

# FOUNTAIN HILLS CHAMBER OF COMMERCE

## BY-LAWS

Revised and Approved June 9, 2021

### **ARTICLE I**

#### **Scope**

These restated 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 (Chamber).

Section 2: The Chamber shall observe all local, state and federal laws which apply.

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

- A. Preserving the competitive enterprise system of business within Fountain Hills and surrounding areas 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 within Fountain Hills and surrounding areas 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, organization, corporation or partnership having an interest in the objectives of the Chamber shall be eligible to apply for membership.

## Section 2: Application Process

- A. Applications for membership shall be submitted by an individual, or the organization/business' representative, in a format provided by the Chamber for that purpose.
- B. Applications shall be approved by the Chamber staff upon review and after payment for membership dues has been processed.
- C. Upon approval of membership, the organization/business applicant shall designate a Primary Representative to exercise any voting rights and individual representative(s) to act as points of contact. All other members of the organization/business shall have all the rights of membership except to vote or serve on the Board of Directors (Board). An Individual Member (Section 3C) shall designate themselves as the Primary Representative and have no additional individuals within their membership.

## Section 3: Membership Types

- A. Charter Member - All persons and organizations that applied to membership in the Chamber on or before December 1, 1974 are Charter Members of this organization and thus are not charged membership dues. All Charter Members shall have and enjoy all the rights and privileges of the Chamber including the right to vote and hold office.
- B. Business/Organizational Members - Any business, professional person, association, corporation, partnership, governmental unit, organization, or non-profit actively engaged in commerce and/or interested in the promotion and general welfare of Fountain Hills and its environs shall be eligible to apply for a business/organizational membership of the Chamber. All business/organizational members shall have and enjoy all the rights and privileges of the Chamber including the right to vote and hold office.
- C. Individual Member - Any person not engaged in commerce but interested in the promotion and general welfare of Fountain Hills and its environs shall be eligible to apply for the individual membership. All individual members shall have and enjoy all the rights and privileges of this organization except the right to vote and hold office.
- D. Honorary Member - A 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 membership dues. The Board shall confer or revoke Honorary Membership by a majority vote of Board Directors present.

## Section 4: Member in Good Standing/Active Member

- A. A Member in Good Standing/Active Member is a Member who is current (as defined in Article IV Section 3) in any and all fees and membership dues within any of membership types (Article III Section 3) and retains the right for the Primary Representative to vote and a Representative to hold office as allowed for that membership type.
- B. Any Active Member not current in membership dues and/or other fees shall not be considered a Member in Good Standing and is ineligible for Representative to vote and/or hold office attributable to that membership category.

**ARTICLE IV**  
**Membership Dues & Fees**

Section 1: Membership dues shall be payable annually on the last day of the month in which the anniversary of membership falls. Rates for Membership dues shall be set at the discretion of the Board.

Section 2: All membership dues shall be invoiced thirty (30) days in advance of the member's renewal month and should be paid upon receipt.

Section 3: An Active Member is considered current when Membership dues and fees are paid in full within the period allotted.

**ARTICLE V**  
**Termination of Membership**

Section 1: A member may be expelled for conduct unbecoming a member by the President/CEO once presented at Executive Committee meeting and majority vote of the Executive Committee present received.

- A. For membership terminated because of unbecoming conduct, membership dues paid shall be prorated to date of termination and excess dues returned within 30 days.
- B. The terminated member shall not be eligible for membership for at least one year from date of termination, and then only after the member proves to the Executive Committee's satisfaction that such unbecoming conduct has been remedied as resolved with majority vote of Executive Committee present.

Section 2: Any member, upon written request to the Board or President/CEO, may resign from the Chamber. Membership and prepaid fees are not refundable.

Section 3: Any member who falls ninety (90) days in arrears of membership dues shall be automatically dropped from membership. Individuals/Organizations wishing to reinstate Membership must re-apply and be approved (Article III Section 2) and prepay the annual membership dues and all fees.

**ARTICLE VI**  
**Qualifications of Voters**

Section 1: A Member in Good Standing/Active Member shall be entitled to one vote by the designated Primary Representative (per Article III Section 3). No proxies shall be allowed.

Section 2: No member representative shall be entitled to vote unless they have been an Active Member in Good Standing for at least ninety (90) days prior to the date of the matter requiring a vote or election.

## **ARTICLE VII**

### **Board of Directors**

#### Section 1: Number

The Board shall consist of no more than nineteen (19) and no less than ten (10) Directors.

#### Section 2: Qualifications

- A. All Directors shall be voting members elected from allowable membership types in Good Standing; including the Ex-officio Board Director, President/CEO, and the Immediate Past Chairperson.
- B. No Member shall be represented by more than one Board Director.
- C. No Chamber staff member, other than the President/CEO, shall serve on the Board.

#### Section 3: Length of Term

- A. There shall be a minimum of one (1) Director elected annually for a term of three years.
- B. The elected Directors' terms shall commence on the first day of the fiscal year following the date of their election. 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 (not to be counted as an elected term).
- C. No Director shall serve more than 2 consecutive elected terms until the lapse of one year after last term as a Director.
- D. No Director shall serve more than 9 consecutive years.
- E. Vacancies on the Board, by resignation, or otherwise, shall be filled by appointment of the Board for the remainder of the unexpired term. The resigning Board Director cannot be appointed to fill any vacancies on the Board for a period of one (1) year following the Board's acceptance of his/her resignation.

#### Section 4: Selection Process and Election

- A. In February of each year, a Nominating Committee consisting of three (3) Board Directors shall be formed as follows:
  - (1) A Director designated or approved by Executive Committee shall be Chair of the committee
  - (2) The Nominating Committee Chair shall appoint two (2) current or past Board Directors to serve as committee members with approval of the Board.
- B. The Nominating Committee shall be responsible to canvass and select the appropriate number of nominees to fill the pending vacancies on the Board. Potential candidates must:
  - (1) Active Members in Good Standing;
  - (2) have completed a minimum of one (1) year of membership;
  - (3) demonstrate active involvement in Chamber committees or programs.
- C. The Nominating Committee shall ensure each candidate is allowed to participate in the Board Selection Process as approved by the Board prior to the Committee convening. That process may include interviews and/or personality testing.
- D. Once a candidate applies each shall pledge to serve faithfully if elected as a Director.
- E. If not selected in the nomination process for election as Director, Active Members in Good Standing; with a minimum of one (1) year of membership and, active involvement

in Chamber committees or programs; may petition as a candidate. Such a petition shall be submitted to the Nominating Committee by the first of March.

- F. The Nominating Committee shall submit its report of applicants to the President/CEO and to the Chair of the Board not later than the Executive Committee May meeting.
- G. The Board will vote as a slate after receiving the recommendations of the Executive Committee for the applicants who have completed the Board Selection process. The Board shall vote on new Board Directors in May.
- H. The final election process shall conclude with the Annual Membership Meeting and/or vote (per Article X Section 1), with Active Members voting (Article III Section 3).
- I. The Board Chair or President/CEO shall notify the candidates of their selection status prior to any public notice such as a press release and/or social media.

#### Section 5: Ex-Officio Directors

At his/her discretion, the Chair, with Board approval, may appoint Ex-Officio Directors to serve as voting members of the Board. These Ex-Officio Directors shall serve at the pleasure of the Board.

#### Section 6: Honorary Directors

At his/her discretion, the Chair, with Board approval, may appoint Honorary Directors to serve as non-voting members of the Board. These Honorary Directors shall serve at the pleasure of the Board.

#### Section 7: Executive Committee

- A. The Executive Committee shall act for and on behalf of the Board when the Board is not in session, but shall be accountable to the Board for its actions.
- B. 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.
- C. The Executive Committee shall appoint Director-led committee heads.

#### Section 8: Indemnification

The Chamber may, by resolution of the Board, 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.

## **ARTICLE VIII**

### **Officers**

#### Section 1: Determination of Officers

- A. The Board Officers shall be a Chair, Vice-Chair, Secretary and Treasurer.

- B. The Executive Committee shall be composed of the aforesaid officers plus the Immediate Past Chair and the President/CEO.
- C. Officers will be elected by the Board at the May Board meeting.
- D. A Director who has served a minimum of one year on the Chamber Board may be eligible to be elected as an Officer.
- E. All Officers shall hold office for one (1) year commencing the first day of the fiscal year following their election.
- F. Officers may be removed by two-thirds (2/3) vote of the voting members of the Board present.

## Section 2: Officers and Duties

### A. Chair

- a. The Chair shall preside at the Annual Meeting, Executive Committee meetings and all Board meetings. The Chair shall work alongside and at the pleasure of the Executive Committee.
- b. Direct the calling of regular and special meetings of the Board or may issue any such call in person.
- c. Working alongside the Executive Committee; have general charge of the business and affairs of the Board. Perform such other duties and have such other powers as may be voted on and assigned by the majority of the Board present.

### B. Vice-Chair

- a. The Vice-Chair shall have such powers and shall perform such duties as may be assigned by the Board and as may be delegated by the Chair.
- b. In the event of the Chair's resignation, the Vice-Chair shall possess the power and shall perform the duties of the Chair for the balance of the term and shall be referred to as the Chair. A new Vice-Chair shall be elected by the remaining voting members of the Board.

### C. Secretary

- a. The Secretary shall have charge of such books, documents, and papers as the Board may determine. See that minutes are kept and signed for all Board meetings, and maintain all corporate records.
- b. The Secretary shall be responsible for maintaining all corporate records and shall sign and be responsible for the minutes of all Board meetings.
- c. In general, perform all the duties incident to the office of secretary, subject to the control of the Board, and shall do and perform such other duties as may be assigned by the Board.

### D. Treasurer

- a. The Treasurer shall ensure all checks are signed by the Treasurer and the President/CEO, or in the absence of one the Chair, along with all bills of exchange and promissory notes issued by the Chamber, except in cases where the

- signing and executing thereof shall be expressly designated by the Board or by these By-laws to some other officer or agent of the Chamber.
- b. Make such payments as may be necessary or proper to be made on behalf of the Chamber.
  - c. In general, perform all the duties incident to the office of Treasurer, subject to the control of the Board.
  - d. Regularly review and report on the financial position of the Chamber.
  - e. Oversee preparation of a quarterly financial report for the Board and present such report to the Board within the next quarter.

### Section 3: President/CEO

- A. The Board shall hire a President/CEO to manage the day-to-day running of the Chamber. The position shall be referred to as President, CEO, or Executive Director, commensurate with the experience of the Executive.
- B. The Board may discharge the President/CEO with or without cause at any time with a majority vote of the whole Board.
- C. The Board shall set and fix the President/CEO salary and benefits.
- D. The President/CEO shall be a voting Ex-Officio member of the Board, the Executive Committee, and all committees. The President/CEO may appoint a staff member as a representative to committees other than the Executive Committee.
- E. 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. It shall be the duty of the President/CEO to:
  - a. Aid the Officers, Directors, and committee chairpersons in the execution of their duties.
  - b. Perform such duties as may be incidental to his/her office subject to the By-Laws, policies and procedures of the Chamber and the approval of the Board.
  - c. Conduct official correspondence, preserve all books, documents, and communications and see to the maintenance of accurate records of the proceedings of the Chamber, Board, and committees.
  - d. Prepare and present to the Board a written Annual Report of the year's work of the Chamber within 3 months of the close of each fiscal year.
  - e. Administer the program of work in accordance with the policies and procedures established by the Board.
  - f. Be responsible for hiring, discharging, directing, training and supervising all employees.
  - g. Prepare an operating budget covering all activities of the Chamber, subject to approval of the Board. The President/CEO shall also be responsible for all expenditures within approved budget allocation.
  - h. Present the Annual Meeting format to the Board for approval.

Section 4: Bonding of Officers, Staff & Volunteers Bonds may be required by the Board in such amounts as it shall fix at its discretion for such officers, agents or servants of the Chamber as shall be deemed advisable.

## **ARTICLE IX**

### **Committees and Divisions**

#### Section 1: Appointment and Authority

- A. The Chair shall appoint all Director-led committees, committee members and committee chairpersons.
- B. The Chair may appoint such ad hoc committees and their chairpersons as deemed necessary to carry out the program of the Chamber.
- C. Committee appointments shall be at the will and pleasure of the Chair.
- D. Members of such committees shall remain members of those committees even as new Officers are elected, unless they resign or are asked to step aside by the Chair.
- E. It shall be the function of Director-led committees to make investigations, conduct studies and hearings, make recommendations to the Board, and to carry on such activities as may be delegated to them by the Board.

#### Section 2: Limitation of Authority

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

#### Section 3: Divisions

- A. The Board may create such divisions, bureaus, departments, councils, or subsidiary corporations as it deems advisable to handle the work of the Chamber.
- B. The Board shall authorize and define the powers and duties of all divisions, bureaus, departments, councils, and subsidiary corporations.
- C. 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.
- D. 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.

## **ARTICLE X**

### **Meetings**

#### Section 1: General Membership Meetings

- A. At all general membership meetings the presence of ten percent (10%) of Active Members in Good Standing shall constitute a quorum.
- B. The affirmative vote of two-thirds (2/3) of the Primary Representatives (per Article III Section 3) present shall be the act of the membership.
- C. If a quorum is not reached, no item can be voted upon.

#### Section 2: Special Meetings

- A. A special meeting of the Board may be called by the Chair or Executive Committee.
- B. The topic for the meeting must be announced when the meeting is called.

#### Section 3: Board Meetings

- A. The Board shall meet at regularly scheduled intervals.
- B. Absence from three (3) consecutive Board 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, if so voted by a majority of the Board Directors present at time of voting.
- C. A majority of the total number of voting Directors of the Board shall constitute a quorum for the transaction of business. 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. A meeting with a quorum initially present may continue to conduct business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least the number of Directors required if a quorum were present.

#### Section 4: Meeting Locations and Time

The Board, General Membership or Special Meetings shall be held at the Chamber office or at such other places within the State of Arizona.

#### Section 5: All Board and Committee Meetings

- A. All Board and Chamber committee meetings shall be open to all Chamber members in good standing.
- B. The Board Chair or President/CEO have authority to close portions of meetings to non-Board Directors when finance, personnel or other sensitive matters are discussed.
- C. Non-Chamber members are not allowed to attend any meetings unless granted special permission by the Board Chair, the President/CEO or the Committee Chair if neither the Board Chair or President/CEO are present.
- D. Non-Board Directors and non-committee members do not have voice at any meeting unless so granted by the meeting Chair, and never have the right to vote.

**ARTICLE XI**  
**Finances**

Section 1: Disbursements

- A. Non-budgeted items must be approved by the Board prior to disbursement.
- B. Non-approved items may become the responsibility of the person making the commitment for same, if so determined by a majority of the full Board.

Section 2: Commitments/Obligations

- A. The Chamber President/CEO can commit the Chamber for expenses or contracts for up to \$10,000.
- B. A majority vote of the Executive Committee can obligate the Chamber for contracts of up to \$100,000.
- C. A majority vote of the entire Board is required to obligate the Chamber for amounts over \$100,000.

Section 3: Fiscal Year

The fiscal year of the Chamber shall be July 1 through June 30.

Section 4: Annual Examination

- A. 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.
- B. The Chamber's tax return shall be available for examination by the Board at the Chamber office by appointment.
- C. The 990 Tax document summary shall be available for examination.

**ARTICLE XII**  
**Parliamentary Procedures**

All questions regarding parliamentary procedure, unless specifically provided for herein, shall be determined according to the latest edition of Robert's Rules of Order.

**ARTICLE XIII**  
**Amendments**

These By-Laws may be amended, or altered, by a two-thirds (2/3) vote of the voting members of the Board present at any regular or special meeting of the Board, as long as that vote is at least half of the entire Board and such action is on the agenda at least 24 hours before the meeting.

## **ARTICLE XIV**

### **Policies & Procedures**

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

#### Section 2: Intent to Run for Political Office

- A. A Board Director or Staff Member may not run for or serve in any paid political position, without prior written approval from the Board. This includes Town/City Council or Mayor of any Town or City, as well as County, State and Federal office.
- B. A Staff Member may not run for or serve in any paid political position, without prior written approval from the CEO/President. This includes Town/City Council or Mayor of any Town or City, as well as County, State and Federal office.
- C. For purposes of this section, a Board Director is considered to be running for office when the individual files an “intent to run” petition and/or forms a political committee, rather than when a candidate turns in completed signature petitions.
- D. Any Board Director of the Chamber who wishes to run for any of the aforementioned positions, without prior written approval from the Board, will immediately resign his/her position as Board of the Chamber.

#### Section 3: Indemnification Policy

The directors and officers of the Chamber shall not be individually liable for the Chamber's debts or other liabilities. The private property of such individuals shall be exempt from any corporate debts or liabilities. Such individuals shall not be personally liable to the Chamber, or any third-parties, for monetary damages for breach of fiduciary duty, except for liability (i) for any breach of the duty of loyalty to the Corporation; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) for any transaction from which such person derived any improper personal benefit. If the Arizona Revised Statutes are hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Arizona Revised Statutes, as so amended. Any repeal or modification of this paragraph shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

The Chamber shall indemnify any past or present director, officer, committee member, employee or agent against expenses, including without limitation, attorneys' fees, judgments, fines and amounts incurred while acting within the scope of his or her authority as a director, officer, committee member, employee or agent of the Chamber; provided that the Board shall determine in good faith that such did not act, fail to act, or refuse to act, willfully or with gross negligence or with fraudulent or criminal intent with regard to the matters involved in this action.

**ARTICLE XV**

**Records, Documents & Property**

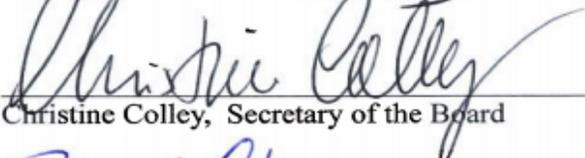
All records, documents, ledgers, correspondence, address lists, and all other information belonging to and/or addressed to the Chamber, except for personal articles and tangible personal property, are to remain the property of the Chamber and are not to be removed from the Chamber office upon resignation or termination of any Staff member, contracted employee or Board Director of the Chamber.

THIS REVISION AND RESTATEMENT OF THE FOUNTAIN HILLS CHAMBER OF COMMERCE BY-LAWS IS ADOPTED BY THE FOUNTAIN HILLS CHAMBER OF COMMERCE BOARD OF DIRECTORS ON June 9, 2021.

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Attested to by:

 Date: June 9<sup>th</sup>, 2021  
Bill Hinz, Chairman of the Board

 Date: 6/9, 2021  
Christine Colley, Secretary of the Board

 Date: 06/09, 2021  
Betsy LaVore, President/CEO of the Fountain Hills Chamber of Commerce