

**HAMILTON DOWNTOWN ASSOCIATION**  
**BYLAWS**

Adopted December 2014

**ARTICLE I. ORGANIZATION AND MISSION**

**SECTION 1. NAME:** The organization name shall be the Hamilton Downtown Association (HDA).

**SECTION 2. PURPOSE:** The purpose of the Hamilton Downtown Association shall be to maintain the vitality of the Hamilton business community; to promote downtown Hamilton, and Hamilton generally, as a cultural, historic, entertainment and business destination; to educate citizens about products and services available locally, and the importance of supporting local businesses and non-profits; and to contribute to the vitality and well-being of our community.

**SECTION 3. FISCAL YEAR:** January 1 to December 31st shall be the fiscal year for the HDA.

**SECTION 4. OFFICE:** The principle office of the HDA shall be located at 211 W. Main Street, Hamilton, MT 59840. The mailing address of the HDA shall be P.O. Box 424, Hamilton, MT 59840. The association may have other offices as the Board of Directors may establish from time to time.

**ARTICLE II. MEMBERSHIP, ELIGIBILITY, DUES, AND TERMINATION**

**SECTION 1. MEMBERSHIP AND ELIGIBILITY:** Any business, individual or non-profit located within the Hamilton trade area that supports the purpose of the HDA is welcome to join the Hamilton Downtown Association, and to participate in HDA events and programs. Members may join at any time during the year and their membership will be valid until the end of the calendar year.

**SECTION 2. DUES:** The Board of Directors shall approve a schedule of membership dues, payment of which shall entitle the payee to all rights and privileges of membership in the association.

**SECTION 3. TERMINATION:** In the event that an HDA member engages in behavior or actions that, in the sole discretion of the HDA Board, are in conflict with the purpose of the HDA, the HDA Board has the option to terminate said member's HDA membership, with no refund of any dues paid.

**ARTICLE III. BOARD ADMINISTRATION & ELECTIONS**

**SECTION 1. BOARD OF DIRECTORS:** The business, affairs, and property of the Hamilton Downtown Association shall be managed under the direction of a Board of Directors. The Board of Directors shall be composed of a minimum of five (5) members; the number of Directors may be increased at the discretion of the Board as circumstances demand, but there shall always be an odd number of directors.

**SECTION 2. ELECTION OF DIRECTORS:** Nominations for Directors shall be accepted at the November Membership meeting. At the December Membership meeting, each member present may vote for as many nominees as there are positions to be filled, and the nominees receiving the most votes shall be elected as Board Members.

**SECTION 3. DIRECTOR ELIGIBILITY:** Each Director shall be a member of the Association or be employed at a member business, and shall receive no compensation for services as a Director. Failure to maintain membership in good standing will serve as resignation of a Director's office. Regular attendance at board meetings will be expected of all Directors.

**SECTION 4. TERMS:** Directors shall serve three-year terms, with terms staggered such that each year approximately one-third of the board terms will expire. Directors may serve with no term limits.

**SECTION 5. VACANCIES:** Any vacancy occurring in the Board of Directors shall be filled by the simple majority vote of the remaining Board members present at a regular board meeting. The new Director shall serve the remainder of his/her predecessor's term in office, before becoming eligible to serve his/her own term.

**SECTION 6. RESIGNATION:** Any Board member may resign from the board by providing written notice to an officer of the Board.

**SECTION 7. EXPULSION:** The Board may vote to expel a member from the board for the non-payment of dues, significant absenteeism, or for willful non-conformity with the purpose and mission of the HDA.

**SECTION 8. ELECTION OF OFFICERS:** At the first board meeting of each year, the board shall elect its officers for the coming year. The officers of the Association shall include a Chair and Vice-chair, Treasurer, and Secretary. The term for Officers shall be one (1) year.

**SECTION 9. BOARD MEETINGS:** The Board of Directors shall adopt a regular schedule of meetings. A quorum will consist of a majority of the number of Directors. No business may be conducted at a meeting until a quorum is present. The directors present at a duly called meeting may continue to conduct business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum. The dates and times of HDA Board meetings shall be indicated on the Hamilton Downtown Association website calendar, and meetings shall be open to all HDA members.

**SECTION 10. NOTICE OF MEETINGS:** Each of the directors must be notified of the place, date, and time of each meeting of the Board of Directors by written or electronic means, or in person, at least seven days before the meeting. Attendance at a meeting by a director shall be a waiver by that director of notice of the time and place of the meeting. Each director shall advise the Secretary from time to time of the mailing address, email address, or telephone number to which notices of meetings shall be sent, and notices shall be effective if sent to that director at that address, email address, or telephone number.

**SECTION 11. ACTION WITHOUT A MEETING:** Any action required to be taken at a meeting of the Board of Directors, may be taken without a meeting if a written or electronic instrument setting forth the action to be taken is signed or electronically endorsed by all of the Directors then in office. Any such written consent shall be inserted in the minute book as if it were the minutes of a Board meeting.

#### **ARTICLE IV. GENERAL MEMBERSHIP MEETINGS**

**SECTION 1. GENERAL MEMBERSHIP MEETING:** The annual general membership meeting shall be held in January of each year. A schedule of meetings shall be adopted at the General Membership Meeting.

**SECTION 2. SPECIAL MEETINGS:** A special meeting of the general membership may be called by the Chair or, in their absence, the Vice-Chair, or by a quorum of the Board of Directors.

**SECTION 3. QUORUM:** At all general membership meetings, the presence of seven (7) members in good standing shall constitute a quorum.

#### **ARTICLE V. VOTING RIGHTS**

**SECTION 1. MEMBERS:** Each member of the Association shall be entitled to one vote. Business members shall designate one individual to exercise their vote at general membership meetings.

**SECTION 2. SUPERVISION OF BALLOTING:** The Board of Directors shall be responsible for seeing that only those members in good standing are provided opportunity to vote on each ballot taken.

#### **ARTICLE VI. COMMITTEES**

**SECTION 1. ESTABLISHMENT:** The Board may establish working committee(s) as needed to address a need or function of the HDA organization. At least one board member shall serve on any committee. Committee members will choose a chair.

**SECTION 2. AUTHORITY:** The purpose of HDA's various committees is to create, plan and implement the programs and events of the HDA. They shall report either verbally or in writing to the Board of Directors. No standing or special committee shall represent the Association in any matter of substance without the specific authorization of the Board of Directors.

**SECTION 3. MEETINGS:** Meetings of committees may be called at any time by the chair of such committee.

## **ARTICLE VII. AUTHORIZATION OF ACTIONS**

**SECTION 1. AUTHORIZATION:** The board of directors may authorize any officer or officers, or agent or agents, to enter into any contract or to execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances.

**SECTION 2. LOANS:** No loan shall be contracted on behalf of the Association and no evidence of indebtedness issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general, or confined to specific instances.

**SECTION 3. AUTHORIZED SIGNATURES:** Only the Chair or the Treasurer of the Association may be a signatory on checks, drafts or other orders for payment of money, issued in the name of the Association, unless otherwise specified by resolution.

**SECTION 4. FUNDS:** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks or other depositories, with a physical location within the City of Hamilton, as the Board of Directors may elect.

**SECTION 5. GIFTS:** The Board of Directors may accept on behalf of the association any contribution, gift, bequest, or devise granted to further the purposes of the association.

**SECTION 6. CONTRACTS IN WHICH DIRECTORS HAVE AN INTEREST:** No contract or other transaction of the association shall be invalidated or affected by (i) the fact that any director, individually or jointly with others, may be a party to or have a personal interest in the contract or transaction, or (ii) the fact any director of the association has an interest in or is a director or officer of one of the other parties to the transaction; and each person who may become a director of this association is hereby relieved from any liability that might otherwise arise by reason of his contracting with the association for the benefit of himself or any entity in which he may have an interest; provided, that the director fully reveals his interest in the contract or transaction to the Board of Directors, and that the

contract or transaction is authorized, approved or ratified by a majority of the directors present at the meeting who do not have any interest in the transaction.

**SECTION 7. NONLIABILITY OF DIRECTORS AND OFFICERS:** The directors and officers of the association shall not be liable for the debts and obligations of the association unless they expressly agree in writing to assume any of such debts or obligations.

**SECTION 8. PROHIBITION OF LOANS TO DIRECTORS AND OFFICERS:** No loans shall be made by the association to its directors or officers.

**SECTION 9. PROHIBITED ACTIVITIES:** No member, director, officer, employee, committee member, or person connected with the association shall receive at any time any of the net earnings or pecuniary profit from the operations of the association; provided that this shall not prevent the association's payment to any person of reasonable compensation for services rendered to or for the association in effecting any of its purposes as determined by the Board of Directors.

## **ARTICLE VIII. INDEMNIFICATION OF DIRECTORS & OFFICERS, AGENTS, AND EMPLOYEES**

**SECTION 1. INDEMNIFICATION OF DIRECTORS:** An individual made a party to a proceeding because the individual is or was a director of the association may be indemnified against liability incurred in the proceeding, but only if the indemnification is both: (1) determined permissible and (2) authorized, as defined in this Section.

- A. DETERMINATION AND AUTHORIZATION. The association shall not indemnify a director unless: (1) Determination has been made in accordance with procedures set forth in the Montana Nonprofit Association Act that the director met the standard of conduct set forth below, and (2) payment has been authorized in accordance with procedures listed in the Montana Nonprofit Association Act based on a conclusion that the expenses are reasonable, the association has the financial ability to make the payment, and the financial resources of the association should be devoted to this use rather than some other use by the association.
- B. STANDARD OF CONDUCT. The individual shall demonstrate that: (1) the individual acted in good faith; and (2) the individual reasonably believed he or she was in acting in an official capacity with the association, and that the individual's conduct was in the association's best interests; in all other cases, that the individual's conduct was at least not opposed to the association's best interests; and, in the case of any criminal proceeding, that the individual had no reasonable cause to believe that the conduct was unlawful.
  - a. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of no contest or its equivalent, is not, of itself, a determination that the director did not meet the standard of conduct described in this section.

- C. NO INDEMNIFICATION PERMITTED IN CERTAIN CIRCUMSTANCES. The association shall not indemnify a director under this Section if:
- a. the director was adjudged liable to the association in a proceeding by or in the right of the association; or
  - b. the director was adjudged liable in any other proceeding charging that the director improperly received personal benefit, whether or not the individual acted in an official capacity; or
  - c. the association's insurer has determined that the claim or the director is not insurable under the association's directors and officers insurance policy.
- D. INDEMNIFICATION LIMITED. Indemnification permitted under this Section in connection with a proceeding by the association or in the right of the association is limited to the reasonable expenses incurred in connection with the proceeding.

**SECTION 2. INDEMNIFICATION OF OFFICERS, AGENTS, AND EMPLOYEES:** The Board of Directors may choose to indemnify any officer, employee, or agent of the association applying those standards described above.

**SECTION 3. MANDATORY INDEMNIFICATION:** Notwithstanding any other provisions of these bylaws, the association shall indemnify a director or officer, 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 or officer of the association, against expenses incurred by the director or officer in connection with the proceeding.

## **ARTICLE IX. DISSOLUTION of the ASSOCIATION**

**SECTION 1:** No member, director, officer, employee, committee member, or person connected with the Association shall be entitled to share in the distribution of any of the association's assets upon the dissolution of the association. Upon the dissolution or the winding up of the affairs of the Association, whether voluntary or involuntary, the assets of the Association, after all debts have been satisfied, shall be distributed, transferred, conveyed, delivered, and paid over exclusively to such organization or organizations as the Board of Directors may designate.

## **ARTICLE X. AMENDMENTS:**

**SECTION 1. BY-LAWS:** The by-laws of the Hamilton Downtown Association may be amended, added to or repealed by vote of not less than two-thirds (2/3) of the membership present at any meeting of the general membership where a quorum is present. Notice of the meeting and proposed changes shall be provided by written or electronic means to all current members at least seven (7) days in advance of the meeting date.

**SECTION 2. MEMBERSHIP VOTING:** Notice of issues to be voted on may be provided to members, in written or electronic form, at the Board's discretion. Voting may be in person at meetings, by mail, or by electronic means, as provided for by the notice. Mailed ballots must be received by the HDA at the close of the business day of the deadline posted on said notice.

By-Laws adopted by the members on: \_\_\_\_\_

HDA Board Chair: \_\_\_\_\_

HDA Board Secretary: \_\_\_\_\_