

**BYLAWS
OF THE
LAGUNA HILLS CHAMBER OF COMMERCE**
(A California nonprofit association)

ARTICLE I. GENERAL

Section 1. Name. This organization is a nonprofit association under the laws of the State of California and shall be known as “Laguna Hills Chamber of Commerce” and “Laguna Hills Chamber” and “lagunahillschamber.com”. Herein referred to as “Chamber”.

Section 2. Purpose. This Chamber is organized to:

1. To provide opportunities and benefits for Chamber Members to help strengthen their business.
2. To promote and assist businesses in Laguna Hills by creating a climate where they can operate in a productive and profitable manner.
3. To cooperate with and support the business community of Laguna Hills both locally and within the region.
4. To educate, inform and encourage residents to shop and dine in Laguna Hills and patronize local businesses.
5. To increase the economic base of Laguna Hills while preserving our historic resources, quality of life, ambiance and the interest of our members.

Section 3. Limitation. The Chamber shall observe all local, state and federal laws which apply to non-profit organizations as defined in Section 501 (c) (6) of the Internal Revenue Code.

ARTICLE II. MEMBERSHIP

Section 1. Eligibility. Any person, firm, association, partnership, or corporation, or other business entity, interested in the civic and economic wellbeing of the Chamber service area, who desires to preserve and promote the objectives of the Chamber shall be eligible to apply for membership.

Section 2. Membership Application. Application for membership shall be made on a form provided by the Chamber and signed by the applicant. Said application, if accepted, shall constitute an agreement on the part of the applicant to adhere to the Bylaws and policies and procedures adopted by the Board of Directors of the Chamber.

Section 3. Multiple Memberships. Any person, firm, association, partnership, or corporation, or other business entity and each established branch thereof is eligible to apply for membership and may designate up to two individuals to represent each such membership, subject to the approval of the Board of Directors. Additional designated representatives may be acquired at an additional cost. Members seeking to represent multiple businesses must obtain one membership for each interest. To acquire additional memberships, the member must submit an application and pay the annual dues of each such additional membership, subject to the approval of the Board of Directors. The designation of one person to represent two or more members is permitted.

Section 4. Admission. Approval of members shall be by the Board of Directors at any meeting thereof by fifty percent plus one affirmative vote of the Directors present. Subject to the provisions contained in these Bylaws, members shall have all of the rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. Approval of members renewing membership shall be by the Board of Directors at any meeting thereof by fifty percent plus one affirmative vote of the Directors present.

Section 5. Membership Classifications. The following membership classifications are established:

- a) **Corporate Membership:** All full-dues paying members with businesses, for-profit or non-profit, located within the city or looking to conduct business within the city are included within this classification and shall enjoy the right to vote and hold office. This classification includes up to a maximum of four (4) corporate representatives per corporation membership.
- b) **Individual Membership:** An individual member who is a full-dues paying member associated with or supporting businesses located within the city or looking to conduct business within the city is included within this classification and shall enjoy the right to vote and hold office.

Additionally, there may be member and non-member “Sponsors” that the Chamber can call upon to donate goods and/or services as needed by the Chamber from time to time.

Section 6. Dues. Membership dues shall be payable at the time of application at such rates and payment methods, as approved by the Board of Directors.

Section 7. Evidence of Membership. Upon approval of membership by the Board of Directors and payment of dues, appropriate evidence of membership in the organization shall be provided to each member.

Section 8. Termination of Membership.

- A. Any member may resign from the Chamber. No member shall be entitled to any refund of previously paid dues upon resignation.
- B. Any member, delinquent of dues after 60 days from the date due, shall have the membership canceled without further notice.
- C. Any member may be terminated by three fourths vote of the Board of Directors at any meeting thereof for conduct unbecoming a member or conduct prejudicial to the aims or objectives of the Chamber.
- D. Procedure for Termination: Following the determination that a member should be terminated; the following procedure shall be implemented:
 1. A notice shall be sent by prepaid, first class, or certified mail to the most recent address of the member as shown on the corporation's records, setting forth the basis for the termination. Said notice shall be sent at least 15 days before the proposed date of the termination.
 2. The member shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held no fewer than five days before the effective date of the proposed termination. The notice to the member of the proposed termination shall state the date, time and place of the hearing on the proposed termination.
 3. Any member terminated from the Chamber shall receive, within 60 days of the date of termination, a prorated refund of prepaid dues and assessments.

Section 9. Transfer/Change of Membership Status. Membership in the Chamber may not be transferred, sold, assigned, or in any manner conveyed to another party or person without the expressed written approval of the Board of Directors.

ARTICLE III. BOARD OF DIRECTORS

Section 1. Authority. The government and policy-making responsibilities of the Chamber shall be vested in the Board of Directors, which shall control its property, be responsible for its finances, and direct its affairs, subject to such limitations as are contained in these Bylaws and the laws of the State of California requiring certain actions to be authorized or approved by the members.

Section 2. Board of Directors Composition. The Board of Directors shall consist of a minimum of seven (7) and a maximum of 15 voting members as follows:

- A. **One (1) President**
- B. **One (1) Vice President**
- C. **One (1) Treasurer**
- D. **One (1) Secretary**

Additional Board Members may serve if elected by two thirds (2/3) vote of the entire Board as follows:

- A. At Large Directors
- B. Committee Chair(s)

Section 3. Tenure of Office and Election.

- A.** Each Director and Directors At-Large shall be elected for a three (3) year term. The "Slate of Officers" shall be elected annually by the board. The term of office of a Director shall commence on January 1st following his or her election. Directors serving a full term may be reelected to the Board for another full term of three (3) years. After two (2) terms, a director will be ineligible for reelection until after the lapse of one (1) year following his/her second term.
- B.** Directors filling a vacancy may serve a term of three (3) years with the first year beginning at their date of election and ending on the following January 1st. They may then be reelected for one more full three (3) year term under the same guidelines as stated above.
- C.** No later than September 1st of each year, the President of the Board shall appoint a three (3) member nominating committee, at least two (2) of whom must be members of the Board of Directors. This committee will nominate a slate of candidates consisting of the number of vacancies scheduled to be filled at the end of the current term (December 31st of that year). All nominees must be a member or a designated representative of an organizational member of the Chamber in good standing. The nominating committee shall interview each of the candidates thus selected prior to placing their names on the "Slate of Candidates," and secure their pledges to serve faithfully if elected as a Director.
- D.** Any board member may accept a nomination for any one, and only one, of the officer positions. A simple majority vote of the directors is required. If, due to three or more running for a position, there is no majority vote, then the top two vote recipients will have a run-off. Voting will be conducted by secret ballot.

Section 4. Qualification.

- A.** Directors shall be of the age of majority in this state
- B.** Directors must own or represent a business or non-profit located in or conducting business in Laguna Hills
- C.** Directors must be a member or designated representative of an organizational member in good standing
- D.** Directors must share, support and be committed to the goals and objectives of the Chamber.

Section 5. Responsibilities. The Board of Directors shall serve as the legislative body of the Chamber and, in this capacity shall:

- A.** Cause to be prepared for its understanding and approval *Policy and Procedures* which shall serve to provide the framework for its decision-making responsibility on all matters affecting the business climate, civic and economic wellbeing of businesses serving the city.
- B.** Have the power to create such committees as it may from time to time deem advisable for the efficient operation of the Chamber.
- C.** Cause to be prepared a strategic plan ("Strategic Plan") which shall serve to guide the organization in the pursuance of its proper duties. The Strategic Plan shall include, without limitation, the duties and responsibilities of all individuals working within the organization structure of the Chamber and shall provide the structure for working relationships between the City, affiliate members,

individuals, and groups associated with the Chamber. These plans of work shall be ratified by the Board of Directors.

- D. Have the authority to adopt Bylaws for the Chamber and to alter, amend, or change the same, as they deem advisable.
- E. Meet at such times and places as required by these Bylaws.
- F. Register their addresses with the Secretary of the corporation, and notices of meetings mailed or emailed to them as such addresses shall be valid notices thereof.
- G. Participate in Chamber events such as mixers and special events.
- H. Foster Membership and encourage sponsorship of the Chamber of Commerce.
- I. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation.
- J. Make an active contribution to the work of the Chamber through committee work and planning sessions.

Section 6. Meeting and Penalties. The Board of Directors shall hold its meetings monthly or as needed during the normal working day at an hour deemed to be most convenient to all concerned. Insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these Bylaws, or with provisions of law, meetings of the board of directors shall be presided over by the chairperson of the board, or, if no such person has been so designated, or in his or her absence, the president of the corporation, or in his or her absence, by the vice president of the corporation, or in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting. The Board of Directors shall cause to be kept a complete record and minutes of all their acts and proceedings, and of the proceedings of the Chamber, and shall submit in writing to the members a full report of the work and finance of the corporation within 90 days of the close of the fiscal year. Written notice of all meetings shall be provided under this section or as otherwise required by law. The Notice shall state the place, date, and hour of meeting, and if for a special meeting, the purpose of the meeting. Such notice shall be emailed or mailed to all directors of record at the address shown on the corporate books, at least 10 days prior to the meeting. Such notice shall be deemed effective when date stamped email or deposited in ordinary U.S. mail, properly addressed, with postage prepaid.

Section 7. Vacancies.

- A. Any Director who shall not have attended at least seven of twelve (7 of 12) regular and special meetings for the Board of Directors during a year shall automatically cease to be a Director.
- B. A Director who shall be absent from three consecutive regular meetings of the Board of Directors shall automatically be dropped from membership on the Board of Directors, unless confined by illness or otherwise excused by a majority vote of those Directors voting at any meeting thereof.

- C. Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the office of the attorney general or other appropriate agency of this state
- D. Vacancies by Directors shall be filled by a two-thirds majority vote of the Board of Directors present at their regularly scheduled board meeting.

Section 8. Quorum. Fifty percent plus one (1) of the voting members of the Board of Directors shall constitute a quorum. If a quorum is present at the commencement of a meeting, the departure of a Board member which results in fewer than fifty percent of voting members being present, a quorum will be deemed to continue until the subject meeting is adjourned. The decision of the quorum shall represent the decision of the Board.

Section 9. Adverse Interest. In the determination of a quorum of the directors, or in voting, the disclosed adverse interest of a director shall not disqualify the director or invalidate his or her vote.

Section 10. Indemnification. To the fullest extent permitted by law, this Association shall indemnify its directors, officers, employees and volunteers in accordance with Section 7237 of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceedings", as that term is used in that section.

Section 11. Nonliability of Directors. The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 12. Insurance. The Chamber shall have power to purchase and maintain insurance on behalf of any agent of the Chamber against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Chamber would have the power to indemnify the agent against such liability under the provisions of this section.

ARTICLE IV. DUTIES OF OFFICERS

Section 1. Duties of the Board Officers. All duties will be performed in accordance with the core principle, purpose, policies, procedures and standards as set forth in the bylaws established by the Board of Directors of the Chamber.

- A. **President:** The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, the articles of incorporation, or by these Bylaws, or which may be prescribed from time to time by the board of directors. Unless another person

is specifically appointed as chairperson of the board of directors, the president shall preside at all meetings of the board of directors and at all meetings of the members.

B. Vice President: In the absence of the President, or in the event of his or her inability or refusal to act, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice-President shall have other powers and perform such other duties as may be prescribed by law or by these Bylaws, or as may be prescribed by the Board of Directors.

C. Treasurer: The treasurer shall:

- a. Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies or other depositories as shall be selected by the board of directors.
- b. Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.
- c. Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.
- d. Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
- e. Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor.
- f. Render the president and directors, whenever requested, an account of any and all of his or her transactions as treasurer and of the financial condition of the corporation.
- g. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the board of directors.

D. Secretary: The secretary shall:

- a. Serve as Secretary of the Chamber and shall be responsible for acting as secretary for the Corporation.
- b. Certify and keep at the designated location determined by the board, the original, or a copy, of these Bylaws as amended or otherwise altered to date.
- c. Keep at the designated location determined by the board, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice

thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

- d. Be custodian of the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the corporation.
- e. Keep at the designated location determined by the board, a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.
- f. Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the Bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the board of directors.

- E. Chair Membership Ambassador:** shall serve in the areas of membership recruitment, membership retention, and membership benefits and services. He or she will be responsible for establishing goals and monitoring performance of membership development, and retention. Membership Services will also oversee the programs and activities for the membership at large.
- F. Chair Events & Services:** Shall be responsible for the planning and oversight of expos, mixers and themed events that promote networking and for providing marketing opportunities to members that will assist them in their businesses.
- G. Chair Communications:** Shall oversee the communications of the Chamber. Shall be responsible for the planning and oversight of the Chamber website, newsletter, public relations, marketing materials and all various aspects pertaining to the Chamber's corporate identity and reputation in the marketplace.

ARTICLE V. FINANCES

Section 1. Budget. The Board will establish a Budget Committee comprised of the Treasurer and at least two (2) additional Board Members. Within one (1) months prior to the end of the Chamber fiscal year, the Budget Committee shall establish a budget for the Chamber for the following fiscal year.

Section 2. General Fund. Membership dues and other revenue, except “foundation funds or special funds” shall become a part of the General Fund of the Chamber. The expense for the maintenance and conduct of the Chamber shall be paid from the General Fund. Revenues and expenses are to be allocated by program and event to insure activities are fully funded and self-sustaining ensuring financial stability of the Chamber.

Section 3. Special Funds. Special funds may be provided by local agencies and/or governmental bodies to carry out specific assignments in support of one or more phases of the Chamber's Program of Work. These "earmarked" funds shall be maintained in separate accounts to show that such funds have been used for the purpose designated and that none have been used for administrative purposes. Special funds shall be allocated directly to the program/programs specified. Revenues and expenses are to be allocated by program and event to insure activities are fully funded and self-sustaining ensuring financial stability of the Chamber.

Section 4. Method. In order to obtain the revenue necessary for financing the Chamber organization and its program of activities, the Board of Directors shall annually develop a membership dues schedule, which will in conjunction with special allocated funds produce the necessary revenue to support chamber activities. Dues determination shall be done in an equitable manner reflecting the size and financial position of its membership. Payment of dues shall be made annually in advance.

Section 5. Fiscal Year. The fiscal year of the Chamber shall run from January 1 through December 31 of each year.

Section 6. Delinquencies. Any member, failing to pay his or her dues within thirty (30) days after the due date shall receive a written notice of delinquency from the Treasurer. If still delinquent at the end of sixty (60) days, the membership shall be forfeited and a letter so stating the cancellation shall be sent to the member.

Section 7. Disbursements. The approved budget shall be authorization to make disbursements on accounts and expenses provided for in the budget subject to the review and approval of the Board of Directors. Recommendations for expenditures shall be presented monthly at the regularly scheduled meeting of the Board of Directors for approval. Any recommendations for expenditures outside the budget shall be submitted to the Board of Directors, with all supporting documentation for the necessity of such expenditure, for approval. ALL checks shall require two (2) signatures, and ANY of the five (5) officers can be signatories. Such checks shall be filed at the end of each month when the statement(s) from the bank(s) of the Chamber have been received along with the original bill calling for the expenditure, referencing the check number, and the date of payment. The Board may authorize the issuance of a Credit Card for use by the Treasurer. If done, then at least one (1) other Board member must receive automatic notices (emails) from the credit card company of any transactions. The charging limit will be set by the Board.

Section 8. Annual Audit. The Board of Directors requires an annual review by the Board of Directors and/or an annual audit of the Chamber financial statements by an independent third party, if warranted by circumstance or issue discovered or brought to the attention of the board during the annual review.

Section 9. Authority to Contract or Bind. Authority to contract or to incur financially or other legally binding obligations on behalf of the Chamber shall be vested exclusively in the Board of

Directors, except as expressly appears herein below. Any non-budgeted matter must be approved by the Board of Directors. No individual member of the Chamber, nor any committee thereof, shall be delegated the authority to bind the Chamber in any respect, nor may any committee or member of the Chamber represent or imply that they have any such authority. In the event that any obligation is purportedly incurred by or on behalf of the Chamber other than as expressly set forth above, the Chamber shall not be liable in any manner pursuant to said purported obligation.

ARTICLE I. MISCELLANEOUS PROVISIONS

Section 1. Procedure. The proceedings of all meetings of the Board and all committees shall comply with Robert's Rules of Order manual.

Section 2. Board of Director Voting in Absence of a Quorum. Whenever there is a lack of a quorum at a meeting of the Board of Directors, as governed by these Bylaws, electronic voting, i.e. telephone, fax, e-mail, may be used whenever the delay of the vote, till the next scheduled meeting, would be detrimental to the Board, or Assigned Committee's timeline for the efficient running of said board or committee.

Section 3. Use of Funds. The Chamber shall use its funds only to accomplish the objectives and purposes specified in these Bylaws, and no part of said funds shall inure, or be distributed, to the individual members of the Chambers. On dissolution of the Chamber, any funds remaining shall be distributed to one or more regularly and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board of Directors.

Section 4. No Solicitation. At all meetings of whatever nature called in the name of the Chamber, those attending shall not solicit for money, services, sale of products or sale of tickets, except for Chamber and/or projects in the area, unless such solicitation is approved by the as applicable.

Section 5. Publicity. No publicity concerning the actions shall be released by any member except on authority of the President or the Administrative Officer.

Section 6. Advertising. Use of Chamber Name and Logo. Members in good standing may state verbally that they are a member of the Chamber, may use the words "member of the Laguna Hills Chamber", in advertising, and may display such evidence of membership, as may be issued by the Chamber for display purposes. The display shall be in a manner and location which is consistent with preserving the integrity of the Chamber. No person or entity, except those expressly authorized by the Chamber in writing prior to the use, shall use or cause to be used in any manner, the Chamber's logo or facsimile of the logo, or the words "Laguna Hills Chamber" or any deceptively similar words. Violations of this provision may result in expulsion from the Chamber and prosecution of legal remedies.

Section 7. Revisions. New Bylaws may be adopted, or these Bylaws may be amended or altered, at any regular meeting of the Board of Directors called for that purpose by a vote of two-thirds of the Directors entitled to vote at such meeting. All changes, modifications, deletions, and/or additions, adopted by the Board shall be noticed and posted on the website. Notice of any proposed changes must be given in the call of the meeting and a copy of any proposed amendment shall be posted in the Chamber office and or the website at least five (5) days before such a meeting vote.

Section 8. Record of Amendments. Whenever any amendment or new Bylaws are adopted, they shall be entered in the book of Bylaws with the original Bylaws in the appropriate place. If any bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written shall be entered in said book.

BYLAWS ADOPTED:

By Board vote: