

**BYLAWS
AND
ARTICLES OF THE ASSOCIATION
OF
MISSION VIEJO 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 “Mission Viejo Chamber of Commerce” and “Mission Viejo Chamber” and “MissionViejoChamber.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 Mission Viejo by creating a climate where they can operate in a productive and profitable manner.
3. To cooperate with and support the business community of Mission Viejo both locally and within the region.
4. To educate, inform and encourage residents to shop and dine in Mission Viejo and patronize local businesses.
5. To increase the economic base of Mission Viejo 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 well being 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) **Business 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.
- b) **Individual Membership:** An individual 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.

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 90 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 eleven (11) voting members as follows:

- A. One (1) President.
- B. One (1) Immediate Past President.
- C. One (1) President-Elect
- D. One (1) Treasurer.
- E. One (1) Secretary.
- F. One (1) Chair Membership.
- G. One (1) Chair Events & Services.
- H. One (1) Chair Communications.
- I. Three (3) At-Large Directors
- J. Additional At-Large Directors may serve if elected by a two-thirds (2/3) vote of the entire Board.

Additionally, there may be two (2) non-voting members of the Chamber Board as follows:

- A. One (1) the Chamber's General Counsel
- B. One (1) Administrative Officer.

Section 3. Terms. Directors and Directors At-Large shall be elected for Two (2) year terms. The Board was established with initial Board Member terms of one (1) and two (2) years. Therefore, at

subsequent annual elections, approximately one half of the Board seats are up for election.”The slate of officers shall be elected annually by the board. The term of office of a Director shall commence on the first day of July following his or her election.

Section 4. Qualification. A Director must be an active member in good standing of the Chamber. A Director must reside in, or have his or her place of business in southern California and be looking to conduct business in, the city of Mission Viejo. No company or branch office may have more than one voting director serving as a Director at any one time.

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 well being 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. Employ an Administrative Officer for the Chamber and shall determine terms and conditions of his or her employment, based on the recommendations of the Chamber Board.

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. 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.

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 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. Vacancies by Directors shall be filled by a two-thirds majority vote of the Board of Directors present at their regularly scheduled board meeting. The new Director will serve for the remainder of the vacant Director's term.

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. 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 10. 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:** shall preside at all meetings of the membership, and the Board of Directors. The President shall be the official legislative representative and the spokesperson of the Chamber in all instances and situations when such official representation is appropriate. The President shall, with the counsel and advice of the Past-President and the Administrative Officer (if applicable), determine the need for program-steering committees and task forces. May not serve consecutive terms.
- B. **Immediate Past President:** shall serve as an advisor to the President, and Administrative Officer. The Past President shall complete special projects and assignments as requested by the President and Administrative Officer. All duties will be performed in accordance with the core principles, purpose, policies, procedures and standards as set forth in the bylaws established by the Board of Directors of the Chamber. The Past President elect shall focus his available time on board development and identifying key members and/or community leaders who may wish to serve.
- C. **President-Elect:** 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.

- D. **Treasurer:** shall serve as Treasurer of the Chamber and shall be responsible for determining the ways and means by which budget requirements are to be met; he or she shall be the technical custodian of all funds of the Chamber ; he or she shall cause an annual report to be prepared of all financial operations of the Chamber during the past year and shall prepare and present a final report of financial conditions to the Board at their monthly Board Meeting; he or she shall, with the approval of the Board, designate the bank(s) in which the funds of the Chambers shall be deposited. In conjunction with Administrative Officer shall prepare an operating budget or submittal to the Board of Directors for the fiscal year and maintain current accounts payable and cash flow records as it relates to the day to day operations of the corporation. The Treasurer in conjunction with the Administrative Officer shall serve as the chair of the Personnel/Human Relations Committee, if established, to address human resource issues on an as needed basis.
- E. **Secretary:** shall serve as Secretary of the Chamber and shall be responsible for acting as secretary for the Corporation. In this capacity, the Secretary shall keep minutes of the Board meetings, and shall assist with maintaining liaison with the business community and civic leaders throughout the Chamber's service area; shall assemble information, data, and prepare special reports on such matters as the President and/or the Board of Directors may designate.
- F. **Chair Membership:** 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.
- G. **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.
- H. **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.
- I. **Administrative Officer:** This position will be filled at the discretion of the Board of Directors, requiring approval by a 2/3 majority vote. Administrative Officer shall serve as assistant to the President and shall perform such responsibilities as may be assigned by the President or the Board; shall serve as a non-voting member of the Board. The Administrative Officer shall be responsible for the preparation of an operating budget, in conjunction with the Treasurer, covering all activities of the Chamber. He/she shall submit the operating budget to the Board of Directors for adoption and approval. The Administrative Officer shall also be responsible for all expenditures with approved budget allocation. The Administrative Officer shall also act as advisor on any matter of proposed or established policy of the Chamber ; shall be the official administrative representative and salesperson of the Chamber and in all instances and

situations when staff representation is appropriate; shall serve as the advisor to the Board on the subject of organizational realignment and long range program of work development; shall be responsible for hiring, discharging directing, and supervising all employees of the Corporation; shall maintain personal liaison with the business community and civic leaders throughout the Chamber's service area; shall assemble information, data, and prepare special reports on such matters as the President and/or Board of Directors may designate.

- J. **General Counsel:** This position will be filled at the discretion of the Board of Directors, requiring approval by a 2/3 majority vote. General Counsel shall provide legal advice and counsel to the Corporation, the Board of Directors, and the Administrative Officer as necessary and shall perform (or supervise the performance of) all legal services performed on behalf of the Corporation. He or she shall be a member in good standing of the California Bar; shall serve as a non-voting member of the Board

ARTICLE V. SELECTION OF OFFICERS AND DIRECTORS

Section 1. Nominating Committee. At the regular January meeting of the Board of Directors, the President of the Board shall select a Nominating Committee consisting of the four (4) At-Large Directors, and the President-Elect of the Chamber, who shall serve as Chair of the Nominating Committee, for a total of five (5) on the nominating committee. The Administrative Officer may attend the Nominating committee meetings but will not have a vote. Chamber publications shall publicize the fact that the Nominating Committee will accept, from the membership of the Chamber, the names of members, in good standing, to be considered as candidates for nomination as members of the Board of Directors. Nominations from the membership-at-large must be in writing and include a short biography of the member being nominated with verification of his or her willingness to serve. Nominations must be received by the Nominating Committee by no later than February 28th of each election year.

Section 2. Candidates. At the regular meeting of the Board in March the Nominating Committee shall present a slate of candidates meeting the composition requirements of Article III, Section 2 and Article IV of these Bylaws. It will have been the responsibility of the Nominating Committees to confirm, by personal contact with each candidate, his or her willingness to serve and obtain a signed statement of *Roles and Responsibilities of Directors*. The Nominating Committee is also responsible to confirm, within a reasonable degree of accuracy, the following:

- (a) No more than two (2) Individual Members will simultaneously serve as Directors
- (b) With respect to size of business, based on employee counts, the Board shall be proportionally representative of the membership-at-large.

Section 3. Notification. The President of the Board shall cause the slate of candidates to be sent by electronic mail, facsimile, and/or posted on the website providing notice to every member. Within ten (10) days of the date on which the slate is sent, any thirty (30) members may

nominate a member, in good standing, who is qualified under Article II, Section 5 of these bylaws, for Director by filing a petition containing the signatures of such thirty (30) members with the Administrative Officer of the Corporation. The thirty (30) members designated above shall not include more than one (1) signature per member, including all employee representatives of the member, and shall sign no more than ten (10) such petitions for any election.

Section 4. Elections. If no petition as prescribed in Article V, Section 3 is filed within ten (10) days of the date on which the slate is sent to members, the slate of candidates presented by the Nomination Committee's shall be deemed elected. If one or more petitions prescribed in Article V, Section 3 is filed within ten (10) days of the date on which the slate is sent to members, the Nominating Committee shall develop the official ballot with nominees in alphabetical order. Electronic and/or facsimile versions of the ballot shall be acceptable. On an accumulative voting rights basis, the candidates receiving the highest number of votes up to the number of Directors to be elected are elected.

Section 5. Certificate of New Directors. Following the official determination of the new Directors, the Nominating Committees shall certify their names to the current President of the Chamber by a statement signed by the members of the Nominating Committees.

Section 6. Selection of Officers. At the first Board meeting following the election, the Board of Directors will elect its officers, except for the position of President-Elect, which will be elected at the first upcoming meeting in the following calendar year. Any board member may accept a nomination for any one, and only one, of the officer positions. The Current President will conduct the election for 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.

ARTICLE VI. FINANCES

Section 1. Budget. The Board will establish a Budget Committee comprised of the Treasurer and at least two (2) additional Board Members, and the Administrative Officer, if available. 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 July 1 through June 30 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 Administrative Officer. 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 VII. MEETINGS

Section 1. Annual Meeting. The regular meeting of the Board scheduled for the installation of the Officers and Directors of the Board shall be open to the General Membership and shall constitute the official annual meeting of the Chamber.

Section 2. Board Meetings. Regular meetings of the Board shall be held monthly or as needed. For “special” meetings, Directors shall be given at least four days notice by first class mail, email or facsimile.

Section 3. Committee Meetings. Regular meetings of any duly appointed committee shall be scheduled, as needed and or as determined by the Board of Directors or duly appointed committee chairperson.

Section 4. General Membership Meetings. General Meetings of the Chamber may be called by the Board, the President, or by five percent (5%) or more of the members for any lawful purpose. When a meeting is requested by a person or persons entitled to call a meeting, the Board must then set the date of the meeting not less than 30 or more than 90 days after the receipt of the request. Notice of such meetings shall be mailed, emailed, or faxed to each member at least 10 days prior to such meetings.

ARTICLE IIX. 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 Mission Viejo 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 “Mission Viejo 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 on 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: