

**BYLAWS**  
**OF**  
**ASSOCIATED BUILDERS &**  
**CONTRACTORS, INC.,**  
**WESTERN MICHIGAN CHAPTER**

TABLE OF CONTENTS

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ARTICLE I	NAME, PRINCIPAL OFFICE AND AFFILIATION.....	2
ARTICLE II	PRINCIPLES OF THE MERIT SHOP PHILOSOPHY .....	2
ARTICLE III	PURPOSES AND OBJECTIVES .....	3
ARTICLE IV	CODES OF ETHICS AND MEMBERSHIP.....	4
ARTICLE V	VOTING BY MEMBERSHIP .....	7
ARTICLE VI	MEETINGS OF MEMBERS .....	7
ARTICLE VII	BOARD OF DIRECTORS.....	8
ARTICLE VIII	OFFICERS.....	10
ARTICLE IX	COMMITTEES.....	12
ARTICLE X	REGIONAL COUNCILS .....	13
ARTICLE XI	FINANCES .....	13
ARTICLE XII	INDEMNIFICATION AND D&O INSURANCE.....	14
ARTICLE XIII	AMENDMENTS.....	16
ARTICLE XIV	DISSOLUTION.....	16
ARTICLE XV	CERTIFICATION .....	16

## ARTICLE I                    NAME, PRINCIPAL OFFICE AND AFFILIATION

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- 1.1     The name of the corporation shall be Associated Builders & Contractors, Inc., Western Michigan Chapter (hereinafter referred to as the “Chapter” or “Association”).
- 1.2     The principal office of the Chapter shall be in Grand Rapids, Michigan or as designated by the Board of Directors. The Chapter may also have offices and places of business at such other places as the Board of Directors may from time to time determine.
- 1.3     In furtherance of the purposes and objects expressed in these bylaws, this Association may affiliate, by appropriate action of its membership and on whatever basis the membership may determine, with another organization or other organizations similarly dedicated. The Association is presently and it is contemplated that it will remain a Chapter of the Associated Builders & Contractors, Inc., presently located in Washington, D.C. (hereinafter referred to as the “National Association”).

## ARTICLE II                    PRINCIPLES OF THE MERIT SHOP PHILOSOPHY

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- 2.1     The Chapter is the voice of the merit shop contractor, merit shop employee and all construction companies and their employees who adhere to the philosophy of the merit shop. We assume the responsibility of making that voice heard. Toward this end, we restate, herewith, the creed of the merit contractor which we have adopted as the basic tenets of this Chapter.
  - 2.1.1    We believe that the merit construction movement is a movement for the betterment of the individual, the industry and the nation.
  - 2.1.2    We believe in the system of free enterprise.
  - 2.1.3    We believe the employees and employers should have the right to determine wages and working conditions, through either individual or collective bargaining as they choose, within the boundaries of the law.
  - 2.1.4    We believe that the employer must have concern for the general welfare of the employee and there must be a fair compensation for work performed. By the same token, we believe that the employee has an obligation for satisfactory performance of assigned work.
  - 2.1.5    We support sound legislation in the areas of worker’s compensation, safety and unemployment compensation. We believe legislation that embraces fair play for both employer and employee is essential for the preservation of the free enterprise system. The law should protect the right of employees to work regardless of race, color, creed, sex, age, or membership or non-membership in a labor organization, protected veteran status, qualified individuals with disabilities or other protected class, and we support programs toward this end.

- 2.1.6 We oppose violence, coercion, intimidation and the denial of the rights of the free working person and free management.
- 2.1.7 We believe that economy is incumbent upon all branches of government and that government should award contracts to the lowest, responsible bidder. We oppose any unjust pressure to violate these principles.
- 2.1.8 We believe that work opportunities in this nation should be made available to all people, regardless of race, color, religion, creed, age, sex, citizen status, disability, height, weight, marital status, or national origin and we support programs toward this end.
- 2.1.9 We believe that monopolies or any kind of price or wage fixing in either the public or private sector are detrimental to our system of free enterprise.
- 2.1.10 We believe that the destiny of all Americans can be best served by cooperation, reconciliation and following the tenets of free enterprise and democratic government. We believe that business people can best preserve these tenets by becoming active in politics and civil affairs.

## ARTICLE III      PURPOSES AND OBJECTIVES

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- 3.1 The primary purpose and objective of this Chapter is to foster and perpetuate the principles of the Merit Shop Philosophy.
- 3.2 In addition, the Chapter shall have the following purposes and objectives:
  - 3.2.1 Encourage, develop, and protect the building and construction industries.
  - 3.2.2 Promote confidence and goodwill within the building and construction industries and between these industries and the general public.
  - 3.2.3 Promote and make available to membership the various programs organized by the National Association.
  - 3.2.4 Organize builders, contractors, trade contractors, supplies, and related groups and interests in order to encourage the free interchange of views and techniques and to facilitate the accomplishment of the primary objective of the Association.
  - 3.2.5 Organize and promote meetings, seminars and conferences in order to maintain a well-informed industry.
  - 3.2.6 Organize, promote and make available apprenticeship and other training programs.

- 3.2.7 Communicate and cooperate with other groups and persons whose interests and concerns appear to coincide with members.
- 3.3 The Chapter has not been formed for pecuniary profit or financial gain, and no part of the assets, income or profit of the Chapter is to be distributed to or benefit its members, directors, or officers except to the extent permitted under the Michigan Non-profit Corporation Act. The Chapter does not contemplate the carrying on of a business, trade, avocation, or profession for profit except in an incidental manner as provided by law.
- 3.4 The Chapter does not have as a purpose the formation by contract, agreement, arrangement, combination or otherwise, of a monopoly in the conduct of its business, whereby competition or the free exercise of any activity in the conduct of any business, trade or commerce or in the furnishing of any service in this state, is or may be restrained.

## ARTICLE IV CODE OF ETHICS AND MEMBERSHIP

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- 4.1 The Chapter's Code of Ethics required for membership is as follows:
  - 4.1.1 To maintain a standard of performance consistent with the owner's best interest and the member's obligations.
  - 4.1.2 To quote only realistic prices and completion dates and perform accordingly.
  - 4.1.3 To cooperate to the fullest extent with the Architect and/or Engineer and other agents of the owner toward fulfillment of the contract undertaken.
  - 4.1.4 To solicit and accept bids and/or quotations only from firms who subscribe to the principles of this Code of Ethics.
  - 4.1.5 To make all payments promptly within the terms of the contract.
  - 4.1.6 To observe and foster the highest standards of safety and working conditions for employees.
  - 4.1.7 To establish realistic wage schedules for employees commensurate with their ability so that they may enjoy the dignity to which they are entitled.
  - 4.1.8 To participate actively in the training of skilled craft persons for the purpose of having such skilled craft persons available to members of this Association.
- 4.2 The categories of membership in the Chapter and eligibility for same shall be as follows:
  - 4.2.1 Regular Membership. Any person, firm, or corporation engaged in the construction industry as a general contractor, construction manager, or trade contractor, and subscribes to the Code of Ethics is eligible to become a Regular member of this Association.

- 4.2.2 Supplier membership. Any person, firm or corporation engaged in a business related to the construction industry which furnishes material or supplies to the construction industry and which furnishes materials or supplies to the construction site but which does not place or install said materials and subscribes to the Code of Ethics may, at its option, become a Regular member or a Supplier member.
  - 4.2.3 Associate Membership. Any person, firm, or corporation engaged in a business or profession allied or related to the construction industry, or which provides equipment or services to a construction site which does not become a permanent part of said site, or where the person, firm or corporation is a national firm, and subscribes to the Code of Ethics shall be eligible to become an Associate member.
  - 4.2.4 Sustaining Membership. Any person, firm, or corporation engaged in a business that is indirectly related to the construction industry, and subscribes to the Code of Ethics may become a Sustaining Member. A Sustaining Member will be eligible for such or programs and services as the Board of Directors shall approve, but will be ineligible to vote or hold an elected office.
- 4.3 Application. Application for Regular, Supplier, Associate, or Sustaining membership in this Association shall be directed in writing to the Secretary upon a form approved by the Board of Directors. Acceptance of any qualified application shall be automatic upon approval by the Board of Directors and payment of the proper dues and fees, provided, however, that the Board of Directors, by a two-thirds vote of a quorum at a regular board meeting, may reject such applicant for just cause. Just cause for rejection shall include but not be limited to a good faith belief that the applicant will not support the objectives, purposes and/or programs of the Association or will not act in the best interest of the Association. A report of such rejection shall be submitted to the office of the National Association for review by the legal counsel of the National Association. New members shall be deemed elected to the membership category determined by the Board of Directors. Any person or entity whose application for membership was rejected has a right to appeal the rejection to the National Association within thirty (30) days from receipt of the written rejection. The written rejection shall contain a notice of the right to appeal.
- 4.4 Membership in Other Associations. Any member of this Association may at any time also become a member of any other association similarly dedicated. The Association may require as a condition of membership that its members become members of any organization or organizations with which this Association might become affiliated, such as the National Association.
- 4.5 Dues. The Board of Directors shall establish the initial and annual dues for membership in the Chapter, which shall include membership dues associated with the National Association. The billing and collection these dues, including any discounts or installment payment programs shall be in a manner prescribed by the Board of Directors.
- 4.6 Expulsion and Removal from Membership

- 4.6.1 A Regular Member may be expelled from membership in the Association thirty (30) days after receipt of notice of a two-thirds (2/3) vote of the Board of Directors present and voting of the Chapter, but in no case less than one half (1/2) of the total Board of Directors.
- 4.6.2 The Regular Member subject to expulsion must be provided the following due process rights at least thirty (30) days prior to the vote of the Board of Directors on the proposed expulsion:
  - 4.6.2.1 Written notification of the reason(s) for the proposed expulsion.
  - 4.6.2.2 An opportunity for an unbiased hearing before the Board of Directors. Place, time and date must be provided to the member in writing, if requested by the member.
  - 4.6.2.3 The right and opportunity to see and examine all evidence as well as cross-examine witnesses.
  - 4.6.2.4 The right to answer and refute all charges.
  - 4.6.2.5 A notification in writing of the right to appeal to the Executive Committee of the National Association.
- 4.6.3 A report of such expulsion (to include verification of the due process rights) shall be forwarded within forty-eight (48) hours of the vote of the Board of Directors to the office of the National Association for review by legal counsel, with a copy provided to the member.
- 4.6.4 The expelled member shall have a right of appeal to the Executive Committee of the National Association within thirty (30) days of receipt by the member of written notification of expulsion. Such member shall maintain the rights and privileges of membership during such appeal. However, the right of a member to vote and all other rights and privileges, including all property rights, shall cease upon termination of the membership or the conclusion of any appeal.
- 4.6.5 A Supplier, Associate, or Sustaining Member may be expelled from membership in the Association at any time by a two-thirds vote of the Board of Directors for actions it deems harmful to the best interest of the Association, its objectives and purposes or the programs of the Association. The appeals process listed above also is applicable to these members.
- 4.6.6 Delinquency in payment of dues is sufficient cause for expulsion of a member.
- 4.6.7 By dissolution of this Association. The right of a member to vote and all other rights and privileges, including all property rights, shall cease upon dissolution of the Association.

- 4.6.8 Reinstatement. Any member may be reinstated by the Board of Directors under such conditions as the Board may determine.

## ARTICLE V VOTING BY MEMBERSHIP

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- 5.1. Voting Rights. Whenever a vote of the membership is to be taken, each Regular, Supplier, or Associate member shall be entitled to one (1) vote. A Sustaining member shall not be entitled to vote.
- 5.2. Eligibility List. Prior to any vote of the membership, the Secretary shall present a list of all members and shall confirm that the members who are on this Eligibility List may cast their votes in any such vote.
- 5.3. Quorum. Ten percent (10%) of the members entitled to vote, shall constitute a quorum at any meeting of this Association. A vote by proxy, in person or electronically shall constitute presence at a meeting for purposes of obtaining a quorum.
- 5.4. Proxy. A member entitled to vote may authorize any person, including an officer or director of the Board of Directors, to act for the member by proxy. Such proxy shall be in writing or in an email from the member to the authorized person and be available for inspection at the time the votes are counted on any particular vote.
- 5.5. Method of Voting. Members entitled to vote on any particular matter may do so either in person or electronically, at the discretion of the Board of Directors, on or prior to the date of any properly noticed meeting for a vote of the membership. Voting electronically or in person on any question before a meeting of the members shall be done in a manner prescribed by the Board of Directors.
- 5.6. Written Consent. The members may take any action or vote, including at a special meeting or the annual meeting to elect the Board of Directors, without a meeting by written consent or by ballot, so long as notice of any proposed action is given by personal service, mail or electronic mail not less than ten (10) or more than sixty (60) days before the meeting. In addition, when electing the Board of Directors in lieu of the annual meeting (1) the notice must state the date when the Association must receive the vote of the member, and (2) a written or electronic ballot must be provided to each member not less than twenty (20) days and not more than sixty (60) days before the counting of the votes. An action is considered approved by the members by electronic or written ballot if the total number of votes cast equals or exceeds the quorum required to be present at a meeting to take the action, and the number of favorable votes cast by the members exceeds the number of votes required to approve the action.

## ARTICLE VI MEETINGS OF MEMBERS

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- 6.1 Annual Meeting. The Annual Meeting of the members of this Association shall be held at such time and place and in such manner as shall be designated by the Board of Directors, one of the purposes of which shall be the election of Board of Directors.

- 6.2 Notice of Annual Meeting. At least twenty (20) days prior to the date of the Annual Meeting, written notice of the time and place of such meeting shall be mailed by first class mail or electronic mail by the Secretary to all members of the Association.
- 6.3 Regular Meetings. The Board of Directors shall establish a schedule of regular meetings of the membership.
- 6.4 Special Meetings. A special meeting of the members may be called by the Board Chair, at his/her discretion, and shall be called by the Board Chair upon the written request of a majority of the Board of Directors or upon the written request of five (5) or more members; provided however, that in all such cases, the request must specify the purpose of such meeting. Notice of a special meeting shall be mailed by first class mail or electronic mail by the Secretary to each member at least five (5) business days prior to the date of such meeting.
- 6.5 Right to Attend. No person other than a member shall be admitted to any meeting of the members of the Association, except with the permission of the presiding officer of such meeting.

## ARTICLE VII BOARD OF DIRECTORS

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- 7.1 The purpose of the Board of Directors is manage the business, property and affairs of the Association in accordance with these bylaws.
- 7.2 Representation. The Board of Directors shall be composed of representatives of at least twelve (12) members in good standing, who shall be elected by the members. Persons elected as directors shall represent as many membership classifications of members as reasonably practicable.
- 7.3 Ex Officio Members of the Board of Directors. The Board Chair, with approval by the Board of Directors, may appoint ex officio members of the Board of Directors for any appropriate reason. Ex officio members of the Board of Directors shall serve a term of one (1) year, but may be reappointed in the same manner for additional one (1) year terms. Ex officio members of the Board of Directors shall be invited to attend meetings of the Board of Directors, shall not have a vote and their presence is not required for the determination of a quorum.
- 7.4 Meetings. The Board of Directors shall establish a schedule of no less than six (6) regular meetings to be held during each year, and at least one (1) per quarter. A special meeting of the Board of Directors may be called by the Board Chair or at the discretion of a majority of the Board of Directors.
- 7.5 Quorum. Attendance in person or electronically (phone or video) by fifty-one percent (51%) of the total membership of the Board of Directors shall constitute a quorum.



- 7.6 Voting. Except as set forth herein, any vote by the Board of Directors shall pass if the majority of the Board of Directors votes in favor of the action.
- 7.7 Duties. The Board of Directors shall have supervision of the conduct of the affairs of the Association, including but not limited to, the authority to establish the locations of offices for the Association as it deems necessary; to approve and provide adequate funds for the operation of the Association, including such staff positions as the Board of Directors feels are necessary and desirable; to establish the initial and annual dues for membership in the Chapter, which shall include membership dues associated with the National Association; to oversee the billing and collection these dues, including any discounts or installment payment programs as the Board of Directors may determine; to adopt, and modify from time to time, a policy for reimbursement of expenses of directors, officers and staff; to direct the prompt payment of all proper expenditures, require a system of proper control of the funds of the Association and provide a system of accounting for the Association and the various units within the Association in order to produce proper records for expeditious audits and government reports, and to do everything necessary and desirable in the conduct of the affairs of the Association and in accordance with these bylaws.
- 7.8 Compensation and Expenses. Directors shall not be compensated for services to the Association. Directors shall be reimbursed for any expenses incurred in connection with their duties as Directors and activities on behalf of the Association in accordance with a policy to be adopted from time to time by the Board of Directors.
- 7.9 Term
- 7.9.1 The terms of Directors shall be staggered and Directors shall serve a term of three (3) years. Except that, in a case where it is necessary for a Director's term to be extended so that his/her obligations as an officer of the Chapter may be met, that Director's term may be extended. The term of office shall begin on January 1 following election to the Board of Directors.
- 7.9.2 In the event that a Director is unable, for any reason, to complete his/her term of office, the remaining duly elected Board of Directors, by a majority vote, shall be empowered to select a member in good standing of the Chapter to fill out the aforementioned Director's term of office.
- 7.9.3 A Director may be elected to a maximum of two (2) consecutive terms. However, if a Director has served on the Board of Directors in the past and six (6) years has passed since that person last served on the Board of Directors, that person is eligible to become a Director for up to two (2) consecutive additional terms. Completing an unexpired term of a prior Director shall not constitute a term, unless the unexpired period is greater than two (2) years.
- 7.10 Removal
- 7.10.1 Failure to attend two-thirds (2/3) of the scheduled meetings without adequate reason may be cause, among other causes, for replacement of a Director.

- 7.10.2 The Board of Directors can remove a Director at a specially called meeting of the Board of Directors for that purpose with thirty (30) days written notice to the Director sought to be removed.
- 7.10.3 Removal of a Director requires a two-thirds (2/3) vote of the Board of Directors in a meeting where a quorum has been established, exclusive of the Director subject to removal.
- 7.10.4 Reinstatement shall be granted upon a vote of two-thirds (2/3) of the Board of Directors in a meeting where a quorum has been established.
- 7.11 Written Consent. The Board of Directors may take any action or vote, without a meeting by written consent, so long as notice of any proposed action is given by personal service, mail or electronic mail not less than ten (10) or more than sixty (60) days before the meeting of the Board of Directors. An action is considered approved by the Board of Directors if the total number of votes cast, either in writing or electronically as determined by the Board of Directors, equals or exceeds the quorum required to be present at a meeting to take the action, and the number of favorable votes cast by the members exceeds the number of votes required to approve the action. Any action so taken must be provided to all members of the Board of Directors in writing or by email within a reasonable period of time following such action.

## ARTICLE VIII OFFICERS

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- 8.1 Officers. The Officers of the Association shall consist of the Board Chair, Chair-Elect, Immediate Past Board Chair, President and Chief Executive Officer, Secretary and Treasurer and shall be elected or retained by the Board of Directors in the manner set forth in this Article.
- 8.1.1 Board Chair. The Board Chair of the Association shall be the chief elected officer of the Association, shall preside at all meetings of the Association and shall serve as Chair of the Board of Directors. He/she shall have authority to appoint the members of each Standing Committee set up by the Board of Directors and either he/she, or the Chair-Elect may serve as a member, ex officio, of all such committees without power to vote. At all meetings of the Association and at such other times as the Board Chair may deem appropriate, he/she shall communicate to the Board of Directors or to the members such matters or suggestions as may, in his/her opinion, tend to promote the welfare and increase the usefulness of the Association. He/she shall perform such other duties as are incidental to the office of the Board Chair of the Association or as may be delegated to him/her by these bylaws or by the Board of Directors.
- 8.1.2 Chair-Elect. The Chair-Elect of the Association shall perform all the duties of the Board Chair in his/her absence and, in case the office of the Board Chair shall become vacant, he/she shall succeed to that office until such time as a successor to the Board Chair shall have been duly qualified and elected. He/she may serve

in place of the Board Chair as a member, ex officio, of such Standing Committees as he/she shall be appointed to by the Board Chair without power to vote. The Chair-Elect shall also carry out such duties as may be delegated to him/her by these bylaws or by the Board of Directors. The Chair-Elect shall coordinate and oversee all Chapter committees to see that committees are functioning and carrying out their assigned tasks, shall serve on the Nominating Committee.

8.1.3 Immediate Past Board Chair. The Immediate Past Board Chair shall assume such duties as may be delegated to by these bylaws, by the Board Chair, or by the Board of Directors.

8.1.4 President and Chief Executive Officer (“President”).

8.1.4.1 The Board of Directors shall retain a President and Chief Executive Officer, and other professional services as are necessary to carry forward the purpose and objectives of the Association; e.g. law, personnel, labor relations, etc. The President may retain such professional services to protect the Association from legal and financial risks and to comply with the obligations set forth in these bylaws. Such counsel shall present a report to the Board of Directors upon request of the Board of Directors upon thirty (30) days’ notice in writing.

8.1.4.2 Duties of President. The President shall be responsible for the day to day operation of the Chapter and for the preparation of detailed job descriptions for all members of the staff which shall be approved by the Executive Committee. The job descriptions shall assign the President full authority over all members of the staff and the actions thereof. Whatever authority is not delegated by the President shall remain in the President unless otherwise determined by the Board of Directors or otherwise specified by the bylaws. The President is responsible for the hiring, promotion and dismissal of staff members, including providing bonuses and raises for staff if allowed under the budget approved by the Board of Directors.

8.1.4.3 Dismissal of President. The Chapter President is hired on an “at will” basis and can be terminated at any time by a majority vote of all persons serving on the Board of Directors.

8.1.4.4 Evaluation and Compensation of President. The Executive Committee will meet with the President annually for the purposes of conducting a performance evaluation. The Executive Committee shall establish reasonable compensation of the President.

8.1.5 Secretary. The Secretary of the Association shall record and prepare the minutes for all meetings of the Association and the Board of Directors, provide for the safeguarding of the records of the Association, and assume such other duties as may be delegated to the Secretary by these bylaws, by the Board Chair, or by the Board of Directors. The Secretary shall be elected by the Executive Committee

from the members of the Board for a term of one (1) year, and shall be confirmed by a vote of two-thirds (2/3) of the Board of Directors. The Secretary shall ensure that all records of the Board of Directors are maintained and kept safe and secure.

8.1.6 Treasurer. The Treasurer of the Association shall ensure that written financial reports of the organization are presented to the board on a monthly basis or more often if so directed by the Board, have charge and/or oversight over all receipts and disbursements and make an itemized financial report at each Annual Meeting available to the members of the Association, or at such other times as the Board Chair may direct, and assume such other duties as may be delegated to the Treasurer by these bylaws, by the Board Chair, or by the Board of Directors. The Treasurer shall be elected by the Executive Committee from the members of the Board for a term of two (2) years, and shall be confirmed by a vote of two-thirds (2/3) of the Board of Directors. The Treasurer should possess a financial background, but need not be a Certified Public Accountant.

8.2 Compensation and Expenses. Except for the President, officers shall not be compensated for their service to the Association. Officers shall be reimbursed for any expenses incurred in connection with their activities as officers on behalf of the Association in accordance with a policy to be adopted by the Board of Directors.

8.3 Elections. Each year in accordance with these bylaws and prior to the annual meeting, the Nominating Committee shall submit a slate of candidates to serve on the Board of Directors, and as Chair-Elect, to the members for a vote. Each year the members shall vote on a Chair-Elect, which shall be an officer position with a three (3) year term as follows. The Chair-Elect shall succeed in year two to the officer position of Board Chair, and in year three shall succeed to the officer position of Immediate Past Board Chair.

## ARTICLE IX COMMITTEES

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9.1 Standing Committees. There shall be at least the following Standing Committees: Executive, Nominations, Audit, Membership, Budget and Finance, Legislative Affairs, Safety and Program. The Treasurer shall serve as the chair of the Budget and Finance Committee. Additional standing committees may be designated by the Board and additional special committees may be designated by the Board Chair. The members of the committees designated by the Board of Directors shall be appointed by the Board Chair. All members of and standing or special committees, shall serve a term of one (1) calendar year or until a replacement is appointed, and except for the Executive Committee, come under the direct supervision of the Chair-Elect. The Chair-Elect shall be assisted by the President and chapter staff in aiding the committees to accomplish their tasks. The President and Board Chair shall be a member ex-officio of all standing and special committees. The President shall act as liaison of the Board of Directors and all committees.

9.1.1 Executive Committee. The Executive Committee shall (1) consult with and advise the President of the Chapter; (2) make decisions on matters that arise when time

does not permit to call a meeting of the Board of Directors; (3) advise to the Board of Directors on matters of policy; and (4) assist the President and Board Chair in carrying out the mandates of the Board of Directors and the membership of the Association. Members of the Executive Committee shall include at a minimum the President, Board Chair, Chair-Elect, Immediate Past Board Chair, Secretary, and Treasurer. The officers may appoint members at large to the Executive Committee to one year terms; such at large members shall have a vote at such meetings. The President shall not have a vote on the Executive Committee and shall not be counted toward the persons needed for a quorum. A majority vote of the members of the Executive Committee is necessary to pass any vote taken.

- 9.1.2 Nominating Committee. The Nominating Committee shall consist of the same members as the Executive Committee. This committee shall submit to the Board of Directors a slate of candidates for the offices listed in these bylaws and required number of Directors by no later than August 15 of the election year to the Board of Directors for approval. At the discretion of the committee, more than one nominee for any office may be submitted. Upon approval by the Board of Directors, the ballot will be communicated to the general membership electronically. The ballots will be distributed to the general membership no later than December 1 of the election year. A plurality of those voting shall elect the Directors. In the event of a tie vote, the Board of Directors shall determine the winner by a majority vote. Upon the approval of the report by the Board of Directors, the general membership will be notified of the election results.

## ARTICLE X REGIONAL COUNCILS

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- 10.1 At its discretion the Executive Committee may appoint members in good standing from a particular region to a regional council to coordinate local efforts and activities and represent the concerns of the Association on a local level. The council members shall be appointed, if at all, on an annual basis and shall meet, qualify and elect a council representative to the Board of Directors. The representative of the regional council shall be responsible for regular reporting to the Board of Directors on regional council activities. All activities conducted by the council and the region will be subject to Chapter Board of Directors policies and bylaws.

## ARTICLE XI FINANCES

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- 11.1 Dues. The Board of Directors shall collect adequate dues as set forth herein to fund the operation of the Association.
- 11.2 Expenses. All proper expenses of the Association are subject to approval of the Board of Directors.
- 11.3 Budget. A budget of income and expenses shall be prepared annually by the Budget and Finance Committee, in such time to the Board of Directors so that it may be approved for the following fiscal year. The Budget shall constitute the general controls for income and

expenses of the Association. No unbudgeted expenditure shall be made without approval of a majority of the Executive Committee. The budget may be revised upon the recommendation of the Finance and Budget Committee and the approval of the Board of Directors of the Association.

- 11.4 Fiscal Year. The fiscal year of the Association shall run from January 1st to December 31st.
- 11.5 Accounting. Income and expenditures statement shall be submitted to the Executive Committee and the Board of Directors at a minimum at each regular meeting of the Executive Committee and the Board of Directors. Such reports shall include the budget for each item, expenditure of income charged against such budgeted item for the year to date and the anticipated expenditure or income for each budgeted item for the remainder of the year.
- 11.6 Audit. A complete audit or financial review of the income, expenditures, assets, and liabilities of the Association shall be performed following the close of each fiscal year. A registered accounting firm shall perform this audit or review and report of such shall be submitted to the Executive Committee and the Board of Directors of the Association within one hundred eighty (180) days of the end of the fiscal year. The auditor shall be a Certified Public Accountant. The auditor shall prepare the annual financial statement of the Chapter on a fee for services basis and perform such other duties as directed by the Executive Committee.

## ARTICLE XII INDEMNIFICATION AND D&O INSURANCE

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- 12.1 Indemnification. Third Party Actions. Subject to the limitation provided in Article 12.4, this Association shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he/she is or was a director, officer, employee or agent of this Association, or is or was serving at the request of this Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of this Association or its members, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of "nolo contendere" or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interests of this Association or its members, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.
- 12.2 Indemnification. Mandatory and Permissive Payments.

12.2.1 To the extent that a director, officer, employee or agent of this Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Article 12.1, or in defense of any claim, issue or matter therein, he/she shall be indemnified, subject to the limitation provided in Article 12.4, against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection therewith.

12.2.2 An indemnification under Article 12.1 shall be made by this Association only as authorized in a specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he/she has met the applicable standard of conduct as set forth herein. Such determination shall be made in any of the following ways:

1. By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.
2. If such quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.
3. By a vote of the members.

12.3 Indemnification. Expense Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by this Association, subject to the limitation provided in Article 12.4, in advance of the final disposition of such action, suit or proceeding upon receipt of 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/she is entitled to be indemnified by this Association and upon authorization in any of the following ways:

1. By the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.
2. If such quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.
3. By a vote of the members.

12.4 Indemnification. Insurance. Indemnification of a director, officer, employee or agent of this Association under Article 12.1, 12.2 and 12.3 shall be limited to the extent that such indemnification can be covered by insurance to be purchased by the Association, unless the Board of Directors decides that the Association will provide indemnification over and above the insured amounts.

12.5 Insurance. The Association shall obtain directors and officers insurance policies to address the potential liabilities posed by the performance of the obligations of the members of the Board of Directors as set forth in these bylaws. The Board of Directors shall review and approve the terms of the policy on a yearly basis.

## ARTICLE XIII AMENDMENTS

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- 13.1 These bylaws may be amended in whole or in part, by a two-thirds (2/3) vote of the members entitled to vote where a quorum has been established.
- 13.2 Notice of any proposal amendment must be furnished to the Secretary in writing at least thirty (30) days before the meeting at which such amendment is to be voted upon. A copy of any proposed amendment submitted to the Secretary must be mailed by regular mail or electronic mail to each member of the Association at least fifteen (15) days before the meeting at which the amendment is to be voted upon.
- 13.3 Prior to the adoption of bylaws or amendments thereto, copies will be forwarded to the Secretary of the National Association for study and approval of the National Association.

## ARTICLE XIV DISSOLUTION

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- 14.1 Upon dissolution of this Association, its assets and any funds remaining in its treasury shall be disbursed to any such trade associations, charitable, educational, or religious organizations as are described in Sections 501 c (6) or 501 c (3) of the Internal revenue Code as the Board of Directors shall determine by a two-thirds (2/3) vote of the Board present at a meeting where such a vote is to be taken.

## ARTICLE XV CERTIFICATION

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I, \_\_\_\_\_, Secretary of the ASSOCIATED BUILDERS & CONTRACTORS, INC., WESTERN MICHIGAN CHAPTER certify that this is a copy of bylaws submitted to and approved by the Board of Directors of this Association at a meeting held \_\_\_\_\_, 2017 and by a vote of the membership of this Association on \_\_\_\_\_, 2017.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date