

FOUNTAIN HILLS CHAMBER OF COMMERCE

BY-LAWS

Revised January 17, 2008

ARTICLE I

Scope

These By-Laws shall take the place of and supersede all previous By-Laws and Amendments thereto, which are hereby annulled and set aside.

ARTICLE II

Name and Purpose

Section 1: This organization is incorporated under the laws of the State of Arizona and shall be known as the Fountain Hills Chamber of Commerce.

Section 2: The Fountain Hills Chamber of Commerce shall observe all local, state and Federal laws which apply.

Section 3: The Fountain Hills Chamber of Commerce is organized to achieve the objectives of:

- A. Preserving the competitive enterprise system of business by: creating a better understanding and appreciation of the importance of business people and a concern for their problems; educating the business community, and preventing or addressing controversies which are detrimental to expansion and growth of business in the community.
- B. Promoting business and community growth and development by: promoting economic programs designed to strengthen and expand the income potential of all business within the trade area; promoting programs of a civic, social and cultural nature which are designed to increase the functional and aesthetic values of the community, and addressing problems which represent obstacles to business expansion and community growth.

ARTICLE III

Membership

Section 1: Eligibility Any person, association, corporation or partnership having an interest in the objectives of the organization shall be eligible to apply for membership.

Section 2: Election Applications for membership shall be in writing, on forms provided for that purpose, and signed by the applicant. The Membership Committee (or designated individual) shall review all applications and submit them to the Board of Directors with a recommendation. Election of members shall be by the Board of Directors at any meeting thereof. Any applicant so elected shall become a member upon payment of the regularly scheduled fee. Upon acceptance of membership, applicant shall designate the individual by whom the privileges of such membership shall be exercised. Such designations shall entitle the person so designated to the full privileges of membership.

Section 3: Charter Members All persons who have subscribed to membership in the Fountain Hills Chamber of Commerce on or before December 1, 1974 shall be charter members of this organization.

Section 4: Active Membership Any business, professional person, association, corporation, partnership, governmental unit, or person actively engaged in commerce and interested in the promotion and general welfare of Fountain Hills and its environs shall be eligible for Active Membership in this organization, subject to approval by the Board of Directors. All Active Members shall have and enjoy all the rights and privileges of the Fountain Hills Chamber of Commerce, including the right to vote and hold office.

Section 5: Associate Membership Any non-profit service or governmental group not actively engaged in commerce, but interested in the promotion and general welfare of Fountain Hills and its environs shall be eligible for Associate Membership in this organization, subject to the approval of the Board of Directors. All Associate Members shall have and enjoy all the rights and privileges of this organization including the right to vote and hold office.

Section 6: Friends of the Chamber Any person not engaged in commerce but interested in the promotion and general welfare of Fountain Hills and its environs shall be eligible for membership as a “Friend of the Chamber”, subject to the approval of the Board of Directors. All “Friends of the Chamber” shall have and enjoy all the rights and privileges of this organization except the right to vote and hold office. Membership fees shall be as determined by resolution of the Board of Directors for Friends of the Chamber.

Section 7: Honorary Membership Distinction in public affairs shall confer eligibility to a one year honorary membership. Honorary members shall have all the privileges of active members, except the right to vote and hold office, and shall be exempt from payment of fees. The Board of Directors shall confer or revoke Honorary Membership by a majority vote.

Section 8: Life Membership The Board of Directors may confer a Life Membership to any of its members by a two-thirds vote of the Board of Directors. Life members shall have all the privileges of members, except the right to vote and hold office, and shall be exempt from payment of fees.

ARTICLE IV

Fees

Section 1: Membership fees shall be at such rate or rates, schedule or formula as may be from time to time prescribed by the Board of Directors, payable annually on the first day of the month in which the anniversary of membership falls.

Section 2: All fees shall be billed thirty (30) days in advance of due date and should be paid by member prior to the due date.

ARTICLE V

Termination of Membership

Section 1. A member may be expelled for conduct unbecoming a member by vote of two-thirds of the Board of Directors, after having been given notice and an opportunity to be heard. If grounds for such expulsion are believed to exist, the Board shall, by motion, set a date for hearing at the next regular meeting of the Board of Directors and written notice of the hearing shall be given to the affected member no less than 10 days prior to the date set for hearing. Notice shall be given to the member at the address on file in the office of the corporation. If after hearing, the Board of Directors sustains their previous action, such member shall have the right of appeal to the membership by submitting the matter to the next regular meeting of the membership for a confirmation or rejection of the Board of Director’s action; and the majority vote of those attending such membership meeting shall be determinative. If no appeal is brought by the member, the action of the Board of Directors shall be final.

Section 2: Any member, upon written request to the Board of Directors, may resign from the Fountain Hills Chamber of Commerce. Prepaid fees are not refundable. Any member who falls ninety (90) days in arrears of dues shall be automatically dropped from membership.

ARTICLE VI

Qualifications of Voters

Section 1: Each member shall be entitled to one vote. No proxies shall be allowed.

Section 2: No member shall be entitled to vote unless he has been a member of the organization for at least ninety (90) days prior to the date of the holding of the annual election as hereinafter provided.

Section 3: A member who has neglected, or refused, to pay his fees for sixty (60) days after the same are payable, according to the terms of his membership, shall be considered to be in arrears and shall not be entitled to vote.

ARTICLE VII

Board of Directors and Election Thereof

Section 1: The Board of Directors shall consist of 17 voting members elected from the Active and Associate Membership categories, and including the Immediate Past Chairperson and President/CEO. There shall be 5 Directors elected annually for a term of three years. The Directors' terms shall commence on the first board meeting of the fiscal year following the date of their election. No member of the Board of Directors shall be eligible for re-election until after a lapse of one year following the completion of an elected term as Director. A Director who has been appointed to fill a vacancy is eligible for re-election as a Director at the end of the term to which he/she is appointed. Should a director be elected into an officer position (see Article VIII; Officers) his/her term as a director shall continue if necessary until he/she leaves the chairs of officership.

Section 2: In April of each year, a Nominating Committee consisting of five (5) members shall be formed as follows: The Immediate Past Chair of the Board shall be chair of the committee and he/she shall appoint 4 current or past members of the Board to serve as committee members with approval of the Board. If, for any reason, the immediate past Chair cannot serve due to inactive membership, death or lack of availability, selection will revert to a previous past Chair. All members of the Nominating Committee must be selected from active membership. This committee shall meet and shall canvass the active and associate membership and select therefrom as many members in good standing with a minimum of one (1) year of membership, including active involvement in Chamber committees or program as the number of vacancies to be filled as candidates for Director who shall be the official candidates. It shall be the duty of the Nominating Committee to interview each of the candidates thus selected prior to placing their names on the ballot and secure their written pledges to serve faithfully if elected as Directors. The Nominating Committee shall be responsible for the mechanics of election.

The Nominating Committee shall submit its report to the Chamber President/CEO and to the Chair of the Board thirty (30) days before the date of election. Upon receipt of the report, the President/CEO shall immediately notify the membership by mail of the named persons nominated as candidates for Directors and the right of petition as herein provided.

Active members, in good standing, with a minimum of one (1) year of membership, including active involvement in Chamber committees or programs, may petition as a candidate for election as Director. Petition must bear the genuine signatures of at least twenty percent (20%) of qualified, active members of the Chamber. Such petition shall be submitted to the Nominating Committee within twenty (20) days of the election. Numbered ballots shall be mailed to the membership no less than fourteen (14) days before the election.

Chamber members must return ballots to the Chamber office to arrive no later than two (2) days prior to election.

If no petition is filed within the designated period, the nominations shall be closed and the nominated slate shall be declared elected by the Board of Directors at their regular June meeting.

If a valid petition is received the election shall be held as herein provided.

Section 3: If a member of the Nominating Committee shall be nominated for Director, that member shall immediately resign and the Chair (or in his/her absence the Vice Chair) shall immediately name another member to fill the vacancy on the Nominating Committee.

Section 4: The Annual Meeting shall be held each June, either in conjunction with a regularly scheduled membership meeting or otherwise separately scheduled.

Section 5: The Nominating Committee shall count the ballots on the eve on the Annual Meeting, and the nominees who receive the highest number of votes shall be declared by the Nominating Committee as new Directors for the ensuing term commencing on the first board meeting in July.

In case of a tie in the election for the last place, it shall be decided by a run-off vote under the direction of the Nominating Committee at the Annual Meeting.

The chairperson of the Nominating Committee shall report the names of the new Directors to the members present at the Annual Meeting.

Section 6: There shall be one (1) numbered ballot issued per membership. No firm, regardless of size or amount of dues paid, shall be allowed to cast more than one (1) ballot for the election of Directors.

Section 7: The Chamber of Commerce is not responsible for replacing lost or misplaced ballots.

Section 8: Ex-Officio Directors – From time to time, the Chair, with board approval, may appoint ex-officio directors to serve as non-voting members of the board. Ex-officio directors shall serve at the pleasure of the board.

ARTICLE VIII

Officers

A. Section 1: Election of Officers Officers will be elected by the Board of Directors at the first scheduled Board meeting in April. A Director shall serve a minimum of one year as a Board member prior to holding office. The officers shall be a Chair, Vice-Chair, Secretary and Treasurer. All officers shall hold office for one (1) year commencing the first day of the fiscal year following their election, unless removed by two-thirds (2/3) vote of the voting members of the Board of Directors. There shall be an Executive Committee of the Fountain Hills Chamber of Commerce composed of the aforesaid officers and including the Immediate Past Chair and the President/CEO..

Section 2: Officers and Duties

A. Chair. The Chair shall preside at all meetings of the members and of the Directors. The Chair shall appoint all committee heads, subject to approval of the Board of Directors. The Chair is empowered to direct the calling of regular and special meetings of the Board of Directors and of the members, or may issue any such call in person. Subject to the approval of the Board, the Chair shall have general charge of the business and affairs of the corporation. The Chair will act as spokesperson for the Chamber. No other Board member, staff member, nor Chamber member shall have such authority unless delegated by the Chair. The Chair shall do and perform such other duties and have such other powers as from time to time may be assigned by the Board or as may be prescribed by the Articles of Incorporation.

- B. Vice-Chair The Vice-Chair shall have such powers and shall perform such duties as may be assigned from time to time by the Board of Directors and as may be delegated by the Chair. The Vice-Chair shall possess the power and shall perform the duties of the Chair in the event of his/her resignation for the balance of the term.
- C. Secretary The Secretary shall have charge of such books, documents, and papers as the Board of Directors may determine. The Secretary shall see that minutes are kept of all meetings of the Board of Directors. He/she shall be responsible for maintaining all corporate records and shall sign and be responsible for the minutes of all Board meetings. He/she shall, in general, perform all the duties incident to the office of secretary, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned by the Board.
- D. Treasurer The Treasurer shall have custody of all funds, property and securities of the organization, subject to such regulations as may be imposed by the Board of Directors. He/she may be required to give bond for the faithful performance of his/her duties, in sum and with such sureties as the Board of Directors may require. When necessary or proper he/she may endorse on behalf of the organization for collection checks, notes, and other obligations, and shall deposit the same to the credit of the organization at such bank or banks or depository as the Board of Directors may designate. He/she shall sign all receipts and vouchers and, together with such other officer or officers, if any, as shall be designated by the Board of Directors. He/she shall sign all checks of the organization and all bills of exchange and promissory notes issued by the organization, except in cases where the signing and executing thereof shall be expressly designated by the Board of Directors or by these By-laws to some other officer or agent of the organization. He/she shall make such payments as may be necessary or proper to be made on behalf of the organization. He/she shall, in general, perform all the duties incident to the office of Treasurer, subject to the control of the Board of Directors.

Checks of this organization are to be signed by the Treasurer and the President/CEO, or, in the absence of either or both, by any two (2) officers.

The Treasurer shall oversee preparation of a quarterly financial report for the Board of Directors.

Section 4: Chamber President The Board of Directors may hire a Chamber President and fix his/her salary and benefits. The President shall be the Chief Executive Officer of the Chamber. It shall be the duty of the President, (and staff) to aid the officers, Directors, and committee chairpersons in the execution of their duties.

The Chamber President/CEO shall perform such duties as may be incidental to his/her office subject to the By-Laws, policies and procedures of the Chamber of Commerce and the approval of the Board of Directors.

It shall be the duty of the President/CEO, to conduct the official correspondence, preserve all books, documents, and communications and see to the maintaining of accurate records of the proceedings of the Chamber, Board of Directors, and committees.

The President/CEO shall prepare and present to the membership a written annual report of the year's work of the Chamber at the close of each fiscal year.

The President/CEO, shall be a voting member of the Board of Directors, the Executive Committee, and all committees, or may appoint a staff member as a representative to committees.

The President/CEO shall be responsible for administration of the program of work in accordance with the policies and procedures of the Board of Directors.

The President/CEO shall be responsible for hiring, discharging, directing and supervising all employees.

The President/CEO shall be responsible for the preparation of an operating budget covering all activities of the Chamber, subject to approval of the Board of Directors. The President/CEO shall also be responsible for all expenditures within approved budget allocation. The President/CEO is responsible for operational management of the chamber on a day-to-day basis and those duties as assigned in his/her position description.

Section 5: Vacancies Vacancies by resignation, or otherwise, on the Board of Directors shall be filled by appointment by the Board for the remainder of the unexpired term. Upon acceptance of resignation of any Board member by the Board of Directors, the resigning Board member cannot be appointed to fill any vacancies on the Board for a period of one (1) year following his/her resignation.

Section 6: Executive Committee The Executive Committee shall act for and on behalf of the Board of Directors when the Board is not in session, but shall be accountable to the Board for its actions. It shall be composed of the Chair, Vice-Chair, Secretary, Treasurer, Immediate Past Chair and President/CEO. The Chair will serve as head of the Executive Committee. The total membership of the Executive Committee shall never exceed fifty percent (50%) of the number of members on the Board of Directors.

Section 7: Indemnification The Chamber may, by resolution of the Board of Directors, provide for indemnification by the Chamber of any and all of its Directors or former Directors against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding, in which they or any of them are made parties, or a party, by reason of having been Directors of the Chamber, except in relation to matters as to which such Director shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct.

Section 8: Bonding of Officers, Staff & Volunteers Bonds may be required by the Board in such amounts as it shall fix from time to time for such officers, agents or servants of the corporation as shall be deemed advisable.

ARTICLE IX

Committees and Divisions

Section 1: Appointment and Authority The Chair, by and with the approval of the Board of Directors, shall appoint all committees, committee members and committee chairpersons. The Chair may appoint such ad hoc committees and their chairpersons as deemed necessary to carry out the program of the Chamber. Committee appointments shall be at the will and pleasure of the Chair and shall serve concurrent with the term of the appointing Chair unless a different term is approved by the Board of Directors.

It shall be the function of committees to make investigations, conduct studies and hearings, make recommendations to the Board of Directors, and to carry on such activities as may be delegated to them by the Board.

Section 2: Limitation of Authority No action by any member, committee, division, employee, Director, or officer shall be binding upon, or constitute an expression of, the policy of the Chamber until it shall have been approved, or ratified, by the Board of Directors.

Committees shall be discharged by the Chair when their work has been completed and their reports accepted, or when, in the opinion of the Board of Directors, it is deemed wise to discontinue the committee.

Section 3: Divisions The Board of Directors may create such divisions, bureaus, departments, councils, or subsidiary corporations as it deems advisable to handle the work of the Chamber.

The Board shall authorize and define the powers and duties of all divisions, bureaus, departments, councils, and subsidiary corporations. The Board shall annually review and approve all activities and proposed programs of

such divisions, bureaus, departments, councils, or subsidiary corporations, including collection and disbursement of all funds.

No action or resolution of any kind shall be taken by divisions, bureaus, departments, councils, or subsidiary corporations having bearing upon or expressive of the Chamber, unless approved by the Board of Directors.

ARTICLE X

Meetings

Section 1: At all general membership meetings the presence of fifteen percent (15%) of active members in good standing shall constitute a quorum. The affirmative vote of two-thirds (2/3) of members present shall be the act of the membership.

Section 2: A special meeting of the Board of Directors may be called by the Chair.

Section 3: The Board of Directors shall meet at regularly scheduled intervals. Absence from three (3) consecutive meetings and/or attendance of less than eighty percent (80%) of all meetings per year, without excuse shall be deemed to create a vacancy on the Board.

Section 4: A majority of the total number of voting members of the Board of Directors shall constitute a quorum for the transaction of business, but a lesser number may adjourn the meeting sine die or to a stated time and place, and a majority of the Directors present at any meeting at which a quorum is present shall decide any question brought before such meeting, except as otherwise may be provided by law.

Section 5: Meetings of the Board of Directors, regular or special, shall be held at the then current Chamber of Commerce office or at such other places within the State of Arizona as may be determined by resolution of the Board of Directors.

Section 6: Meetings of the members shall be held at such places within the State of Arizona as may be determined by the Board of Directors.

ARTICLE XI

Finances

Section 1: Disbursements No obligation or expense shall be incurred and no money shall be appropriated without prior approval of the Board of Directors. Non-budgeted items must be approved by the Board of Directors prior to disbursement. Non-approved items may become the responsibility of the person making the commitment for same.

Section 2: Fiscal Year The fiscal year of the Fountain Hills Chamber of Commerce shall be July 1 through June 30.

Section 3: Annual Examination The accounts of the Chamber shall be examined annually by a qualified certified public accountant as soon as possible after close of the fiscal year. The report shall be available at all times to active members of the Chamber within the Chamber office.

ARTICLE XII

Parliamentary Procedures

Section 1: All questions regarding parliamentary procedure, unless specifically provided for herein, shall be determined according to the latest edition of "Roberts' Rules of Order".

ARTICLE XIII

Amendments

Section 1: These By-Laws may be amended, or altered, by a two-thirds (2/3) vote of the Board of Directors present at any regular or special meeting of the Board.

ARTICLE XIV

Policies & Procedures

Section 1: Any policy or procedure adopted by the Board of Directors or general membership is available for review by Chamber members in the Chamber office.

Section 2. No Board or Staff members of the Fountain Hills Chamber of Commerce shall be allowed to run for either the town/city council or mayor and continue to retain their positions with the Chamber.

Any Board or Staff member of the Chamber who wishes to run for either of the aforementioned positions, upon publicly announcing their candidacy and providing completed nominating petitions to the Town Clerk as their intent to run, will immediately resign his or her position as Board or Staff member of the Fountain Hills Chamber of Commerce.

ARTICLE XV

Records, Documents & Property

Section 1: All records, documents, ledgers, correspondence, address lists, and all other information belonging to and/or addressed to the Chamber, except for personal articles and tangible personal property, are to remain the property of the Chamber and are not to be removed from the Chamber office upon resignation or termination of any employee of the Fountain Hills Chamber of Commerce.

REVISION TO BY-LAWS

ADOPTED BY THE FOUNTAIN HILLS CHAMBER OF COMMERCE BOARD OF DIRECTORS ON
December 12, 2007.

Mark McDermott, Chairman:

Dwight Johnson, Secretary

ADOPTED BY THE FOUNTAIN HILLS CHAMBER MEMBERSHIP BY CONCENSUS ON
JANUARY 17, 2008

Frank Ferrara, President/CEO

Dwight Johnson, Secretary
