



AMENDED & RESTATED BYLAWS

Adopted by the Members & the Board of Directors
Effective as of March 13th , 2014

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ARTICLE I - GENERAL

Section 1. **NAME & OFFICES:**

Foster City Chamber of Commerce (the "Chamber") is incorporated under the laws of the State of California as a nonprofit mutual benefit corporation. The principal office for the transaction of the activities, affairs, and business of the Chamber shall be located in the City of Foster City, County of San Mateo, State of California. The Chamber may have such other offices, either within or outside the State of California, as the Board of Directors of the Chamber (the "Board") may determine from time to time.

References in these Bylaws as to matters to be "determined" by the Board shall mean a determination by a resolution of the Board.

Section 2. **PURPOSE:**

The Chamber is organized for the purpose of protecting, maintaining, promoting and growing the economic and business resources in Foster City while enhancing the quality of life in the community and protecting its natural resources. Members of the Chamber realize the advantage of coordinating their efforts to develop sustainable civic, industrial and commercial growth within the community through advocacy, education, networking and active involvement.

Section 3. **LIMITATIONS:**

A. Notwithstanding any of the above statements of purposes and powers, the Chamber shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the Chamber's purpose described in Section 2 above.

B. It is intended that the Chamber shall have the status of a corporation which is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") as an organization described in Internal Revenue Code Section 501(c)(6), and which is exempt from California income taxation under Section 23701e of the California Revenue and Taxation Code. These Bylaws shall be construed accordingly, and all powers and activities of the Chamber shall be limited accordingly. Solely for the purpose described in Section 2 above, the Chamber is empowered to exercise all rights and powers conferred by the laws of the State of California upon nonprofit corporations.

C. No part of the net earnings, properties, or assets of the Chamber, upon dissolution or otherwise, shall inure to the benefit of any Director, officer or Member of the Chamber or to any private person or individual.

Section 4: **NON-DISCRIMINATION:**

The Chamber does not discriminate by reason of race, national origin, religion, sex, sexual preference, age or political affiliation in all aspects of its operation and Membership eligibility.

ARTICLE II - MEMBERSHIP

Section 1. CLASS & ELIGIBILITY:

The Chamber shall have one class of members (the "Members"). Any business firm, individual, association, corporation, partnership or estate having an interest in the purpose of the Chamber (as set forth in Section 2, Article I) shall be eligible to apply for membership in the Chamber. The Board may establish, from time to time, such other qualifications for eligibility to join the Chamber as a Member, and such other classes of members, as the Board determines is in the best interests of the Chamber.

Section 2. APPLICATION & ADMISSION:

Application for membership shall be in writing on the forms approved by the Board. Membership shall begin upon approval of the application by the Board in its sole discretion and payment of dues in accordance with Section 3 below.

Section 3. DUES:

The Board shall, from time to time, fix the amount of dues, fees and/or assessments to be paid by Members, at such rate or rates, schedule or formula as the Board deems appropriate. If there are different classes of Members, the Board may, in its discretion, set different dues, fees and assessments for the different classes, but the dues, fees and assessments shall be equal for all members of each class. Each Member must pay, within the time and on the conditions set by the Board, the dues, fees and assessments set by the Board pursuant to this Section and, subject to the approval of the Board, a Member may pay all or part of its dues, fees and assessments with property other than cash, including the provision to the Chamber of such Member's services or products at a discount.

Section 4. RIGHTS OF MEMBERS:

Members shall be statutory members within the meaning of Section 5056 of the California Nonprofit Corporation Law. Subject to these Bylaws, each Member shall have the right to vote on the election, removal and replacement of Directors (other than the Directors who serve ex officio by virtue of their positions as the Immediate Past Chair or the President and CEO). In addition, each Member shall have the right to vote on the disposition of all or substantially all of the assets of the Chamber, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Chamber. In addition, each Member shall have all other rights afforded members under the California Nonprofit Mutual Benefit Corporation Law.

Section 5. EVIDENCE OF MEMBERSHIP:

The Board may provide evidence of membership, such as certificate, plaque, decal or card as may be appropriate.

Section 6. GOOD STANDING:

Those Members who have paid the required dues, fees, and assessments in accordance with these Bylaws and whose membership has not been terminated in accordance with the provisions of Section 7 below shall be Members in good standing.

Section 7: **TERMINATION:**

A. Causes of Termination. A Member's status as such shall terminate on the occurrence of any of the following events:

- (1) Resignation of the Member, upon written notice to the Chamber;
- (2) Expiration of the period of Membership, unless the same is renewed on the renewal terms fixed by the Board;
- (3) Failure of the Member to pay dues, fees, or assessments as set by the Board within ninety (90) days after they become due and payable;
- (4) Occurrence of any event that renders the Member ineligible for Member status in accordance with the provisions of Section 1 of this Article II, or failure to satisfy qualifications for such; or
- (5) Expulsion of the Member, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the Member has engaged in conduct materially and adversely prejudicial to the purposes and interests of the Chamber.

B. Procedure for Expulsion. If grounds appear to exist for expulsion of a Member under Section 7.A above, the procedure set forth below shall be followed:

- (1) The Member shall be given fifteen (15) business days' prior written notice of the proposed expulsion and the reasons therefor. Any notice given by mail shall be sent by certified or registered mail to the Member's last address as shown on the Chamber's records.
- (2) The Member shall be given an opportunity to be heard, either orally or in writing, at least five (5) business days before the effective date of the proposed expulsion. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the expulsion should take place.
- (3) The Board, or the authorized committee or person shall decide whether or not the Member should be expelled. The deciding body may impose some lesser punishment, including suspension or some other sanction. The decision of the Board or the Board-designated committee or person shall be final.
- (4) Any action challenging an expulsion or some other sanction, including a claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion or other sanction.

Section 8: **REINSTATEMENT:**

A. Former Members Who Resigned: Upon written request signed by a former Member and filed with the Board, a Member may be reinstated upon payment of outstanding dues and any fees reasonable to process re-application.

B. Expelled Members: Any previously expelled Member may be reinstated by a majority vote of the Board, in its sole discretion, at a regularly scheduled meeting thereof after a hearing with the Member. If so reinstated, the Member shall pay outstanding dues and any fees reasonable to process re-application.

Section 9: **NO TRANSFER OF MEMBERSHIP:**

Membership in the Chamber is not transferable or assignable. In the case of a Member which is a corporation, limited liability company, partnership or other entity, all rights of Membership cease on the Member's dissolution.

Section 10: **MEETINGS OF MEMBERS:**

A. Place of Meeting. Meetings of the Members shall be held at any place within Foster City designated by the Board. In the absence of any such designation, Members' meetings shall be held at the principal office of the Chamber. Each Member who is unable to attend in person shall be entitled to be represented by proxy at all meetings of the Members.

B. Regular Meetings.

- (1) *Annual Members' Meeting.* An annual Members' meeting shall be held during such month (but not later than October 31 each year) and at such a date and time as shall be set by the Board, notification of which shall be sent to Members as provided in Section 10.D below. At the annual meeting, any proper business may be transacted.
- (2) *March Members' Meeting.* A regular Members' meeting shall be held in March each year (the "March Meeting") at such a date and time as shall be set by the Board, notification of which shall be sent to the Members as provided in Section 10.D below. At the March Meeting:
(x) Members in good standing shall be entitled to cast their votes for the election of Directors (other than the Directors who serve ex officio by virtue of their positions as Immediate Past Chair or President and CEO) to fill vacancies occurring on the Board as of the close of the then fiscal year (i.e., on March 31), and (y) any other proper business may be transacted.

C. Special Meetings.

- (1) *Persons Authorized To Call.* A special meeting of the Members for any lawful purpose may be called at any time by the Board, any one of the officers of the Board, the President and CEO or by five percent (5%) or more of the Members.
- (2) *Calling Meetings.* Request for a special meeting called by anyone other than the Board shall be submitted in writing to the Chair, Secretary or President and CEO, and shall specify the general nature of the business proposed to be transacted. The officer receiving the request shall cause notice to be given promptly to the Members stating that a meeting shall be held at a specified time and date fixed by the Board; provided, however, that the meeting date shall be at least thirty five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of Members may be held when the meeting is called by the Board.

D. Notice Requirements for Members' Meetings.

- (1) *General Notice Requirements.* Whenever Members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with Paragraph (2) of this Section 10.D, to each Member entitled to vote at that meeting. The

notice shall specify the place, date, and hour of the meeting and the general nature of the business to be transacted, and no other business may be transacted.

- (2) *Manner of Giving Notice.* Notice of any meeting of Members shall be in writing and shall be given at least ten (10) but not more than ninety (90) days before the meeting date. The notice shall be given either personally, by first-class, registered, or certified mail, or by electronic mail and shall be addressed to each Member entitled to vote, at the address of that Member appearing on the books of the Chamber or at the address given by the Member to the Chamber for purposes of notice. If no address appears on the Chamber's books and no address has been so given, notice shall be deemed to have been given if either (a) notice is sent to that Member by first-class, registered, or certified mail or other written communication to the Chamber's principal office or (b) notice is published at least once in a newspaper of general circulation in the county in which the Chamber's principal office is located.

E. Waiver of Notice or Consent.

- (1) *Written Waiver or Consent.* The transactions of any Members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present either in person or by proxy, and (b) either before or after the meeting, each Member entitled to vote, who is not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice, consent, or approval shall specify the general nature of the business to be transacted. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes.
- (2) *Waiver by Attendance.* A Member's attendance at a meeting shall also constitute a waiver of notice of, and presence at, that meeting, unless the Member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting, but not so included, if that objection is expressly made at the meeting.

Section 11: **ADJOURNMENT AND NOTICE OF ADJOURNED MEETING:**

Any Members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty five (45) days. When a Members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each Member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Chamber may transact any business that might have been transacted at the original meeting.

Section 12: **QUORUM:**

More than five percent (5%) of the voting power of the Members shall constitute a quorum for the transaction of business at any meeting of Members; provided, however, the notice of each Members meeting, whether regular or special, shall conform to the provisions of Section 10.D(1) of this Article II.

Section 13: VOTING:

A. Eligibility to Vote. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, Members entitled to vote at any meeting of Members shall be Members in good standing as of the record date determined under Section 14 of this Article II. Each Member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the Members. Members who are corporations, limited liability companies, partnerships or other entities shall each designate a representative to cast each such Member's vote.

B. Manner of Voting. Voting may be by voice, proxy or ballot. Voting for the election of Directors shall be by ballot.

C. Approval by Majority Vote. If a quorum is present, the affirmative vote of a majority of the voting power of the Members represented at the meeting shall be the act of the Members unless the vote of a greater number is required by the California Nonprofit Mutual Benefit Corporation Law or by the Chamber's Articles of Incorporation.

Section 14: RECORD DATE FOR NOTICE, VOTING, WRITTEN BALLOTS, AND OTHER ACTIONS:

A. Record Date Determined by Board. For purposes of determining the Members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights with respect to any lawful action, the Board may fix, in advance, a record date. The record date so fixed:

- (1) for notice of a meeting shall not be more than ninety (90) or less than ten (10) days before the date of the meeting;
- (2) for voting at a meeting shall not be more than sixty (60) days before the date of the meeting;
- (3) for voting by written ballot shall not be more than sixty (60) days before the day on which the first written ballot is sent or solicited; and
- (4) for any other action shall not be more than sixty (60) days before that action.

B. Record Date Not Determined by Board.

- (1) *Record Date for Notice or Voting.* If not otherwise fixed by the Board, the record date for determining Members entitled: (a) to receive notice of a meeting shall be the business day next preceding the day on which notice is given or, if notice is waived, the business day next preceding the day on which the meeting is held; and (b) to vote at the meeting shall be the day on which the meeting is held.
- (2) *Record Date for Action by Written Ballot.* If not otherwise fixed by the Board, the record date for determining Members entitled to vote by written ballot shall be the day on which the first written ballot is sent or solicited.
- (3) *Record Date for Other Actions.* If not otherwise fixed by the Board, the record date for determining Members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board adopts the resolution relating to that action, or the sixtieth (60th) day before the date of that action, whichever is later.

C. Members of Record. For purposes of this Section 14, a person holding a membership in the Chamber and is in good standing at the close of business on the record date shall be a Member of record.

Section 15: **PROXIES:**

A. Right of Members. Each Member entitled to vote shall have the right to do so either through its agents authorized by a written proxy (in the form determined by the Board from time to time), signed by the Member and filed with the Secretary of the Chamber. A proxy shall be deemed signed when executed by the Member or by the Member's attorney-in-fact (including the Member's designated representative), whether manually or by facsimile.

B. Requirement That General Nature of Subject of Proxy Be Stated. Any revocable proxy covering matters for which a vote of the Member is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on.

C. Revocability. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until:

(1) revoked by the Member executing it before the vote is cast under that proxy:

(a) by a writing delivered to the Chamber stating that the proxy is revoked;

(b) by a subsequent proxy executed by that Member and presented to the meeting; or

(c) as to any meeting, by the Member's personal attendance and voting at the meeting; or

(2) written notice of the death, incapacity, or dissolution of the maker of the proxy is received by the Chamber before the vote under the proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three (3) years from the date of execution. The revocability of a proxy that states on its face that is irrevocable shall be governed by Section 7613 of the California Nonprofit Mutual Benefit Corporation Law.

ARTICLE III – SUPPORTERS

The Chamber may refer to other individuals or entities associated with it as "members," even though those individuals or entities are not voting members as set forth in Article II of these Bylaws, but no such reference shall constitute anyone as a member within the meaning of Section 5056 of the California Nonprofit Corporation Law unless that individual or entity shall have qualified for a voting membership under Article II of these Bylaws.

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ARTICLE IV - BOARD OF DIRECTORS

Section 1: **GENERAL POWERS:**

A. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Chamber's Articles of Incorporation or these Bylaws regarding actions that require the approval of the Members, the Chamber's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the direction of the Board.

B. By way of illustration, but not of limitation, of Paragraph A above, the policy making responsibilities of the Chamber shall be vested in the Board, which shall control the Chamber's property, be responsible for its finances, and direct its affairs.

Section 2: **COMPOSITION; QUALIFICATIONS & TERMS:**

A. Composition. The Board shall consist of no less than ten (10) and no more than seventeen (17) Directors, the specific number to be established from time to time by a resolution of the Board. All Directors shall be elected by the Members, except the Immediate Past Chair and President and CEO of the Chamber shall serve on the Board as Directors ex officio with voting power.

B. Qualifications. Any Member of the Chamber in good standing is eligible for election to the Board, but Directors need not be residents of Foster City, California.

C. Terms. Each Director shall serve staggered two (2) year terms, arranged so that approximately one-half of the Directors shall conclude their service in any year. Except for the term of the Immediate Past Chair, which may be extended under Article V, Section 2, no Director may serve more than three (3) full consecutive terms, nor shall he/she be eligible for appointment to a Board vacancy until at least a year has elapsed from the expiration date of his/her most recent elected term. The foregoing term limits shall not apply to the Director who serves on the Board ex officio in his or her capacity as the President and CEO, whose term on the Board shall be co-terminus with his or her term as President and CEO. Each Director shall hold office until expiration of the term for which elected and until a successor is elected and qualified.

Section 3: **NOMINATION & ELECTION OF DIRECTORS:**

A. Annual Election.

- (1) Directors of the Chamber shall be elected annually by a majority vote of the Members at the March Meeting to fill Board vacancies occurring as of the beginning of the following fiscal year. Election shall be by ballots. That number of candidates as shall equal the number of Board vacancies who receive the highest number of votes shall be elected to fill such vacancies. If one or more vacancies on the Board are not filled by the election of Directors at the March Meeting, Directors may be elected at a special meeting of Members called and held for that purpose. Directors elected at the March Meeting shall take office as of the immediately following April 1.
- (2) There shall be no election for the Directors who serve on the Board ex officio in their capacity as the Immediate Past Chair or President and CEO of the Chamber.

B. Nominations By Nominating Committee.

- (1) The Nominating Committee shall be constituted at the regular meeting of the Board in November each year for the purpose of identifying qualified candidates for election to the Board. The Nominating Committee shall consist of no less than three (3) Directors (one of whom shall be a Vice Chair of the Board) and the President and CEO who shall serve as an ex-officio member with voting power. The Vice Chair of the Board serving on the Nominating Committee shall serve as the committee chair.
- (2) Prior to the regular meeting of the Board in January each year, the Nominating Committee shall present to the Board a slate of candidates to fill vacancies occurring on the Board as of the beginning of the immediately following fiscal year of the Chamber. Each candidate must be an active Member in good standing, for no less than thirty (30) days, and must be willing to accept the responsibilities of a Director.
- (3). The President and CEO shall notify the Members in good standing of the names of persons nominated by the Nominating Committee as candidates for Directors and the right of petition. Said notice shall be given not later than the first business day of February each year.

C. Nomination by Members' Petition(s).

- (1) Additional candidates to fill Board vacancies may be nominated by petition bearing the signatures of at least ten (10) Members in good standing. Such petition shall be filed with the President and CEO within ten (10) days after the notice described in Section 3.B(3) above is given. The determination of the Nominating Committee as to the legality of the petition(s) shall be final.
- (2) On timely receipt of a petition signed by the required number of Members, the President and CEO shall cause the names of the candidates named on it to be placed on the ballot along with the names of the candidates named by the Nominating Committee, all in alphabetical order by the candidates' last names.

D. Ballots. At least ten (10) days prior to the March Meeting, the President and CEO shall cause ballots to be sent (by any method set forth in Section 10.D(2) of Article II) to each Member in good standing containing the nominations made by the Nominating Committee and the names of the Nominating Committee members, together with such nominations as are properly made by petition and the names of all Members signing any such petition. Instructions shall be given that votes be cast for not more than the number of vacancies to be filled on the Board and that the ballots must be signed and returned to the Chamber at its principal office within ten (10) days of the date of the ballot.

E. Nomination By Members From the Floor. At the March Meeting, names may be placed in nomination for Board vacancies; provided that each name so placed must be nominated by not less than ten (10) Members in good standing who are present at the meeting.

F. Solicitation of Votes. The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to Members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all Members to choose among the nominees.

G. Use of Corporate Funds to Support Nominees. If more persons have been nominated for the Board or officers of the Chamber than can be elected, no corporate funds may be expended to support a nominee without the Board's authorization.

Section 4: **VACANCIES:**

A. Events Causing Vacancy. A vacancy or vacancies on the Board shall exist on the occurrence of the following:

- (1) the death or resignation of any Director;
- (2) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony, or, if the Chamber holds assets in charitable trust, has been found by a final order or judgment of any court to have breached a duty arising under Section 7238 of the California Nonprofit Mutual Benefit Corporation Law;
- (3) the increase in the authorized number of Directors;
- (4) the removal of a Director pursuant to Section 4.B or 4.C below; or
- (5) the failure of the Members, at any meeting of the Members at which any Director(s) are to be elected, to elect the number of Directors required to fill vacancies on the Board as of the date of that meeting.

B. Removal by Board.

- (1) A Director may be removed from office by an affirmative vote of two-thirds of the members of the Board at any regular meeting of the Board or at any special meeting called for that purpose for any of the following grounds:
 - (a) the Director ceases being a Member in good standing;
 - (b) the Directors failed in a material way to fulfill his or her duties as a Director;
 - (c) the Director engaged in conduct materially and adversely prejudicial to the purposes and interests of the Chamber; or
 - (d) the Director missed three (3) consecutive or any four (4) regular meetings of the Board during any given fiscal year, unless his or her absence was excused by the Chair in advance.
- (2) No vote shall be taken upon a removal of a Director until the Director has been advised of the reasons therefor and has had opportunity to submit to the Board a statement relative thereto, either oral or written. If the Director affected is present at the meeting, he or she shall leave the place where the meeting is being held after his or her statement has been submitted and prior to the vote upon the matter of his or her removal. The vote shall be conducted by secret ballot by the remaining Directors. A majority of the votes cast shall determine the outcome.

C. Removal by Members. A Director (other than the Directors who serve ex officio in their capacity as the Immediate Past Chair or President and CEO) may be removed by a vote of a majority of the Members.

D. Resignations. Any Director may resign effective upon giving written notice to the Chair, the Secretary or the Board, unless the notice specifies a later effective time for such resignation. No Director may resign if the Chamber would then be left without a duly elected Director in charge of its affairs, except upon notice to the Attorney General.

E. Filling Vacancies. Except for vacancies created by the Members' removal of Directors, vacancies on the Board may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by the sole remaining Director. The Members may fill any vacancies not filled by the Directors. Each Director so elected shall serve the remaining term of the Director whose resignation or removal from the Board caused the vacancy, and until his or her successor is duly elected at the next March Meeting or until his or her death, resignation or removal from office.

F. No Vacancy on Reduction of Number of Directors. No reduction in the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 5: **BOARD MEETINGS:**

A. Place of Meetings. Meetings of the Board shall be held at any place that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the Chamber's principal office.

B. Participation in Meetings by Means Other Than Physical Attendance. Any meeting of the Board, regular or special, may be held by:

- (1) conference telephone or electronic video screen communication, so long as all Directors participating in such meeting can hear one another; or
- (2) electronic transmission by and to the Chamber (other than conference telephone and electronic video screen communication) so long as both of the following apply:
 - (a) All Directors participating in such meeting can communicate with one another concurrently; and
 - (b) Each Director participating in such meeting is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken.

C. Annual Meeting. Immediately after each March Meeting of the Members, the Board shall hold a regular meeting in order to elect officers and transact any other business which may be required. Notice of this meeting is not required.

D. Other Regular Meetings. Other regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time. In addition to the annual meeting of the Board held in March each year, the Board shall hold no less than three (3) regular meetings in each fiscal year.

E. Special Meetings.

- (1) *Authority To Call*. Special meetings of the Board for any purpose may be called at any time by the Chair or any two (2) Directors.

(2) *Notice.*

- (a) **Manner of Giving Notice.** Notice of the time and place of special meetings shall be given to each Director by one of the following methods: (i) by personal delivery; (ii) by first-class mail, postage prepaid; (iii) by telephone, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; (iv) by facsimile; or (v) by electronic mail. All such notices shall be given or sent to the Director's address, telephone number, or facsimile number as shown on the records of the Chamber.
- (b) **Time Requirements.** Notices sent by first-class mail shall be deposited in the United States Mail at least seven (7) days before the time set for the meeting. Notices given by any other permissible method shall be delivered at least forty eight (48) hours before the time set for the meeting.
- (c) **Notice Contents.** The notice shall state the time of the meeting, and the place if the place is other than the Chamber's principal office and the specific purpose of the meeting.

F. **Quorum.** A majority of the Directors then in office shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (1) approval of contracts or transactions between the Chamber and one or more Directors or between the Chamber and any entity in which a Director has a material financial interest, (2) creation of, and appointments to, committees of the Board, and (3) indemnification of Directors. The Directors may continue to transact business at a meeting at which a quorum is initially present, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

G. **Waiver of Notice.** Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice.

H. **Adjournment.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

I. **Notice of Adjourned Meeting.** Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty four (24) hours. If the original meeting is adjourned for more than twenty four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

J. All meetings held by the Board are open to the Membership unless noted in advance on the agenda as a closed session.

Section 6: **ACTION WITHOUT MEETING:**

Any action required or permitted to be taken by the Board under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board without a meeting and that the Bylaws of the Chamber authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

Section 7: **COMPENSATION AND REIMBURSEMENT:**

Directors shall not receive compensation for their services as members of the Board; provided, however that Directors may receive such reimbursement of expenses as may be determined by Board resolution to be just and reasonable as to the Chamber at the time the resolution is adopted.

Section 8: **CONDUCT OF MEETINGS:**

Meetings of the Board shall be presided over by the Chair, or, in his or her absence, by the Vice-Chair designated by the Board or, in the absence of each of these persons, by a chair chosen by a majority of the Directors present at the meeting. The Secretary of the Chamber shall act as secretary of all meetings of the Board, provided that in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

ARTICLE V - OFFICERS

Section 1: **DETERMINATION OF OFFICERS:**

The officers of the Chamber shall be a Chair of the Board, an Immediate Past Chair, one or more Vice Chairs, a Secretary, a Treasurer, and such other officers as may be elected by the Board to offices created by the Board. Officers shall have powers and duties as specified by law, by the Chamber's Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board. One person may hold two or more offices, except no officer shall execute, acknowledge, or verify any instrument in more than one capacity, if such instrument is required to be executed, acknowledged, or verified by two or more officers.

Section 2: **ELECTION & TERM OF OFFICE:**

A. Nomination. Candidates shall be nominated for election to the offices of the Chamber by the Nominating Committee. Such nominations shall be made at the same time using the same method for the Nominating Committee's nomination of candidates to fill Board vacancies.

B. Election. The officers of the Chamber shall be elected annually by a majority vote of the Directors at the annual meeting of the Board immediately following the March Meeting of the Members. There shall be no election for the Immediate Past Chair as the outgoing Chair shall automatically become the Immediate Past Chair, provided he/she agrees to serve.

C. Term. Except as provided in Section 5.2(D) below, officers shall be elected for a term of one (1) year each. Each officer shall hold office until the expiration of the term for which elected and until a successor shall have been elected, unless otherwise removed.

D. Term Limits. No individual may serve more than two (2) consecutive one (1) year terms as Chair.

Section 3: **REMOVAL:**

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed by the Board, with or without cause, whenever in its judgment the best interests of the Chamber would be served thereby.

Section 4: **RESIGNATION:**

Any officer may resign at any time by giving written notice to the Board or to the Chair or Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at a later date specified in such notice, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Chamber under any contract to which the officer is a party.

Section 5: **DUTIES OF OFFICERS:**

A. Chair of the Board.

- (1) The Chair of the Board shall preside at all meetings of the Members and Board. The Chair shall also preside as chair of the Executive Committee. The Chair of the Board shall, with the advice and counsel of the President and CEO, assign Vice-Chairs to functional areas of responsibilities. The Chair of the Board shall, with the advice and counsel of the Vice-Chairs and the President and CEO, determine all advisory committees/task forces; select all chair leadership for such advisory committees/task forces; and assist in the selection of committee volunteer personnel. The Chair of the Board shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of the Chamber, or by these Bylaws, or which may be prescribed from time to time by the Board.
- (2) Should the Chair of the Board not be able to resume his or her responsibilities for a period exceeding ninety (90) consecutive days, he or she shall be removed from his or her position as Chair of the Board.

B. Vice Chairs.

- (1) In the absence of the Chair of the Board, or in the event of his or her inability to act, the Vice Chair designated by the Board (the "Designated Vice Chair") shall perform all duties of the Chair. When so acting, the Designated Vice Chair shall have all powers of and shall be subject to all restrictions on the Chair.
- (2) All Vice Chairs shall have such other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or prescribed from time to time by the Board.

- (3) In the event the absence or inability of the Chair of the Board becomes permanent, the Designated Vice Chair shall be promoted to the Chair of the Board position, for the remainder of his or her predecessor's term.
- (3) If the Chair is removed pursuant to Section 5.A(2) above, the Designated Vice Chair shall automatically become the Chair of the Board, and the Board shall name a new Designated Vice Chair.

C. Immediate Past Chair. The Immediate Past Chair of the Board shall serve to offer assistance and advice to the incoming Chair of the Board to facilitate an efficient transition of office. The Immediate Past Chair shall be a voting member of the Board and Executive Committee, which from time to time may extend his or her term of office, under certain circumstances, beyond the three (3) consecutive terms allowed for Directors under these Bylaws.

D. Treasurer.

- (1) The Vice Chair of Finance and Administration shall serve as Treasurer.
- (2) Subject to the provisions of Article VIII (Finances), the Treasurer shall:
 - (a) Oversee Chamber staff who:
 - (i) Have charge and custody of, and are responsible for safeguarding, all funds of the Chamber, all such funds shall be deposited in the name of the Chamber in such financial institutions approved by the Board.
 - (ii) Receive, and give receipt for, moneys due and payable to the Chamber from any source whatsoever.
 - (iii) Disburse or cause to be disbursed the funds of the Chamber as may be directed by the Board, taking proper vouchers for such disbursements.
 - (b) Cause to be kept and maintained adequate and correct accounts of the Chamber's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.
 - (c) Cause to be exhibited at all reasonable times the books of account and financial records to any Director of the Chamber, or to his or her agent or attorney, on request thereof.
 - (d) Render to the Chair and other Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Chamber.
 - (e) Cause to be prepared and certified the financial statements to be included in any required reports.
 - (f) In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the Chamber, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.
- (3) On a monthly basis, the Treasurer shall present a financial report to the Board.

- (4) The Treasurer shall also be responsible for quantifying and reporting on the performance of the Chamber against the goals set forth by the Executive Committee for the fiscal year.
- (5) Should both the Chair of the Board and the Designated Vice Chair become temporarily incapacitated simultaneously, the Treasurer shall perform all duties of the Chair until the either the Chair of the Board or the Designated Vice Chair returns to duty. When so acting, the Treasurer shall have all powers of and shall be subject to all restrictions on the Chair. In the event neither the Chair of the Board nor Designated Vice Chair are able to return to duty for a period of ninety (90) consecutive days, the Nominating Committee shall nominate a candidate for election by the Board to fill the vacancy in the office of the Chair.

E. Secretary.

- (1) The Vice Chair who chairs the Finance and Administration Committee shall serve as Secretary.
- (2) The Secretary shall:
 - (a) Certify and cause to be kept at the Chamber's principal office the original, or a copy, of the Chamber's Articles of Incorporation and these Bylaws, as amended to date.
 - (b) Cause to be kept at the Chamber's principal office or at such other place as the Board may determine, a book of minutes of all meetings of the Members, Board and committees of the Board, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
 - (c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
 - (d) Be custodian of the records as authorized by law or by these Bylaws.
 - (e) Cause to be kept at the Chamber's principal office a membership book containing the name, address and class of membership of each Member, and, in the case where any membership has been terminated, the Secretary shall record such fact in the membership book together with the date on which such membership ceased.
 - (f) Cause to be exhibited at all reasonable times to any Director or Member of the Chamber, or to his or her agent or attorney, on request thereof, the Chamber's Articles of Incorporation and these Bylaws, the membership book, and the minutes of the proceedings of the Directors and/or the Members of the Chamber.
 - (g) In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of the Chamber, or by these Bylaws, or which may be assigned to him or her from time to time by the Board.

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ARTICLE VI – EXECUTIVE PERSONNEL

Section 1: PRESIDENT AND CEO:

- A. The President and CEO shall report to the Board. He/she shall be the chief administrative and executive officer of the Chamber and, subject to the powers and control of the Board, shall be responsible for the overall management and direction of the Chamber in accordance with policies promulgated by the Board. He/she shall act in all matters that the Board has not formally delegated to another representative, and shall be empowered to perform all acts and to execute all documents necessary to make effective the actions taken by the Board.
- B. The President and CEO shall serve as corporate secretary to the Board, and he/she shall enter into such contracts and agreements on behalf of the Chamber as the Board may from time to time authorize. He/she shall cause to be prepared notices and minutes of meetings of the Board and the Members.
- C. Subject to the control of the Board, the President and CEO shall be responsible for hiring, discharging, directing, and supervising all other employees of the Chamber. The President and CEO may consult with the Executive Committee concerning the hiring or dismissal of key department Directors. All employees shall report directly to the President and CEO.
- D. With the cooperation of the Executive Committee, the President and CEO shall be responsible for the preparation of an operating budget covering all activities of the Chamber, subject to approval of the Board. He/she shall be responsible for all expenditures with approved budget allocation.
- E. The President and CEO shall be a voting member of the Board, the Executive Committee, and all committees/task forces. With the assistance of the Board, he/she shall be responsible for administration of the work program in accordance with the policies and regulations of the Board. The President and CEO may assign work to other key members of the staff.

ARTICLE VII - COMMITTEES

Section 1: BOARD COMMITTEES:

A. Executive Committee.

- (1) The Chamber shall have an Executive Committee, which shall be a Board Committee (defined as a committee all of the members of which are Directors of the Chamber). The Executive Committee shall consist of not less than five (5) members and shall include the Chair of the Board; the Vice Chairs (including the Designated Vice Chair); the Immediate Past Chair; and the President and CEO. The Chair of the Board shall serve as chair of the Executive Committee.
- (2) Except as to matters reserved to the Board under the California Nonprofit Mutual Benefit Corporation Law (which are set forth in Section 1.A(C) below), the Executive Committee shall act for and on behalf of the Board, consistent with established Board policy, when the Board is not in session, but shall be accountable to the Board for its action.
- (3) It is the responsibility of the Executive Committee to govern the activities of the Chamber of Commerce in an effective, efficient and ethical manner consistent with the Chamber's mission,

policies and Code of Conduct.

(4) The responsibilities of the Executive Committee are as follows:

- (a) Monitor the Chamber's expenditures for variances from the annual budget.
- (b) Monitor long term and/or major financial operations and decisions.
- (c) Engage the Board in decision making and limit interim decision making (in the absence of the full Board) unless absolutely necessary.
- (d) Develop an organized approach to meeting program goals and review the progress of the Board in meeting these goals.
- (e) Focus on succession planning to ensure continuum in the activities performed by the Board and staff.
- (f) Provide operational oversight, and be involved in legal decisions.
- (g) Keep the board fully informed of all matters pertaining to the Chamber.
- (h) Perform functions ordinarily performed by a finance or budget committee.
- (i) Support and direct the activities of the President and CEO.
- (j) Exercise direct supervision over the President and CEO.

(5) The Executive Committee shall be tasked with the evaluation of the performance and results of the President and CEO, which evaluation is to be conducted by the Chair as an annual review by February 28 each year. Following the performance review results, the Executive Committee shall, if the Executive Committee deems appropriate, recommend any change in compensation, and/or the creation, modification or deletion of any incentive plan for the President and CEO following input and approval from the Board.

- (a) Recommendations for compensation or incentive plan for other staff of the Chamber shall be presented by the President and CEO for review by the Executive Committee and consideration by the Board.

(6) The Executive Committee shall also act as the goal setting committee with the input from each Vice Chair and the President and CEO to set the annual goals for the Chamber, which goals are subject to approval by the Board. The Executive Committee shall review the progress or achievement of the goals and provide reports to the Board.

B. Other Board Committees. In addition to the Executive Committee, the Board may create such other Board committees as from time to time may be required. Each committee shall consist of at least two (2) members, all of whom shall be Directors of the Chamber.

C. Delegation of Authority to Board Committees. The Board may delegate to any Board Committees any of the authority of the Board, other than the following, which is reserved to the Board under California Nonprofit Mutual Benefit Corporation Law Section 7212:

- (1) take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the Members;
- (2) fill vacancies on the Board or on any committee that has the authority of the Board;
- (3) amend or repeal bylaws or adopt new bylaws;
- (4) amend or repeal any Board resolution that by its express terms is not so amendable or repealable;
- (5) create any other committees of the Board or appoint the members of committees of the Board;
- (6) fix compensation of the Directors for serving on the Board or on any committee;
- (7) expend corporate funds to support a nominee for Director after more individuals have been nominated for Director than can be elected; or
- (8) approve any contract or transaction between the Chamber and one or more of its Directors or between the Chamber and an entity in which one or more of its Directors have a material financial interest, subject to the special approval provisions of Section 7233(a)(2) of the California Nonprofit Mutual Benefit Corporation Law.

Section 2: ADVISORY COMMITTEES:

A. General. The Board may establish one or more advisory committees. The members of any advisory committee may consist of Directors and non-Directors and may be appointed as the Board determines. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the Chamber, but shall be restricted to making recommendations to the Board or Board committees, and implementing Board or Board committee decisions and policies under the supervision and control of the Board or Board committee.

B. Specific Advisory Committees. The Chamber shall have the following standing advisory committees, each of which shall be chaired by a Vice Chair of the Board as determined by the Board:

- (1) the Finance and Administration Committee;
- (2) the Membership Committee; and
- (3) the Economic Development and Leadership Committee.

Section 3: MEETINGS AND ACTION OF COMMITTEES:

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board and the Directors, except that: (1) the time for regular meetings of committees and the calling of special meetings of committees may be set either by resolution of the Board or, if none, by resolution of the committee; and (2) for committees with nine (9) or more members, the presence of five (5) or more shall constitute a quorum. Each committee created by the Board shall serve at the pleasure of the Board, and shall be subject to the control and direction of the Board.

Section 4: **APPOINTMENTS AND AUTHORITY:**

A. The Chair of the Board, after consulting with the appropriate Vice-Chairs and with the approval of the Board, shall appoint all advisory committees and their chairs. In accordance with law, only the Board may appoint Board committees. The Chair of the Board may appoint such ad hoc committees and their leaders as he/she deems necessary to carry out the program of the Chamber. In no event shall appointments exceed the term of the appointing Chair of the Board.

B. It shall be the function of 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 5: **TASK FORCES AND COUNCILS:**

A. In addition to Board committees and advisory committees, the Board may create such task forces or councils as it deems advisable to handle the work of the Chamber. No task force or council may exercise the authority of the Board to make decisions on behalf of the Chamber, each such body shall act in an advisory capacity only.

B. The Board shall authorize and define the powers of all task forces and councils. The Board shall annually review and approve all proposed programs of such task forces or councils.

C. No action or resolution of any kind shall be taken by task forces or councils having bearing upon or expressive of the Chamber, unless approved by the Board.

Section 6: **LIMITATION OF AUTHORITY:**

A. No action by any committee (other than Board committees), task forces or councils shall be binding upon or constitute an expression of the policy of the Chamber unless and until it shall have been approved or adopted by the Board.

B. Committees, task forces and councils shall be dissolved by the Chair of the Board when their work has been completed and their reports accepted, or when, in the opinion of the Board, it is deemed otherwise appropriate to discontinue the committee, task force, or council.

ARTICLE VIII - FINANCES

Section 1: **FUNDS:**

All money paid to the Chamber shall be placed in a general operating fund. Funds unused from the current year's budget shall be placed in a reserve account. A reserve threshold shall be submitted to the Executive Committee and full Board when the annual budget is reviewed and approved. All funds of the Chamber shall be deposited from time to time to the credit of the Chamber in such banks, trust companies, or other depositories as the Board may select.

Section 2: **DISBURSEMENTS:**

Upon approval of the budget, the President and CEO is authorized to make disbursements on accounts and expenses provided for in the budget.

Section 3: **FISCAL YEAR:**

The fiscal year of the Chamber shall be for the period of each April 1 through March 31 of the following year.

Section 4: **BUDGET:**

The Executive Committee, which performs the functions of a finance or budget committee, shall compile a budget of estimated expenses and income for the coming year and prior to the beginning of the fiscal year, present it to the Board for consideration and, if satisfactory, approval.

Section 5: **AUDIT:**

Accounts of the Chamber of Commerce shall be audited every (5) years by an independent Certified Public Accountant. Accounts of the Chamber may be reviewed every two (2) years as determined by the Board.

Section 6: **BONDING:**

The President and CEO and such other officers and staff as the Board may designate shall be bonded by a sufficient fidelity bond in an amount set by the Board and paid for by the Chamber.

Section 7: **EXECUTION OF INSTRUMENTS:**

The Board, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Chamber to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Chamber, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Chamber by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 8: **CHECKS AND NOTES:**

All checks, drafts or other orders for the payment of money issued in the name of the Chamber shall be signed by such person or persons and in such manner as shall be authorized from time to time by resolution of the Board; provided that, any such instrument for an amount in excess of Five Thousand Dollars (\$5,000) shall require the signatures of two (2) persons so authorized by the Board. The Board may, from time to time by resolution, change the monetary threshold above which said instruments require two (2) signatures.

ARTICLE IX - INDEMNIFICATION AND INSURANCE

Section 1: **RIGHT OF INDEMNITY:**

To the fullest extent permitted by law, the Chamber shall indemnify its Directors, officers, employees, and other persons described in Section 7237(a) of the California Nonprofit Mutual Benefit Corporation Law, 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," as that term is used in said Section 7237(a), and including an action by or in the right of the Chamber, by reason of the fact that the person is or was a person described in said Section 7237(a).

"Expenses," as used in this Section, shall have the same meaning as in Section 7237(a) of the California Nonprofit Mutual Benefit Corporation Law.

Section 2: APPROVAL OF INDEMNITY:

On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Nonprofit Mutual Benefit Corporation Law, the Board shall promptly determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of Members. At that meeting, the Members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Members present at the meeting in person or by proxy shall authorize indemnification.

Section 3: ADVANCEMENT OF EXPENSES:

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 1 and 2 of this Article IX in defending any proceeding covered by those Sections 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 shall be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Chamber for those expenses.

Section 4: INSURANCE:

The Chamber shall have the right to purchase and 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 any officer, Director, employee, or agent in such capacity or arising out of the officer's, Director's, employee's, or agent's status as such.

ARTICLE X - RECORDS AND REPORTS

Section 1: MAINTENANCE OF CORPORATE RECORDS:

A. The Chamber shall keep at the Chamber's principal office:

- (1) Minutes of all meetings of the Board, committees of the Board, and Members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof.
- (2) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- (3) A record of its Members, indicating their names, addresses and the class of membership held by each Member and the termination date of any membership.

- (4) A copy of the Chamber's Articles of Incorporation and Bylaws as amended to date.

Section 2: MEMBERS' INSPECTION RIGHTS:

A. Member Records. Subject to Division 2, part 3, Chapter 13, Article 3 (commencing at Section 8330) of the California Nonprofit Mutual Benefit Corporation Law and unless the Chamber provides a reasonable alternative as provided below, any Member may do either or both of the following for a purpose reasonably related to the Member's interest as a Member:

- (1) Inspect and copy the records of the Members' names and addresses during usual business hours on five (5) days' prior written demand on the Chamber, which demand must state the purpose for which the inspection rights are requested; or
- (2) Obtain from the Secretary of the Chamber, on written demand and tender of a reasonable charge, a list of names and addresses of Members as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the Member. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the requesting Member on or before the later of ten (10) days after (a) the demand is received, or (b) the date specified in the demand as the date as of which the list is to be compiled.

The Chamber may, within ten (10) business days after receiving a demand under this Section 2, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the Member list. Any rejection of this offer must be in writing and must state the reasons that the proposed alternative does not meet the proper purpose of the demand.

Any inspection and copying under this Section 2 may be made in person or by the Member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the Chamber. The Member shall be responsible for providing its own copying equipment.

B. Accounting Records and Minutes. On written demand on the Chamber, any Member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Members, the Board, and committees of the Board at any reasonable time for a purpose reasonably related to the Member's interest as a Member. Any such inspection and copying may be made in person or by the Member's agent or attorney. Any right of inspection extends to the records of any subsidiary of the Chamber.

Section 3: INSPECTION BY DIRECTORS:

Every Director shall have the absolute right at any reasonable time to inspect the Chamber's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 4: ANNUAL REPORT:

A. An annual report shall be prepared within 120 days after the end of the Chamber's fiscal year. That report shall contain the following information in appropriate detail:

- (1) A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Chamber that they were prepared without audit from the books and records of the Chamber.
- (2) A statement of the place where the names and addresses of current Members are located.
- (3) Any information that is required by Section 5 of this Article X.

B. This Section shall not apply if the Chamber receives less than ten thousand dollars (\$10,000) in gross revenues or receipts during the fiscal year.

Section 5: ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS:

As part of the annual report to all Members, or as a separate document if no annual report is issued, the Chamber shall annually prepare and mail or deliver to its Members and furnish to its Directors a statement of any transaction or indemnification of the following kinds within one hundred twenty (120) days after the end of the Chamber's fiscal year:

- (1) Unless approved by Members under Section 7233(a) of the California Nonprofit Mutual Benefit Corporation Law (pursuant to Section 8322 of the same), any transaction: (i) to which the Chamber, its parent, or its subsidiary was a party, (ii) which involved more than fifty thousand dollars (\$50,000) or was one of a number of such transactions with the same person involving, in the aggregate, more than fifty thousand dollars (\$50,000), and (iii) in which either of the following interested persons had a direct or indirect material financial interest (a mere common Directorship is not a material financial interest):
 - (a) Any Director or officer of the Chamber, its parent, or its subsidiary; or
 - (b) Any holder of more than ten percent (10%) of the voting power of the Chamber, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of the interested persons involved, their relationship to the Chamber, the nature of their interest in the transaction, and, when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

- (2) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or Director of the Chamber under Article IX of these Bylaws, unless the loan, guaranty, indemnification, or advance has already been approved by the Members pursuant to Section 5034 of the California Nonprofit Corporations Code, or the loan or guaranty is subject to the provisions of Section 7235(a) of the California Nonprofit Mutual Benefit Corporation Law.

ARTICLE XI - CONFLICT OF INTEREST POLICY

Section 1: **PURPOSE:**

The purpose of this Conflict of Interest Policy is to protect the interests of the Chamber when it contemplates entering into a transaction or arrangement that might benefit the private interest of a Director or principal officer of the Chamber.

Section 2: **DEFINITIONS:**

The following definitions shall apply only to this Article XI.

A. Board. The term "Board" shall mean the Board of Directors of the Chamber.

B. Board committee. A Board committee is one formed and constituted by the Board and whose members consist solely of Directors of the Chamber.

C. Interested Person. Any Director or principal officer of the Chamber, or member of any Board committee, who has a material "financial interest" is an interested person.

D. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (a) an ownership or investment interest in any entity with which the Chamber has a transaction or arrangement;
- (b) a compensation arrangement with the Chamber;
- (c) a compensation arrangement with any entity or individual with which the Chamber has a transaction or arrangement;
- (d) a potential ownership or investment interest in any entity or individual with which the Chamber is negotiating a transaction or arrangement; or
- (e) a potential compensation arrangement with any entity or individual with which the Chamber is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors. A financial interest is not necessarily a conflict of interest. A conflict of interest exists only upon a determination of its existence by the Board (or a Board committee to whom the Board has delegated powers to consider a proposed transaction or arrangement in which an interested person has a financial interest).

Section 3: **PROCEDURES:**

A. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board (or Board committee).

B. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the meeting of the Board (or Board committee) while the determination of a conflict of interest is discussed and voted upon. The remaining Board (or Board committee) members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest.

- (1) If it is determined that a conflict of interest exists, the Chair of the Board (or Board committee) shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (2) After exercising due diligence (including reviewing the report of the disinterested person or committee referred to Section 3.C(1) above), the Board (or Board committee) shall determine whether the Chamber can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (3) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board (or Board committee) shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Chamber's best interest, for its own benefit, and whether it is fair and reasonable to the Chamber. In conformity with the above determination, the Board (or Board committee) shall make its decision as to whether to enter into the transaction or arrangement.

Section 4: **VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY:**

If the Board has reasonable cause to believe that a Director or principal officer has failed to disclose actual or possible conflicts of interest, it shall inform such person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose. If, after hearing the response and after making further investigation as warranted by the circumstances, the Board (or Board committee) determines that such person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 5: **RECORDS OF PROCEEDINGS**

A. The minutes of the Board (or Board committee) shall contain:

- (1) The name of the person who disclosed or otherwise was found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's (or Board committee's) decision as to whether a conflict of interest, in fact, existed.
- (2) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

B. If the Board (or Board committee) authorized the Chamber to enter into the transaction or arrangement, the minutes shall also contain the findings of the Board (or Board committee) that:

- (1) The Chamber entered into the transaction or arrangement for its own benefit.
- (2) The transaction or arrangement was fair and reasonable as to the Chamber at the time it was entered into.
- (3) The Board (or Board committee) approved the transaction or arrangement in advance with knowledge of the financial interest of the interested person.

- (4) The Board (or Board committee) approved the transaction or arrangement by a majority vote (not counting the votes of the Director who is the interested person).
- (5) The Board considered alternative arrangements and found, in good faith and after reasonable investigation, that the Chamber could not obtain a more advantageous arrangement with reasonable effort from another person or entity that would not give rise to a conflict of interest.
- (6) The terms of the transaction or arrangement that was approved and the date it was approved.
- (7) The Directors who were present during debate on the transaction or arrangement and those who voted on it.
- (8) The comparability data obtained and relied upon by the Board to determine whether the amount to be paid or received by the Chamber as part of the transaction or arrangement was fair and reasonable to the Chamber.
- (9) How the comparability data was obtained.
- (10) If the Board determined that the proposed amount to be paid or received by the Chamber was reasonable, even though it fell outside the comparability data range, the minutes shall state the basis for such determination.

Section 6: COMPENSATION:

A. Any Director who receives compensation, directly or indirectly, from the Chamber for services is precluded from voting on matters pertaining to his or her compensation.

B. Any member of a Board committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Chamber for services is precluded from voting on matters pertaining to his or her compensation.

C. Directors and committee members described in Sections 6.A and 6.B above shall not be prohibited from providing information to any committee regarding compensation.

Section 7: ANNUAL CERTIFICATION:

Each Director and principal officer of the Chamber shall annually sign the Conflict of Interest Statement attached to this Policy as Exhibit A.

Section 8: PERIODIC REVIEWS:

A. To ensure the Chamber operates in a manner consistent with its exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following:

- (1) Whether compensation arrangements (including benefits) with interested persons are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (2) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Chamber's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further tax-exempt purposes and do not result in inurement or impermissible private benefit.

B. When conducting the periodic reviews as above provided, the Chamber may, but need not, use outside experts. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

ARTICLE XII - DISSOLUTION

A. Distribution of Assets Held in Charitable Trusts on Liquidation. Upon the dissolution and winding up of the Chamber, assets held by the Chamber in charitable trust (if any) remaining after payment, or provision for payment, of all debts and liabilities of the Chamber, shall be distributed exclusively for charitable and/or educational purposes to one or more organizations which have established their tax exempt status under Internal Revenue Code Section 501(c)(3) as selected by the Board. Any of such assets not so distributed shall be distributed by the Superior Court in the county in which the Chamber's principal office is located, exclusively for the aforesaid exempt purposes to such organization or organizations as are then described in Internal Revenue Code Section 501(c)(3) as said Court shall determine.

B. Distribution of Other Assets on Liquidation. Upon the dissolution and winding up of the Chamber, each Member shall receive a pro rata distribution of all assets, exclusive of those held in charitable trust, remaining after payment or provision for payment, of all debts and liabilities of the Chamber.

ARTICLE XIII - AMENDMENTS

Section 1: **AMENDMENT BY BOARD:**

A. Membership Rights Limitations. Subject to the rights of the Members provided in these Bylaws or by the laws of the State of California and the limitations set forth below, new Bylaws may be adopted or these Bylaws may be amended or repealed by approval of a majority vote of the Board; provided, however, in no event shall an adoption, amendment or repeal of Bylaws materially and adversely affect the Members' right to voting.

B. Amendments Requiring Members' Approval. The Board may not, without the approval of the Members, adopt, amend, or repeal any bylaw that would:

- (1) Fix or change the number of authorized Directors;
- (2) Fix or change the minimum or maximum number of Directors;
- (3) Change from a variable number of Directors to a fixed number of Directors or vice versa;
- (4) Increase or extend the terms of Directors;
- (5) Allow any Director to hold office by designation or selection rather than by election by the Members;
- (6) Increase the quorum threshold for meetings of Members;
- (7) Repeal, restrict, create, expand or otherwise change proxy rights; or
- (8) Authorize cumulative voting by Members.

C. High Vote Limitation. If any of these Bylaws requires a higher Board vote than is otherwise required by law, said Bylaw may not be altered, amended, or repealed except by such higher Board vote.

Section 2: **AMENDMENT BY MEMBERS:**

New bylaws may be adopted or these Bylaws may be amended or repealed by approval of the Members. Any provision of these Bylaws that requires a higher vote of the Members than otherwise is required by law may not be altered, amended, or repealed except by vote of that higher number. No amendment may extend a Director's term beyond that for which the Director was elected.

ARTICLE XIV - CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provision, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular, and the term "person" includes both a legal entity and an individual.

Exhibit A

CONFLICT OF INTEREST STATEMENT

I hereby acknowledge that I have read and understand the Conflict of Interest Policy of Foster City Chamber of Commerce (the "Chamber"), a California nonprofit mutual benefit corporation, and agree to abide by it. I understand that in order for the Chamber to maintain its tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signature: _____

Date: _____

Name: _____

Title: _____

CERTIFICATE OF SECRETARY

I, Brian A. Campisi, certify that I am the duly elected and acting Secretary of Foster City Chamber of Commerce (the "Chamber"), a California Nonprofit Mutual Benefit Corporation, that the foregoing bylaws, consisting of 32 pages, including this one, are the Amended & Restated Bylaws of the Chamber as adopted by the Board of Directors and the Members effective as of March 13th, 2014 and that they have not been amended or modified since said date.

Executed on this 26 day of March, 2014 at Foster City, California.

Brian A. Campisi
Brian A. Campisi, Secretary