct set forth in the subsection below.

1.1.2 **Authorization:** Payment has been authorized in accordance with procedures listed in the Montana Nonprofit State Association Act based on a conclusion that the expenses are reasonable, the State Association has the financial ability to make the payment, and the financial resources of the State Association should be devoted to this use rather than some other use by the State Association.

1.2 **Standard of Conduct:** The Director, Representative, Officer, Agent, or Employee shall demonstrate that:

1.2.1 the Director, Representative, Officer, Agent, or Employee acted in good faith; and

1.2.2 the Director, Representative, Officer, Agent, or Employee reasonably believed:

1.2.2.1 in acting in an official capacity with the State Association, that the Director, Representative, Officer, Agent, or Employee...s conduct was in the State Association's best interests;

1.2.2.2 in all other cases, that Director, Representative, Officer, Agent, or Employee...s conduct was at least not opposed to the State Association's best interests; and

1.2.2.3 in the case of any criminal proceeding, that the Director, Representative, Officer, Agent, or Employee had no reasonable cause to believe that the conduct was unlawful.

1.2.3 An Director, Representative, Officer, Agent, or Employee...s conduct with respect to an employee benefit plan for a purpose the Director, Representative, Officer, Agent, or Employee...s reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirement of these bylaws.

1.2.4 The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, a determination that the Director, Representative, Officer, Agent, or Employee did not meet the standard of conduct described in this section.

Section 2 “ No indemnification Permitted in Certain Circumstances:

The State Association shall not indemnify a Director, Representative, Officer, Agent, or Employee under these bylaws if:

2.1 the Director, Representative, Officer, Agent, or Employee was adjudged liable to the

State Association in a proceeding by or in the right of the State Association; or

- 2.2 the Director, Representative, Officer, Agent, or Employee was adjudged liable in any other proceeding charging that the Director, Representative, Officer, Agent, or Employee improperly received personal benefit, whether or not the individual acted in an official capacity.

Section 3 “ Indemnification Limited:

Indemnification permitted under these bylaws in connection with a proceeding by the State Association or in the right of the State Association is limited to the reasonable expenses incurred in connection with the proceeding.

Section 4 “ Advance Expenses:

The State Association may pay for or reimburse, in advance of final disposition of the proceeding, the reasonable expenses incurred by a Director, Representative, Officer, Agent, or Employee who is a party to a proceeding if:

- 4.1 by following the procedures of the Montana Nonprofit State Association Act the Board of Directors determined that the Director, Representative, Officer, Agent, or Employee met the requirements listed below; and
- 4.2 the Board of Directors authorized an advance payment to a Director, Representative, Officer, Agent, or Employee; and
- 4.3 the Director, Representative, Officer, Agent, or Employee has furnished the State Association with a written affirmation of the Director's good faith belief that the Director has met the standard of conduct described in these bylaws; and
- 4.4 the Director, Representative, Officer, Agent, or Employee has provided the State Association with a written undertaking, executed personally or on the Director's behalf, to repay the advance if it is ultimately determined that the Director did not meet the standard of conduct; the Director's undertaking must be an unlimited general obligation, but need not be secured, and the State Association may accept the undertaking without reference to financial ability to make repayment; and
- 4.5 the Board of Directors determines that the facts then known to it would not preclude indemnification under these bylaws or the Montana Nonprofit State Association Act.

Section 5 “ Mandatory Indemnification:

Notwithstanding any other provisions of these bylaws, the State Association shall indemnify a Director, Representative, Officer, Agent, or Employee who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Director or officer was a party because he or she is or was a Director, Representative, Officer, Agent, or Employee of the State Association, against expenses incurred by Director, Representative, Officer, Agent, or Employee in connection with the proceeding.

ARTICLE 15 “ Amendments to the Bylaws

Section 1 “ Approval of Amendments:

Unless otherwise required by the Montana Nonprofit State Association Act, an amendment to a

State Association's bylaws may be approved:

- 1.1 By the Board of Directors as long as the amendment does not relate to the number of Directors, the composition of the Board of Directors, the term of office of Directors, or the method or way in which Directors are elected or selected.
- 1.2 By the Board of Directors by two-thirds (2/3) of the votes cast or a majority of the voting power, whichever is less.
- 1.3 By the Members by two-thirds (2/3) of the votes cast or a majority of the voting power, whichever is less.

Section 2 “ Notice of Meeting to Vote Amendment:

If the Executive Committee or the Board of Directors or the Members seek to have an amendment approved, the Secretary of the State Association shall give written notice to the State Association members of the proposed meeting, in accordance with these bylaws. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and must contain or be accompanied by a copy or summary of the amendment.

Section 3 “ Approval of Amendment by Written Consent or Written Ballot:

If the Executive Committee or the Board of Directors or the Members seek to have the amendment approved by the members by written consent or by written ballot, the material soliciting the approval must contain or be accompanied by a copy or a summary of the amendment.

Section 4 “ Members' Rights:

The Members of the State Association members may amend or repeal or reinstate any bylaw amended, deleted or added by the State Association Board of Directors.