

BY-LAWS OF MORGAN HILL CHAMBER OF COMMERCE
DBA
Morgan Hill Chamber of Commerce & Visitors Center

1. ARTICLE I – ORGANIZATION

- 1.1. **NAME:** This organization was incorporated on February 5, 1964, as a not-for-profit corporation under the law of the State of California and section 501(c) 6 of the Internal Revenue Code and shall be known as the Morgan Hill Chamber of Commerce. (DBA Morgan Hill Chamber of Commerce & Visitor’s Center (Hereafter Chamber.) The principal office of the Chamber shall be located in the city of Morgan Hill, County of Santa Clara.
- 1.2. **PURPOSE:** The Morgan Hill Chamber is organized for the purpose of supporting and promoting the economic business climate of Morgan Hill.

2. ARTICLE II – MEMBERSHIP

- 2.1. **ELIGIBILITY:** Any business firm, individual, association, corporation, partnership or estate having an interest in the purpose of the Chamber shall be eligible to apply for membership.
- 2.2. **PROCEDURES:** Applications for membership shall be in writing on forms provided for that purpose and signed by the applicant. The President/CEO shall review and approve all applications, if the applicant meets all of the conditions in Article II. In the case where the President/CEO recommends not approving, such recommended non-approval shall be brought before the Board for its vote.
- 2.3. **MEMBERSHIP DUES:** Membership dues shall be at such rate or rates as prescribed by the Board of Directors.
- 2.4. **TERMINATION: (Resignation-Expulsion-Delinquency)**
- 2.4.1. Any member may resign from the Chamber upon written request. However, such resignation shall not relieve the resigning member of the obligation to pay any dues or other financial commitments therefore accrued and unpaid.
- 2.4.2. Any member shall be automatically expelled for non-payment of dues after ninety (90) days from the date due, unless otherwise extended for good cause which must be taken to the Board of Directors for vote.
- 2.4.3. Any member may be expelled or censured by a majority vote of the Board of Directors for conduct unbecoming a member of prejudicial to the aims or reputation of the Chamber. No such expulsion or censure shall occur until a 10-day written notice and opportunity for a hearing are afforded the member.

- 2.4.4. If a hearing were requested by the censured Chamber Member, the hearing would be conducted by a three (3) person board consisting of two (2) Members of the Board, who did not participate in the censure vote by the Board, and one (1) at large Chamber Member. The President/CEO would also participate in the meeting but not vote.
- 2.4.5. Any member or representative of a member who has been expelled may reapply for membership one year after expulsion subject to majority Board approval.
- 2.5 **VOTING:** In any proceeding which voting by members is called for, each member in good standing shall be entitled to cast one vote.
- 2.6 **ORIENTATION:** As directed by the Chair or the President/CEO each member of the Board of Directors shall participate in an orientation for the benefit of new members.

3. **ARTICLE III – MEETINGS**

- 3.1. **ANNUAL BOARD AND MEMBER MEETING:** The Board of Directors shall hold an annual General Membership meeting to introduce the new Board of Directors to the membership. The Board Chair will present a program of action for the upcoming year.
- 3.2. **ADDITIONAL MEETINGS:**
- 3.2.1. General Meetings: The Chair of the Chamber may call a meeting of members at any time or upon petition in writing of twenty (20) percent of the members in good standing. Notice of such meetings shall be mailed to each member at least ten (10) days prior to such meetings.
- 3.2.2. Board of Directors Meetings: A regular monthly meeting of the Board of Directors shall be held on the day of month set by Board without other notice than the By-laws. The Board of Directors may provide by resolution the time and place for holding additional regular meetings of the Board without notice than such a resolution. Such meetings shall be open to all members in good standing of the Morgan Hill Chamber of Commerce Corporation. At Board of Director meetings, a majority of the current members of the Board shall constitute a quorum.
- 3.2.3. Special Board Meetings: Special meetings of the Board of Directors may be called by or at the request of the Chair or any eight (8) directors. In addition, any twenty (20) members in good standing of the Chamber may call a special meeting of the Board of Directors. The person or persons authorized to call special meetings of the Board may fix any place and time, and must state the purpose of the meeting and the place for holding any special meeting of the Board called by them.
- 3.2.4. Adjournment Notice: A majority of the Directors present at any meeting, whether or not a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the

adjournment shall be given to those directors not present before the continuation of the adjournment.

3.2.5. Notice: Notice of any special meeting of the Board of Directors will be given at least forty-eight (48) hours previous thereto by written notice delivered personally, sent by mail, electronic e-mail, or fax to each Director at his/her address as shown on the records of the Chamber. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope with postage thereon prepaid, acknowledged as received. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened.

3.2.6. Waiver of Notice: Whenever any notice is required to be given under the provisions of the non-profit Corporation Act of California or under the provisions of the Articles of Incorporation or the Bylaws of Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

3.2.7. Committee and Subcommittee Meetings: May be called at any time with at least 48 hours telephone, electronic e-mail or fax notice to the membership and President/CEO by the Board Chair or by its Chair.

3.3 **VOTING BY MAIL:** Where Directors are to be elected by the general membership, such election may be conducted by any reasonable method approved by law.

3.4 **NOTICES, AGENDA MINUTES:** The President/CEO shall send to the Board within at least 4 working days prior to a regularly scheduled meeting an agenda, supporting documentation, financial reports, committee reports and minutes of the last scheduled meeting.

4. **ARTICLE IV – BOARD OF DIRECTORS**

4.1. **BOARD OF DIRECTORS ELIGIBILITY & RESPONSIBILITY:** Any member of the Morgan Hill Chamber of Commerce in good standing is eligible to hold the office of Director.

4.1.1. Subject to the provisions of the General Corporation Law and to any Limitations in the Articles of Incorporation of the corporation, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board may delegate the management of the day-to-day operation of the business of the corporation provided that the business and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

4.1.2. Each Director shall perform the duties of a Director, including the duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

4.2. **NUMBER AND COMPOSITION OF THE BOARD SELECTED BY**

MEMBERSHIP: The number of seats on the Board of Directors to be selected by members shall be up to seventeen (17). When allowable due to the makeup of the Board of Directors, Five (5) of the seventeen (17) members on the Board of Directors shall be elected annually to serve on the Executive Committee until a qualified successor has been elected. Only one term limit is applied to the Board, the Chair Seat, which details can be found in section 4.13. The Board of Directors may additionally appoint the current President & CEO as an additional voting member of the Board with the agreement of the President & CEO. Non-voting Alternate Board Members may also be elected for a one (1) year term at the discretion of the Board. Honorary seats with non-voting status will be afforded to the Mayor of Morgan Hill and Executive Director(s) of other Associations at the discretion of the Board. These seats are bestowed upon the holders as a courtesy noting the nature of their prominence in the community-at-large.

4.3. **SELECTION OF DIRECTORS BY NOMINATION COMMITTEE:**

No later than August of each year, the Chair of the Board of Directors shall initiate the selection, either by volunteering or appointing, an up to seven (7) member Nominating Committee. The committee will forward its slate of candidates to the Board Chair.

4.4. **PROCEDURES:** Prior to the last day of August of each year, the Nominating Committee, as designated under Section 4, will correspond electronically with the membership or by a Chamber bulletin or other publication, requesting submission of names of potential candidates to serve as directors for the organization, the names of all such candidates to be received at the Chamber office to the attention of the Board Chair no later than the First Friday of November. The Nominating Committee shall, upon receipt of said suggestions from the Chamber membership at large, recommend to the Board of Directors a list of members to replace those Directors will not be serving in the new year. It shall be the responsibility of the President/CEO to personally contact each of the Director candidates to determine if they are willing to be nominated and to serve a three-year term on the Board of Directors. The Nominating Committee must interview each nominee and submit its list for approval by the Board of Directors by the November Board Meeting. The Board of Directors may also, at its discretion, delete, add to or amend said list.

4.5. **MEMBERSHIP NOTIFICATIONS OF PETITIONS:** The President/CEO shall notify each member, prior to last day of November of each year, the names of those individuals who have been recommended as new Directors.

4.6. **ELECTION:** At its regularly scheduled November Board of Directors meeting, the existing Directors shall vote for directors. The candidates with the highest number of votes shall be elected as Directors. The Board Chair shall have the votes tabulated in a

reasonable and consistent manner. The Chair and the treasurer shall count the votes and announce the results. President/CEO shall notify each New Board Member of their election and schedule an orientation session. Newly elected Board Members' term becomes effective January 1

- 4.7. **VACANCIES:** The Board of Directors shall fill vacancies of the Board of Directors or among the officers by a majority vote to fill a vacancy for the unexpired term of the predecessor.
- 4.8. **BOARD MEMBER ATTENDANCE:** If any member of the Board fails to attend three (3) meetings as noted in the meeting minutes throughout the year, the Chair shall, in writing, call such failure to his/her attention and will notify all other Board members. The Board member shall have fifteen (15) days to provide explanation to the Board and their continued tenure on the Board shall be voted on at the next regularly scheduled Board meeting.
- 4.9 **COMPENSATION:** Directors, as such, shall not receive any stated salaries for their services, but by resolution of the Board of Directors expenses, if any, may be allowed for attendance at other meetings, conferences or seminars pertaining to Chamber business, but nothing herein contained shall be construed to preclude any Director from serving the Chamber in any other capacity and receiving compensation.
- 4.10 **CONFLICT OF INTEREST:** To protect the integrity of its Board members and Chamber staff, situations of actual or potential conflict of interest are to be avoided by all noted parties. All Board members are to make a full, written disclosure of interests, relationships and holdings that could potentially result in a conflict of interest. All financial transactions between the Chamber and members of its Board should be duly noted and voted upon by the Board. Furthermore, when an item is included on a Board of Directors Agenda that may be a conflict of interest for a Board Member, that Member of the Board will declare a conflict of interest, state what the conflict is and abstain from discussion, unless asked a direct question, and any relevant vote.
- 4.11 **ETHICS CLAUSE:** It is the policy of the Morgan Hill Chamber to conduct its business affairs fairly, impartially and in an ethical and proper manner. Conduct, that may raise questions regarding the Chamber's honesty, integrity, impartiality or reputation of activities that could cause embarrassment to the Chamber are prohibited. Board members must act in such a manner that reflects our standards in all Chamber-related activities, or does not compromise our relationships with our marketing partners.
- 4.12 **SOCIAL MEDIA CLAUSE:** The Chamber of Commerce honors differences but expects the Board of Directors to abide by the organization's values whether involved in an official Chamber activity or not. The Chamber will respectfully address any harmful comments, posts or pictures made by a board member on social media, that reflect negatively on the organization's reputation and values. We recognize and celebrate everyone's First Amendment right to "free speech." However, believing it gives them the right to say whatever they want without consequence is false. The Chamber will not tolerate comments or posts that would be defined as harassment or discrimination by standard definition

of treating a person or group unfairly because of a particular characteristic including age, sex, race, color, creed, religion, ethnicity, sexual orientation, gender identity, national origin, citizenship, disability, or marital status or any other legally recognized protected basis under federal, state, or local laws, regulations or ordinances. Further, comments, posts or pictures that include profanity, bullying, lewd and/or lascivious content will be viewed as unprofessional and unbecoming conduct of a Board Director and will be addressed in the same manner.

- 4.13 **CHAIR; SELECTION AND RESPONSIBILITY:** A Chair of the Board of Directors shall be elected by the Board at its regularly scheduled November meeting. The elected Chair shall begin a one-year term on January 1st of the following year. The Chair shall be responsible for developing agendas in concert with the President/CEO, presiding over the meetings of the Board of Directors and Executive Committee and setting the goals for the following year. The Chair shall ensure the effective action of the Board in governing and supporting the Chamber, while overseeing Board affairs. The Chair shall act as the representative of the Board as a whole, rather than as an individual supervisor to staff. The Chair and President/CEO may speak to the media and the community on behalf of the organization and represents the Chamber in the community as long as he or she is communication decisions and/or direction previously agreed upon by the full board. When necessary, the Chair shall establish a search and selection committee for hiring a President/CEO regarding negotiating compensation and benefits package. The Chair will become Past Chair at the end of his or her term. The Chairperson may serve up to two additional terms as Board Chair should the Board of Directors so decide. In no case shall an individual be the Board Chairperson for more than three years consecutively.
- 4.14 **VICE-CHAIR:** The Vice-Chair will be elected by the Board of Directors at its regularly scheduled November meeting. Under the auspices of the Vice-Chair, the Board of Directors shall conduct an annual retreat each year with the intent to review the obligations and responsibilities of the Chamber, its Board of Directors and its Committees. The Vice-Chair shall be responsible for the duties of the Chair in the Chair's absence. The Vice-Chair shall assist the Chair on any specified project or special duties. The Vice-Chair assumes the position of Chair as per SECTION 14.
- 4.15 **PAST CHAIR:** The most recent past Chair of the Board of Directors shall have full voting privileges until the end of his/her term.
- 4.16 **CHIEF FINANCIAL OFFICER (TREASURER):** The CFO (Treasurer) will meet monthly with the President/CEO and Finance Manager to review the previous month's Finance Report and present the Finance Report to the Executive Committee and Board of Directors. The CFO (Treasurer) will meet with the President/CEO and Executive Committee no later than the last day of October to prepare the next Chamber Year Budget.
- 4.17 **SECRETARY:** The Secretary will assure that minutes are taken at the Executive Committee, Board of Directors and Finance meetings and presented for approval at each group's next meeting.

5 ARTICLE V – POWERS OF THE BOARD OF DIRECTORS

5.1 **POWERS OF THE BOARD OF DIRECTORS:**

- Approving any action that is required by statute to have approval of the Board or approval of a majority of all Directors.
- Filling vacancies on the Board or on a Committee of the Board.
- Fixing reimbursement of expenses incurred by Board or Committee members.
- Adopting, amending, or repealing bylaws.
- Amending or repealing any Board resolution.
- Appointing Committees of the Board or members of such Committees.
- Approving self-dealing transactions in order to avoid the mere appearance of impropriety.

6 **ARTICLE VI – EXECUTIVE COMMITTEE**

6.1 **EXECUTIVE COMMITTEE:** The Executive Committee of the Chamber shall be a Board Chair, Vice-Chair, Chief Financial Officer (Treasurer), Secretary and Past Chair. No person may hold more than one office and be the Chair. The board may also at its option choose an additional board member at large as a voting member of the Executive Committee.

6.2 **ELECTION OF OFFICERS:** The Board of Directors, at its regularly scheduled November meeting, will elect the officers annually.

6.3 **REMOVAL:** Any Director or Officer elected or appointed by the Board of Directors may be expelled or censured by a majority vote of the Board of Directors for conduct unbecoming a Director or prejudicial to the aims or reputation of the Chamber. No such expulsion or censure shall occur until a 10-day written notice and opportunity for a hearing are afforded the Director.

6.4 **VACANCIES:** The Board of Directors, for the unexpired portion of the term, shall fill a vacancy. Any vote required, hereunder, shall be by majority vote.

6.5 **DUTIES OF OFFICERS:** The duties of the Officers shall be as follows, in addition to such other duties as the Board of Directors shall require:

- **Chair:** The Chair will preside at all meetings of the members and meetings of the Board of Directors as described under ARTICLE IV, Section 13. The Chair may sign, with the President/CEO or any other proper officer of the Chamber authorized by the Board of Directors, any deeds or documents which the Board has authorized to be executed.
- **Vice-Chair:** The **Vice-Chair** shall exercise such powers as the Board or the Chair may prescribe as noted under ARTICLE IV, Section 14.
- **Secretary:** The Secretary shall be elected or appointed by the Board of Directors at its October meeting. The Secretary shall keep minutes of the meeting and of the Board of Directors.

- **Chief Financial Officer (Treasurer):** The Chief Financial Officer shall:
 - Develop the annual budget with the President/CEO in November of each year.
 - Present an annual budget with the President/CEO for Board approval in November of each year.
 - Review financial report monthly following up with the President/CEO and Finance Committee about concerns, issues and questions.
 - Report to Board of Directors any financial concerns.
 - Review cash balances monthly. Make recommendations to the Board when appropriate.

6.6 **PRESIDENT/CEO:** The President/CEO shall act as agent for service of process, and shall conduct the correspondence, preserve the records, documents and communications, keep books of account, maintain an accurate record of the proceedings of the Chamber and the Board of Directors meetings. The President/CEO shall engage, discharge and have supervision over all employees, including fixing their duties and compensation in accordance with policies as noted in its bylaws and practices approved by the Board of Directors. The President/CEO shall prepare and maintain a statement of all Chamber policies as determined by the Board of Directors. The President/CEO may speak to the media and community on behalf of the organization and represents the Chamber in the community. All formal or public actions and resolutions must first receive Board approval. The President/CEO shall attend committee meetings at will. The President/CEO serves at the pleasure of the Board of Directors.

7 **ARTICLE VII – DIVISIONS AND COMMITTEES**

- 7.1 **APPOINTMENT AND AUTHORITY:** The Board of Directors shall assign Board Members to serve as Liaisons to all Chamber Committees, Councils or Task Forces. The Board of Directors shall authorize and define the powers and duties of all standing Committees.
- 7.2 **LIMITATION OF AUTHORITY:** No Committee shall take or make any formal action or make public any resolution, or in any way commit the Chamber on a question of policy without receiving written Board approval.

8 **ARTICLE VIII – FINANCES**

- 8.1 **FUNDS:** All money paid to the Chamber shall be placed in a general operating account, which shall be deposited in an authorized depository as determined by the Board. Reports shall be made to the Board of Directors monthly on any and all accounts.
- 8.2 **DISBURSEMENTS:** Disbursements shall be by negotiable instrument and not by cash **whenever possible**. Two (2) authorized signature shall sign checks of over \$2,500.00
- 8.3 **CONTRACTS:** Contracts or obligations directly related to Board approved Chamber events, activities and/or relevant obligations shall be executed by the President/CEO without further Board approval. Contracts or obligations not directly related to Board approved Chamber events, activities and/or relevant obligations require written Board

approval.

8.4 **FISCAL YEAR:** The fiscal year of the Chamber shall begin on the first day of January and end on the last day of December of each year.

8.5 **ANNUAL REVIEW:** The accounts of the Chamber shall be reviewed annually by a Certified Public Account sixty (60) days after the close of the fiscal year. The review shall, at all times, be available to members of the organization within the office of the Chamber, and can be conducted as part of tax preparation.

8.6 **BOOKS AND RECORDS:** The Chamber shall keep accurate and complete books and records of accounts and may be inspected by any member, or member's agent or attorney, for any proper purpose at any reasonable time. The Chamber shall also keep minutes of the proceedings of its meetings. The Board of Directors and Committees shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote.

8.7 **DISSOLUTION:** The Chamber shall use its funds only to accomplish the objects and purposes specified in these Bylaws, and no part of said funds should be distributed to the members of the Chamber. On dissolution of the Chamber, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board of Directors.

9 **ARTICLE IX – IDEMNIFICATION**

9.1 **RIGHT OF INDEMNITY:** To the fullest extent permitted by law, the Chamber shall indemnify its directors, officers, employees, and others, 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 proceeding, by reason of the fact that the person is or was acting on behalf of the Chamber.

9.2 **APPROVAL OF INDEMNITY:** On written request to the Board of Directors by any person seeking indemnification herein, the Board of Directors shall promptly determine under applicable law whether the requirements have been met and, if so, the Board of Directors shall authorize indemnification. If the Board of Directors cannot authorize indemnification because the number of Board members who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of the Board who are not parties to that proceeding, the Board of Directors shall promptly call a meeting. At that meeting, the Board shall determine under applicable law whether the applicable standards of conduct set have been met and, if so, the Board of Directors present at the meeting in person or by proxy shall authorize indemnification.

9.3 **ADVANCEMENT OF EXPENSES:** To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any

proceeding covered by herein shall be advanced by the Chamber before final disposition of the proceeding, on receipt by the Chamber of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Chamber for those expenses.

- 9.4 **INSURANCE:** The Chamber shall maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by an officer, Director, employee, or agent in such capacity or arising out of the officers, Directors, employee's, or agent's status as such. The Board of Directors prior to renewal must review the policy.

10 **ARTICLE X – PARLIAMENTARY PROCEDURES AND SEAL**

- 10.1 **AUTHORITY:** The proceedings of the Chamber shall be governed by and conducted according the latest rules of Robert's Rules of Order as revised.

- 10.2 **SEAL:** The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Chamber and the words "Corporate Seal Morgan Hill Chamber of Commerce, Incorporated."

11 **ARTICLE XI – AMENDMENTS**

- 11.1 **APPROVAL:** These Bylaws may be amended or altered by a majority vote of the Board.

SECRETARY CERTIFICATE

The undersigned, Secretary of the corporation known as the MORGAN HILL CHAMBER OF COMMERCE, does hereby certify that the above and foregoing Bylaws, as amended, were duly adopted by the members of the Board of Directors of said corporation on the 29th day of August, 2018 and that they do constitute the Bylaws of said corporation and the same have not been amended or changed since that date until the date of my signature below.

DATED: 9/3/2020 SECRETARY: 

Amended September 19, 2006
Amended October 17, 2006
Amended November 28, 2006
Amended January 23, 2008
Amended November, 2011 for Budget Year January – December. Amended
November, 2013 regarding executive committee composition Amended
November, 2016 to remove board member term limits
Amended August, 2018 to add option of President/CEO being a voting board member
Amended July, 2020 to change Board Composition to (17) Directors and remove Secretary Term
Limits
Amended August, 2020 to include Social Media Clause