

PAYNESVILLE AREA CHAMBER OF COMMERCE

BY-LAWS

Most Recently Amended January 9, 2012

ARTICLE I-GENERAL

SECTION 1: Name and Location: This non-profit organization is incorporated under the laws of the State of Minnesota. It shall be known as the Paynesville Area Chamber of Commerce and referred to herein as the Chamber. Its principal place of business shall be in the City of Paynesville, Minnesota.

SECTION 2: Mission Statement: The Chamber is organized for the purpose of advancing the economic, industrial, professional, cultural and civic welfare of the Paynesville Area; encouraging the growth of existing industries and businesses while giving all proper assistance to any new firms or individuals seeking to locate in the Paynesville Area; to support all those activities believed to be beneficial to the community and area and oppose those which might be detrimental; promote the welfare of all area citizens, following those policies intended to accomplish the greatest good for the greatest number.

SECTION 3: Limitations of Methods: The Chamber shall observe all local, state, and federal laws which apply to a non-profit organization as defined in section 501(c) 6 of the Internal Revenue Code.

ARTICLE II-MEMBERSHIP

SECTION 1: Eligibility: Any reputable person, business firm, association, corporation, partnership or estate having an interest in the mission of the Chamber shall be eligible to apply for membership.

SECTION 2: Election: Application for membership shall be in writing on the forms provided for that purpose and signed by the applicant. Applications will be submitted to the Board of Directors for their approval. Members may be elected at any meeting of the Board of Directors with affirmative vote of a majority of the Board of Directors present and voting. Membership approved by the Board of Directors will begin upon acceptance of payment of the prescribed membership investment (dues).

SECTION 3: Membership Investment (Dues): Membership investment shall be at such rate, schedules, or formulas as may be from time to time prescribed by the Board of Directors, payable annually, semi-annually or quarterly in advance. Investment for any member joining during any fiscal year shall be paid on a pro-rated basis.

SECTION 4: Termination: Any member may resign from the Chamber upon written request to the Board of Directors. Any unused dues for the fiscal year in which the member resigns shall be retained by the Chamber.

Any member shall be expelled by the Board of Directors for non-payment of membership investment (dues) after ninety (90) days from the date due, unless otherwise extended, for good cause.

Any member may be expelled by a three-fourths (3/4) vote of the Board of Directors at a regularly scheduled meeting thereof for conduct unbecoming a member or prejudicial to the aims or repute of the Chamber. Written notice of expulsion, suspension or termination, and the reasons for it shall be sent to an expelled member.

A member expelled for non-payment of dues may be reinstated at any meeting of the Board of Directors by a majority vote of those present and voting and payment of all delinquent dues to the Chamber.

SECTION 5: Voting: Each member person, firm, association, corporation, partnership, or estate shall be entitled to one vote in any election, referendum or membership meeting. Business firms may, at their option, and with the approval of the Board of Directors, appoint additional key personnel to serve as members of the Chamber and represent the firm in voting situations and on project committees. Exception: when balloting on By-laws or directors, each member firm or each member account shall be entitled to one vote.

No voting by proxy shall be permitted.

SECTION 6: Exercise of Privileges: any member may nominate individuals who the holder desires to exercise the privileges of membership covered by its subscription subject to the written approval of the Board of Directors.

SECTION 7: Orientation: Annual orientation on the purposes and activities of this Chamber shall be conducted for the following groups: officers and directors, new directors, committee chairs and staff.

A detailed outline for orientation of each of these groups shall be made a part of the policy manual for this organization. This orientation program shall be carried out prior to their assuming their respective duties.

Every effort will be made to instruct new members regarding the aims, objectives and work program of the Chamber. This training will be the responsibility of the President or his/her designate.

SECTION 8: Honorary Membership: Distinction in public affairs or such other distinction as may be determined by the Board of Directors shall confer eligibility for honorary membership. Honorary members shall be exempt from paying dues and have all the privileges of members, except that of holding office. The Board of Directors shall offer or revoke honorary membership by a majority vote.

ARTICLE III – MEETINGS

SECTION 1: Annual Meeting: The annual meeting of the members shall be held in January of each year on a date and at such place and time as may be fixed by the Board of Directors. Notice thereof shall be mailed or emailed to each member, at the last known address of record in the Chamber office, at least ten (10) days before said meeting stating the date, time and location. (Location must be a chamber member.)

SECTION 2: Additional Meetings: General or special meetings of the Chamber may be called at any time by the President, or upon petition in writing signed by not less ten percent (10%) of the members. Notice of both regular and special meetings shall be given to each member in person or mailed or emailed to each member, at the last known address of record in the Chamber office, at least five (5) days prior to such meeting.

Board meetings may be called by the President or by him/her upon written application of three (3) members of the Board of Directors. Notice (including the purpose of the meeting) shall be given to each director at least two (2) days prior to said meeting.

The board of Directors shall meet not less frequently than once a month at such regular date, time and place as it shall determine.

Committee meetings may be called at any time by the President, or by the committee Chairperson.

SECTION 3: Quorums: At any duly called meeting of the Chamber, ten (10) percent of the membership shall constitute a quorum.

A majority of Directors present shall constitute a quorum of the Board of Directors.

At committee meetings, a majority shall constitute a quorum except that when a committee consists of more than nine (9) members, five (5) shall constitute a quorum.

ARTICLE IV - BOARD OF DIRECTORS

SECTION 1: Composition of the Board: The government of the Chamber of Commerce, the planning, the policy making, the direction of its work, and the control of its properties shall be vested in a Board of Directors consisting of nine (9) members, who shall be elected for a term of three (3) years. The Administrative Assistant shall also serve as non-voting member of the Board of Directors and shall not be entitled to voting privileges, unless specifically authorized by provisions in these Bylaws.

SECTION 2: Eligibility: No member of the Board of Directors shall be eligible for reelection until at least one (1) year shall have elapsed after the expiration of his/her term as a Director. In addition, no more than one person from each member's organization may serve at the same time on the Board of Directors under a single membership.

SECTION 3: Nomination Committee: No later than November 1st of each year the President shall appoint a Nominating Committee, having a total of three (3) members of the Chamber. The President shall designate the Vice President as Chair of the Nomination Committee.

SECTION 4: Nominating Procedure: Within 30 days of their appointment, the Nominating Committee shall submit a report to the President containing their nominations for a minimum of the number of vacated board seats to replace the Directors whose regular three (3) year terms are set to expire. Such report shall be in writing and certify that the nominees have accepted their nomination and understand the duties of a director.

The President shall instruct The Administrative Assistant to immediately notify the membership by mail or e-mail, at the last address of record in the Chamber office, of the persons nominated and right of petition, also advising each member of the procedure by which additional nominations may be made, as hereinafter provided.

The notice shall also contain the names of the current Directors and the names of the Directors ineligible for election.

SECTION 5: Seating of New Directors: All newly elected Board members shall be seated at the regular board meeting following election and shall be participating members thereafter.

SECTION 6: Vacancies: Vacancies on the Board of Directors or among the officers shall be filled by appointment by the President with approval of the Board of Directors. The term of such appointment shall not exceed that of the vacancy being filled. Filling a vacancy does not constitute election.

The failure of any member of the Board of Directors to attend three (3) consecutive meetings shall be considered the equivalent of his/her resignation. The President shall in writing call such failure to the member's attention and if satisfactory reason is not received within twenty (20) days, the member shall be dropped from the membership on the Board, and the vacancy thus created shall be filled as provided above. In addition a vacancy will be deemed to exist upon the death of a member or upon his/her resignation from the Chamber or upon his/her moving from the Paynesville area.

SECTION 7: Policy: The government and policy making responsibilities of the Chamber shall be vested in the Board of Directors. The Board shall adopt rules and regulations consistent with these By-laws as may be required to conduct the affairs of the organization.

All policies of the Board will be formalized, recorded, and maintained in a Policy Manual, for easy reference by the Officers, Directors and Administrative staff.

The Policy Manual shall be reviewed every two (2) years at the January meeting and revised as necessary. Revisions may be made at such other times as deemed necessary.

SECTION 8: Management: Annually the Board of Directors shall employ an Administrative Assistant and shall fix his/her salary and other consideration of employment.

ARTICLE V – OFFICERS

SECTION 1: Determination of Officers: Once elected as an officer, each year the officers shall move up in rank. More specifically the Vice president shall become the President the following year.

SECTION 2: Duties of Officers:

President: The President shall preside at all meetings of the full membership and Board of Directors. He/She shall perform such other duties as the Board of Directors may direct and at the expiration of his/her term, deliver to the Board of Directors all records and property belonging to the Chamber.

The president shall, with the advice, counsel and approval of the Board of Directors, do the following: (1) determine the need for ad hoc committees; and (2) appoint all ad hoc committee Chairs; (3) appoint the Vice President of the board.

With the approval of the Board of Directors, the President shall sign all deeds, contracts and other instruments affecting the operation of the Chamber or any of its properties. He/She shall sign all formal documents of the Chamber.

The President shall be a non-voting member of all committees and other bodies of the Chamber.

Vice President: The Vice President shall exercise the powers and authority and perform the duties of the President in the absence or disability of the President. He/She shall also serve as Chair of the Nominating Committee.

The Administrative Assistant: The Administrative Assistant shall be the technical custodian of all funds of the Chamber and be responsible for their safekeeping and proper disbursement. Such funds shall be kept on deposit in financial institutions approved by the Board of Directors.

The Administrative Assistant shall be interviewed, hired and given annual performance reviews by a committee appointed by the President of the Board of Directors. Any and all compensation and/or benefits provided to the Executive Secretary shall be approved by the Board of Directors. The Administrative Assistant shall serve as at-will employee and shall not be deemed to be under contract with the Chamber. The Administrative Assistant shall be responsible for the day-to-day operations of the Chamber office, carrying out the directives of the Board. Additionally, the Secretary shall be responsible for oversight of any and all employees and/or volunteer activities of the Chamber and shall regularly report Chamber activities to the Board of Directors and the membership.

The Administrative Assistant shall be non-voting member of the Board of Directors and all committees.

Secretary: The Secretary shall keep books of account and maintain an accurate record of the proceedings of the organization and the Board of Directors.

Treasurer: The Treasurer shall be responsible for the safekeeping and proper disbursement of all funds received by the Chamber and will provide a monthly financial report to the Board. Funds shall be kept on deposit in financial institutions approved by the Board of Directors. With the

cooperation of the President and the Finance Committee, the Treasurer shall be responsible for the preparation of an operating budget covering all activities of the Chamber.

ARTICLE VI – COMMITTEES

SECTION 1: The President by and with the approval of the Board of Directors shall approve all committees and committee Chairpersons. He/She may appoint such committees and their Chairpersons as he/she deems necessary to carry out the work program of the Chamber.

The Board shall define the powers and duties of all standing and special committees, department and special projects, except those committees whose functions are set forth in these By-laws. It shall be the function and responsibility of each committee to make investigation, 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 committee or department or bureau shall take or make public any resolution or in any way commit the Chamber on a question on policy without first receiving approval of the Board of Directors. Special committees shall be discharged by the President 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.

No committee or division of the Chamber, nor any representatives thereof, shall contract any debt in its behalf, which shall in any manner or in any extent render the Chamber liable for the payment of any sum.

SECTION 3: Testimony: Once committee action has been approved by the Board of Directors, it shall be incumbent upon the Committee Chairperson, or in his/her absence, who he/she designated from his/her committee as being familiar enough with the issue to give testimony to, or make presentation before, civic and governmental agencies, rather than members of the staff who may be in attendance.

ARTICLE VII – FINANCES

SECTION 1: Funds: All money paid to the chamber shall be placed in the general operating fund. Funds not used from the current year's budget will be placed in a reserve account or certificate. Funds in excess of those necessary for the normal operation of the Chamber for ninety (90) days shall be invested as determined by the Board of Directors.

"Money from sales of the Chamber Bucks are placed in the Reserve Account. All other money is placed in the General Operating Fund. These accounts shall be located at a member financial institution when possible".

SECTION 2: Authorized Signors. Any two (2) designated members including the President and one (1) board member as voted on by the active Board of Directors yearly shall be authorized as official signature holders of the Chamber on all Chamber accounts.

Section 2A. Except the Chamber Bucks, which can be signed by the one (1) of the following; President, Vice President, or the Administrative Assistant.

SECTION 3: Disbursements: No obligation or expense shall be incurred and no money shall be appropriated without prior approval of the Board of Directors. Upon approval of the budget, the President is authorized to make disbursements of accounts and expenses provided for in the budget without additional approval of the Board of Directors. Disbursements shall be by check and any such disbursements exceeding the sum of Two Hundred Fifty (\$250) Dollars shall require the signature of two (2) authorized signors.

SECTION 4: Fiscal Year: The fiscal year of the Chamber shall begin on January 1st and close on December 31st of each year.

SECTION 5: Audit: The accounts of the Chamber shall be audited by the finance committee selected by the Board of Directors, quarterly, and shall report its findings to the Board.

SECTION 6: Bonding: The President and such other officers and staff as the Board may designate shall be bonded by adequate surety bond at the expense of the Chamber in an amount set by the Board of Directors.

ARTICLE VIII – PARLIAMENTARY PROCEDURES AND SEAL

SECTION 1: Authority: The proceedings of the Chamber shall be governed by and conducted according to the latest edition of Roberts Rules of Order as revised, when such rules are not inconsistent with the By-laws of the Chamber.

SECTION 2: Seal: The Chamber may use a Seal of such design as may be adopted by the Board of Directors.

ARTICLE IX – AMENDMENTS

SECTION 1: Revisions: These By-laws may be amended or altered by a three-fourths (3/4ths) vote of the Entire Board of Directors, or by a majority of the members present at any regular or special meeting providing the notice for the meeting includes the proposals of amendments and has been given to the entire membership.

ARTICLE X – INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS

- a. The Chamber acting through its Board of Directors shall exercise, as fully as may be permitted from time to time by law, its power to indemnify any director, officer, employee, or agent who was or is a party or is threatened to be made a party of any action by reason of the fact that he/she is or was a director, officer, employee, or agent of the Chamber, or is or was serving at the request of the Chamber as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or enterprise, against expenses, including attorneys' fees, judgments, fines, and amount paid in settlement actually and reasonably incurred by him/her in connection with such action if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Chamber, and with respect to any criminal action, had no reasonable cause to believe his/her conduct was unlawful.
- b. In actions by or in the right of the Chamber there shall be no indemnification of a person if he/she is judged to be liable for negligence or misconduct in the performance of his/her duty of the Chamber unless and only to the extent that the court shall determine that in view of the circumstance such person is fairly and reasonable entitled to indemnity. In all other actions the Chamber shall determine whether indemnification is proper under the circumstances because the applicable standard of conduct set forth in paragraph (a) was met. The determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, or by the written opinion of independent legal counsel or by the members of the Chamber.
- c. The term "action" as used in this section includes any threatened, pending, or completed action, suit or proceeding wherever brought, whether civil, criminal, administrative, or investigative.
- d. A person shall be indemnified against expenses to the extent that he/she has been successful on the merits or otherwise in defense of cause.

- e. The Chamber may purchase and maintain insurance to protect itself and any such director, officer, employee or other person against any liability asserted against them and incurred by them in respect of such service, whether or not the Chamber would have the power to indemnify them against such liability by law or under the provisions of this Section. Furthermore, the provisions of this Section shall be applicable to actions, suits or proceedings commenced after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof, and to directors, officers, employees and other persons who have ceased to render such service, and shall inure to the benefit of the heirs, executors and administrators of the directors, officers, employees and other persons referred to in this Section.

ARTICLE XI – DISSOLUTION

The Chamber may choose to dissolve because of reasons of bankruptcy, or others, as so recorded by the Board of Directors. To officially dissolve, the Chamber must abide by all laws of the State of Minnesota relating to dissolution of non-profit corporations. A motion to dissolve must be approved at a regularly scheduled Board meeting by a three-fourths (3/4) vote of the entire Board of Directors in good standing. In the event this Chamber shall cease to operate or exist, all of the assets of said Chamber remaining after all outstanding claims are paid shall be the property of a qualified non-profit organization to be selected by the board of directors.