

PALM DESERT AREA CHAMBER OF COMMERCE
INCORPORATED DECEMBER 23, 1954

BYLAWS

ARTICLE I – Name

This organization is incorporated under the laws of the State of California and is known as the Palm Desert Area Chamber of Commerce, Inc. Its principle office shall be located in Palm Desert, California.

ARTICLE II – Mission Statement

The Palm Desert Area Chamber of Commerce is a corporation organized and dedicated to promote, support and enhance business prosperity, civic vitality and quality of life.

ARTICLE III – Vision Statement

To proactively contribute to a successful business environment through collaborative efforts utilizing valley resources.

ARTICLE IV – Purpose

The purposes for which the Palm Desert Area Chamber of Commerce is formed are as follows:

TO promote trade and encourage the commercial, industrial, educational and civic interest of the Palm Desert area;

TO advertise and promote the area and City of Palm Desert and aid in encouraging new business activities consistent with the environment of Palm Desert;

TO aid and encourage the members of this Corporation in their respective businesses, trades and profession;

TO serve to strengthen and represent our member businesses and stimulate regional success;

TO do and to perform all things usual and customary to Chambers of Commerce, including affiliation and cooperation with state and national Chambers of Commerce and other organizations of like character and purpose.

ARTICLE V – Limitation of Methods

The Palm Desert Area Chamber of Commerce is a California non-profit corporation formed under Internal Revenue Code §501(c) (6), and shall observe all applicable local, state and federal laws in regard to such status.

ARTICLE VI – Membership

Section 1: Eligibility. Any person, business, education institution, government entity, association, corporation, proprietors, partnership, or charitable organization, with an interest in the industrial, commercial, civic, and cultural progress in the Coachella Valley, and in particular the Palm Desert area, is eligible for membership in the Palm Desert Area Chamber of Commerce, regardless of place of actual residence and/or location.

Section 2: Active Members. Active members shall be individuals, cultural associations, corporations, partnerships, clubs or societies who are actively engaged in conducting a business enterprise of any nature in the Palm Desert area and who are in sympathy with the purposes of the Palm Desert Area Chamber of Commerce and who will agree to abide by these By-Laws; and, who have paid all current dues for the year in which they desire to be listed as members. These shall be deemed Active Members with full rights and privileges, including the right to vote and to hold office in the Corporation and serve as a Director if so elected. A corporation, partnership, or other business entity shall designate one individual to exercise duties and responsibilities of the Active Member as its representative.

Section 3: Non-Voting Members. Other member categories may be created by the Board as deemed necessary. They may include individuals of other associations, clubs or societies who are not directly engaged in a business enterprise of any nature in the Palm Desert area, but who, individually or collectively, are interested in working for the betterment of the area within the organization and under the leadership of the Palm Desert Area Chamber of Commerce. Unless approved to the contrary by the Board, these members shall have no voting rights nor can they be elected to an office in the Corporation or to the Board of Directors, but they shall be entitled to serve on

all committees other than the Executive Committee and to vote on such actions as related to that committee. Further, the Board may create additional categories of businesses or individuals as deemed appropriate.

Section 4: Investments/Dues. Membership investment dues shall be at such a rate or rates schedule or formula as may from time to time be prescribed by the Board of Directors and shall be due annually upon the member's anniversary date.

Section 5: Termination of Active Member. If any member fails to pay dues within sixty (60) days after date of maturity, notice of delinquency shall be given by the Board of Directors. If at the end of ten (10) additional working days, dues remain unpaid, the President/Chief Executive Officer, the Secretary, or the Chief Financial Officer is directed to remove delinquent members from the membership roll. A report listing dropped members shall be distributed to Directors at the next regularly scheduled meeting of the Board of Directors. Members reported 30 days delinquent in the payment of dues shall not be entitled to vote at any meeting of the Chamber until such delinquency has been removed by payment in full of dues to date. Any member may also be removed by a vote of two-thirds (2/3) of a quorum of the Board present at any duly called special or regular meeting of the Board for reasons deemed sufficient by the Board by reason of conduct unbecoming a member or which is prejudicial to the objectives or reputation of the Chamber, after notice and opportunity for a hearing are afforded the member complained against. Any member will be removed if convicted of a felony.

Section 6: Meetings.

A) Regular Membership Meetings. The Board of Directors shall determine to hold general membership meetings as the Board deems necessary or advisable. Notice of such meetings shall be made in the press or by any other means at hand.

B) Annual Meeting. The Annual Meeting of the Corporation shall be held within 30 days prior to the end of the fiscal year, at a general meeting of the full membership of the Chamber. Upon this occasion, the Annual Report shall be made available by request, together with any regular or special reports or recommendations.

ARTICLE VII– Board of Directors

Section 1: Purpose, Duties. The governance of the Palm Desert Area Chamber of Commerce, the direction of its work, and control of its assets shall be vested in the Board of Directors. The Board of Directors shall enact policies that carry out the stated values in the Mission Statement, shall hire and supervise the President/Chief Executive Officer, shall have oversight responsibility over all aspects of the corporation's activities, and take care to insure the success and viability of the corporation at all times. Board members shall demonstrate the highest ethical duties of loyalty and confidentiality to the Chamber at all times.

Section 2: Number of Directors, Qualifications. The Board of Directors shall consist of not more than twenty-three (23) nor less than nineteen (19) Director-members. Each Director shall be an active Chamber member in good standing. All Directors shall have full speaking and voting privileges. One or more representative(s) from the City of Palm Desert may be designated as ex-officio member(s) of the Board, may speak when requested to do so by the Board chair, but shall have no vote(s).

Section 3: Nomination of Directors, Nominating Committee. There shall be an annual vote of the Chamber membership for open seats on the Board of Directors. At least ninety (90) days prior to the annual elections, with the concurrence of the Executive Committee, the Board chair shall appoint a Nominating Committee. The committee shall consist of three (3) members: A chairperson who shall be a current Director that is ineligible for re-election; the other two (2) members shall be active Chamber members in good standing that are currently not serving as an Officer or Director. All nominees for Director shall be active members in good standing, have stated they will serve if elected, and have been an active member of the Chamber for a minimum of one (1) year. All qualified nominees shall have their names placed in nomination for election.

Only one individual from a member-business may be elected or appointed to serve on the Board of Directors. This limitation shall include persons working in a company or organization this is managed by or is a subsidiary of another member-business.

The Nominating Committee shall at all times strive to ensure that the Board reflects the diversity of interests in the Chamber, the business community of Palm Desert, and the member-business composition of the Chamber.

Upon completing a list of all eligible candidates, the Nominating Committee shall deliver that list to the Board chair and the President/Chief Executive Officer.

Section 4: Conduct of Elections and Appointments. The annual election of the Board of Directors shall take place not later than sixty (60) days prior to June 30.

Upon receipt of the list of names of eligible candidates from the Nominating Committee, the Board chair shall immediately direct the President/Chief Executive Officer to prepare an official ballot setting forth all names on the list. Adequate spaces shall be provided to allow names of other candidates to be written in by Chamber members. The ballot shall be sent via electronic mail, or as otherwise requested by individual Chamber members, to all Chamber members in good standing. Members shall be instructed to return their ballot not later than the designated election date. Ballots received after that date shall only be counted in extraordinary circumstances, and after a majority vote of the Board.

The counting of all returned ballots shall be supervised by the Chairman of the Board and the Executive. The candidates receiving the highest number of votes up to the number of open Board seats shall be declared elected. The election results shall be published to the Chamber membership as soon as possible after the results are known, in a manner reasonably designed to ensure notice to all members.

Section 5: Terms of Office. In each annual election, at least seven (7) of the elected Directors shall serve three (3) year terms; two (2) Directors shall be chosen annually by the incoming Board Chair to serve one (1) year terms. No Director shall serve more than two (2) consecutive three (3) year terms. After completing two (2) consecutive full three-year terms, a Director shall not be eligible for election or appointment to serve as a Director until at least one (1) administrative year has passed.

Section 6: Vacancies. In the event of an unscheduled vacancy on the Board during an administrative year, the Board chair shall nominate an individual that meets the eligibility requirements as set forth in Section 2 of this Article. The nominee shall be confirmed by a majority vote of the Board of Directors. Upon such election that Director shall complete the balance of the prior Director's term.

Section 7: Resignation. Any resignation by a Director shall be made in writing to the Board Chair. The Chair shall announce the resignation as soon as possible to the Board. Thereafter, that vacant Board position shall be filled in accordance with Section 6 of this Article.

Section 8: Absences. Any Director absent from four (4) Board of Director meetings during any administrative year shall automatically be deemed to have resigned. No further notice need be given to that Director by the Board. Thereafter, that vacant Board position shall be filled in accordance with Section 6 of this Article.

Section 9: Removal. A Director may be removed by a majority vote of the Board, after a determination is made by the full Board that the Director engaged in conduct that is unethical or otherwise damaging to the Chamber's reputation. The Board's majority decision shall be final. Thereafter, that vacant Board position shall be filled in accordance with Section 6 of this Article.

Section 10: No Compensation or Remuneration. All Board member positions, including officers and directors, shall be voluntary positions. No Board member shall receive any compensation, either in monetary payment or in kind benefits, for their service to the Chamber. This limitation shall not preclude any Director from simultaneously serving the Chamber in any other capacity for which compensation is normally given, and receiving compensation for that service.

ARTICLE VIII – Board of Directors Meetings

Section 1: Meeting Place and Procedure. Meetings of the Board of Directors shall be held in the Chamber office or at any other place that is designated from time to time by the Board. Any meeting, regular or special, may be held without the physical presence of some or all Directors, by conference telephone or similar communications equipment, as long as all Directors participating in the meeting can hear one another.

Section 2: Regular Meetings. Regular meetings of the Board of Directors for any purpose or purposes may be called at any time by the

Chairman of the Board, Chairman-Elect of the Board, the Secretary or any two (2) Directors.

Section 3: Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board, Chairman-Elect of the Board, the Secretary or any four (4) Directors.

Notice of the time and place of any special meetings of the Board of Directors shall be given to each Director by four (4) days notice by first class mail, or 48 hours' notice delivered in person, by telephone, fax or electronic media at the Director's address shown on the records of the Chamber. The notice need not specify the purpose of the meeting.

Section 4: Quorum. A majority of the authorized number of Directors is a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, except as a greater or lesser number required by law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least of majority of the required quorum for the meeting.

Section 5: Adjournment. A majority of the Directors present, whether or not a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of the adjournment shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 6: Consent to Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board individually or collectively consent in writing to that action. Such action by written consent shall have the same force and affect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the Board.

ARTICLE IX – Officers

Section 1: Determination of Officers. A minimum of thirty (30) days prior to the beginning of the fiscal year, the newly elected and continuing members of the Board of Directors, excluding the retiring members, shall conduct an organizational meeting for the purpose of selecting a Chairman-Elect and consider other matters pertinent the organization.

- A.) Within thirty (30) days after the general election, the current Chairman-Elect shall select an Officer Nominating Committee composed of two (2) continuing Directors and one (1) newly elected Director who shall select a nominee for incoming Chairman-Elect.
- B.) Nominees for Chairman-Elect must have served a minimum of one (1) full year on the Executive Board.
- C.) The Officer Nominating Committee shall place the name of the nominee before the Board at the organizational meeting. Should there be additional nominees from the floor; the individual receiving the highest number of votes shall be declared the Chairman-Elect.

Section 2: Duties of Officers. The duties of the Officers shall be such as their titles, by general usage, would indicate, and such as are required by law, and such as may be assigned to them respectively by the Board of Directors from time to time.

- A.) Chairman of the Board. The Chairman of the Board shall serve as the chief elected officer of the Chamber and shall preside at all meetings of the membership, Board of Directors and Executive Committee. The Chairman of the Board shall, with the advice and counsel of the Chairman-Elect, and President/Chief Executive Officer, determine all committees and select all committee chairpersons, subject to the approval of the Board of Directors. The Chairman of the Board shall be an ex-officio member of such committees.
- B.) Immediate Past Chairman. The Immediate Past Chairman shall perform such duties as may be assigned to him/her by the Chairman of the Board or the Board of Directors.
- C.) Chairman-Elect. The Chairman-Elect shall exercise the powers and authority and perform the duties of the Chairman of the Board in absence or disability of the Chairman of the Board, and shall perform such other duties as may be assigned to him/her by the Chairman of the Board or the Board of Directors.

- D.) Vice-Chairmen. The duties of the Vice Chairmen shall be such as their titles by general usage would indicate, and such as required by law, as well as those that may be assigned by the Board of Directors. Vice Chairmen shall also have under their immediate jurisdiction, the coordination of all committees in their assigned division of the Chamber's program.
- E.) Secretary. The Secretary shall serve as the corporate Secretary of the organization, the Board of Directors and the Executive Committee and shall prepare, or cause to be prepared, notices, agendas, and minutes of meetings of the Board and the Executive Committee.
- F.) Chief Financial Officer. The Chief Financial Officer shall prepare, or cause to be prepared, regular financial reports for the Board of Directors, and shall oversee financial matters of the organization.

Section 3: President/Chief Executive Officer.

- A.) The Board of Directors shall employ a President/Chief Executive Officer who shall be the Chief Administrative and Executive Officer of the Chamber
- B.) The President/Chief Executive Officer shall serve as advisor to the Chairman of the Board and shall assemble information and data and cause to be prepared special reports as required by the program of the Chamber.
- C.) The President/Chief Executive Officer shall be a non-voting member of the Board of Directors, the Executive Committee and all committees.
- D.) The President/Chief Executive Officer shall be responsible for hiring, discharging, directing and supervising all employment activities.
- E.) The President/Chief Executive Officer may be removed by fifty percent plus one (50% + 1) of the full board at a regular or special meeting.

ARTICLE X – Committees

Section 1: Appointment and Authority. The Chairman of the Board, by and with the approval of the Board of Directors, shall appoint all committees and committee chairpersons. The Chairman of the Board may appoint such ad-hoc committees and their chairpersons as are deemed necessary to carry out the programs of the Chamber. Committee appointments shall be at the will and pleasure of the term of the appointing Chairman of the Board and shall serve concurrently with the term of the appointing Chairman of the Board unless a different term is approved by the Board of Directors. It shall be the function of committees to conduct investigations and studies, hold 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 action by any member, committee, Director or Officer shall be binding upon, or constitute an expression of the policy of, the Chamber until it shall have been approved or ratified by the Board of Directors. Committees shall be discharged by the Chairman of the Board 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 committees.

Section 3: Executive Committee. The Executive Committee shall transact all business of the Chamber of Commerce during the interim between Board of Directors meetings. It shall consist of the Chairman of the Board, Chairman-Elect, Immediate Past-Chairman, two (2) Vice-Chairmen and Chief Financial Officer. The President/Chief Executive Officer shall be a non-voting member of this committee. The Executive Committee shall be vested with such power and authority as may be delegated to it by the Board of Directors. Four (4) members shall constitute a quorum.

Section 4: Audit Committee. The Audit Committee shall be chaired by the current Chief Financial Officer, and be comprised of the Chairman of the Board, the Immediate Past-Chairman, Chairman-Elect, and a CPA Member in good standing. The Audit Committee shall take an active role in the prevention and deterrence of fraud, as well as an effective ethics and compliance program. The Audit Committee shall constantly challenge management and the auditors to ensure that the entity has appropriate antifraud programs and controls in place to identify potential fraud and ensuring that investigations are undertaken if fraud is detected. The Audit Committee shall take an interest in ensuring that appropriate action is taken against known perpetrators of fraud. The Audit Committee is responsible for hiring the auditor, to perform the annual audit pursuant to reviewing draft audited financial statements and management

letter comments, as well as the implementation of such comments as deemed necessary. The Audit Committee shall meet as at least twice per fiscal year, or more often as deemed necessary. The Audit Committee shall review the annual audit report prepared pursuant to Article XI, Section 5, after which the annual audit report shall be submitted with the Audit Committee's comments and recommendations to the Board for final approval at a regularly scheduled Board meeting.

ARTICLE XI – Finances

Section 1: Fiscal Year. The fiscal year of the Chamber shall be July 1 to June 30.

Section 2: Budget. The Executive Committee shall adopt an annual budget and submit it to the Board of Directors for approval prior to the start of the new fiscal year.

Section 3: Disbursements. Upon approval of the budget, the President/Chief Executive Officer is authorized to make disbursements on accounts and expenses provided for in the budget without additional approval. Disbursements shall be by check, signed by two authorized signatures.

Section 4: Bonding. Officers and staff, as the Executive Committee may designate, shall be bonded by a sufficient fidelity bond paid for by the Chamber.

Section 5: Audit. An annual audit report shall be prepared by a recognized accounting firm. The annual audit report shall be reviewed by the Audit Committee pursuant to Article 10, Section 4. The annual audit report shall thereafter be reviewed and approved by the Board members at a regular Board meeting.

ARTICLE XII – Indemnification

The Chamber shall indemnify its officers and directors and any former officers and directors who were or are parties, or are threatened by any suit, action, or proceeding to which they are made parties by reason of being or having been directors or officers, against all expenses (including attorney's fees), judgments, fines, and amounts actually and reasonable incurred by them in connection with such proceeding, including any appeal, if they acted in good faith and in a

manner reasonably believed to be in the best interest if the Chamber. However, no indemnification shall be made with respect to any claim issues or action if a judgment or final adjudication establishes that their actions, or omissions to act, were material to the cause of action and constitute:

1. A violation of the criminal law, unless the director or officer had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe that his conduct was unlawful;
2. A transaction from which the director or officer derived an improper personal benefit;
3. Willful misconduct or a conscious disregard for the best interests of the Chamber in a proceeding by or in the right of the Chamber to procure a judgment in its favor or in a proceeding by or in the right of a member.

Notwithstanding the above, an officer or director who is successful on the merits or otherwise in defense of any proceeding or in defense of any claim, issue or matter therein shall be indemnified against expenses actually and reasonably incurred by him/her in connection therewith. This section shall be in addition to the rights that the Chamber's officers have under its Articles of Incorporation or the California Association and Nonprofit Corporations Law, and nothing herein shall be deemed to diminish or otherwise restrict such person's right to indemnification under any such other provision.

ARTICLE XIII – Referenda

Upon the request in writing of ten (10) percent of the members in good standing, the Board of Directors shall, or upon its own initiative may, submit a question by mail to the membership for a referendum vote. The ballot for that vote shall be accompanied by briefs stating both sides of the question. Action taken thereon by the membership shall be final and shall bind the Board of Directors. Each member may indicate his/her vote on the referenda and return his/her ballot to the office of the Chamber of Commerce not later than 4:30 p.m, on the tenth (10th) business day after the ballots have been mailed, either in person or by mail. A fifty percent (50%) vote of the membership shall constitute a referendum and a majority of the votes cast shall control.

ARTICLE XIV– Parliamentary Procedure

The proceedings of the Chamber of Commerce meetings shall be governed by and conducted according to the latest edition of Robert's Rules of Order.

ARTICLE XV – Amendments

These By-Laws may be amended by a two-thirds (2/3rds) vote of the Board of Directors, at a regular or special meeting. Thirty (30) days notice must be given to the Directors concerning any proposed changes.

ARTICLE XVI – Dissolution

The Chamber shall use its funds only to accomplish the objectives and purposes specified in these By-Laws, and no part of said funds shall inure, or be distributed, to the members of the Chamber. On dissolution of the Chamber, any funds remaining shall be distributed to one or more regularly organized or qualified charitable, educational, scientific or philanthropic organizations to be selected by the Board of Directors as defined in Section 501(c)(3) of the Internal Revenue Code.

Dated March 30, 2017

Secretary of the Corporation

Natalie Russo

Natalie Russo

Print Name