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November 15th, 2007

BY-LAWS OF

THE WINSTED AREA CHAMBER OF COMMERCE

ARTICLE I.

NAME AND PURPOSE

SECTION 1. NAME. This organization is incorporated under the Laws of the State of Minnesota as a non profit, nonpartisan and nonsectarian corporation and shall be known as the Winsted Area Chamber of Commerce hereinafter referred to as the "CHAMBER" .

SECTION 2. AREA. The Winsted Area shall include the City of Winsted and all areas which have an interest in or may benefit from the improvement of the general welfare, business and civic conditions of the city of Winsted and surrounding areas.

SECTION 3. PURPOSE. The CHAMBER has been organized for the purpose of advancing, as its objectives, the economic, industrial, commercial, professional, cultural and civic welfare of the Winsted area; to encourage the growth of existing businesses and to give proper assistance to any firms or individuals seeking to locate in the Winsted area; to support all activities which will benefit the Winsted area and oppose those which may be detrimental thereto; and to promote the general welfare of all Winsted area citizens by adopting those policies which will accomplish the greatest good for the greatest number.

SECTION 4. FUNCTION. It is the primary function of the CHAMBER to serve as an organization of business and professional people and those others willing to work together for the promotion of business, agricultural, civic, educational and cultural interests of the Winsted area and to advance the prosperity of the Winsted area.

## ARTICLE II.

### MEMBERSHIP

SECTION 1. ELIGIBILITY. Any reputable individual, business, firm, association, corporation, partnership, trust, estate or foundation having an interest in the above objectives shall be eligible to apply for membership.

SECTION 2. APPLICATION AND APPROVAL. Application for membership shall be in writing on the forms specified by the Board of Directors. Applications shall be submitted to the Membership Committee for review and recommendation to the Board of Directors for its final approval. Memberships that are approved will begin upon payment of the prescribed membership dues.

SECTION 3. CLASSIFICATION AND DUES. Upon recommendation to the Board of Directors by the Membership Committee, the Board shall make final determination

of the classifications of membership, the number of votes entitled by each such classified membership and the amount of dues to be paid by each classification.

SECTION 4. TERMINATION. Any member may be expelled by the Board of Directors by a two-thirds (2/3) vote for nonpayment of dues after ninety (90) days from the due date unless otherwise extended for good cause; for conduct unbecoming such member; and/or for conduct prejudicial to the objectives or reputation of the CHAMBER, but only after notice and opportunity for a hearing, have been afforded to such member. Any member may resign from the CHAMBER upon written notice to the Board of Directors and, in the event such member has paid the prescribed dues, and is not guilty of improper and/or detrimental conduct, dues shall be refunded upon request by such member on a pro-rated basis.

### ARTICLE III.

#### GOVERNMENT

The government of the CHAMBER shall be vested in a Board of Directors to be comprised of five (5) Officers, President, Vice President, Secretary, Treasurer and the immediate past President and four (4) Directors. The Officers and Directors shall be elected at the annual meeting of the CHAMBER.

#### TERMS OF OFFICE

Officers shall serve a term of one year, but all officers may be re-elected for additional terms. When the President is elected for more than one term, the Past President shall continue on the Board of Directors until a new President is elected. The Four (4) Directors shall be elected as follows: Beginning in January 2008, two (2) shall be elected for a term of one year and two (2) shall be elected for a term of two (2) years. There after, Directors shall be elected for a term of two (2) years.

## SECTION 1. OFFICERS.

F. President. The President shall be the chief executive officer of the CHAMBER and shall preside at all meetings of the CHAMBER and its Board of Directors. He/she shall have general active management of the business of the CHAMBER and shall perform all duties incident thereto, including the annual reorganization of the Board.

G. Vice President. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the authority of the President and shall perform such other duties as the Board of Directors shall prescribe.

H. Secretary. The Secretary shall be the chief administrative officer of the CHAMBER and shall conduct its official correspondence, preserve its books and documents, maintain accurate records of all meetings of the CHAMBER and of its Board of Directors and perform such other duties as may be incident to his/her office, subject to the direction of said Board. At the expiration of his/her term of office, he/she shall deliver to the Board all books, papers and property of the CHAMBER.

I. Treasurer. The Treasurer shall receive, disburse and account for the funds of the CHAMBER, and shall deposit all monies and other valuable assets and effects in such depositories, as may be directed by the Board of Directors, in the name and to the credit of the CHAMBER. He/she shall make a financial report orally to the Board of Directors at each of its meetings when requested and shall report to the membership at its regular meetings. At the end of his/her term, he/she shall submit a written financial report to the Board of Directors.



J. Past President. The immediate Past President shall, upon the completion of his/her term, continue membership on the Board of Directors and assume the duties of Chairperson of the Membership Committee and all other duties delegated to him/her by the President and/or the Board of Directors. He/she shall assist in the transition from one administration to the next and act as the parliamentarian for the Board.

SECTION 2. BOARD OF DIRECTORS. The four (4) elected Directors shall assist the Officers in the management of the CHAMBER including, serving as the Membership Committee under the direction of the Past President. They shall also, when so assigned, the supervision and initiation of committee activities and acting as a liaison between the committee assigned and the Board of Directors.

A. Absences. If any member of the Board of Directors shall fail to attend three (3) successive meetings of the Board, the President shall call such failure to the attention of said member and, if satisfactory excuse is not received within thirty (30) days, said member shall cease to be a member of the Board.

B. Vacancies. Vacancies on the Board of Directors and/or among the Officers of the CHAMBER shall be filled by a majority vote of the remaining members of the Board.

C. Rules and Regulations. The Board of Directors, which shall constitute the Executive Committee of the CHAMBER, shall adopt such rules and regulation as may be necessary to properly conduct the affairs of the CHAMBER.

ARTICLE IV.

MEETINGS

SECTION 1. ANNUAL MEETINGS. The annual meeting of the CHAMBER shall be held in January of each year at a time and date set by the Board of Directors.

SECTION 2. BOARD MEETINGS. The Board of Directors shall meet on a week day, two weeks preceding each Regular meeting of the CHAMBER and/or at such times as any three (3) members of the Board, shall determine to call same. The President shall, at his/her first Board meeting, propose a calendar of Board and Regular meeting dates for the coming year, to be approved by the Board.

SECTION 3. REGULAR MEETINGS. Regular meetings of the CHAMBER shall be held once each month at a time and place determined by the Board of Directors, or upon petition in writing signed by not less than ten (10) members in good standing. Any regular monthly meeting of the CHAMBER may be cancelled by majority vote of the members present at a regular meeting, upon recommendation by the Board of Directors.

SECTION 4. SPECIAL MEETINGS. Special meetings of the CHAMBER may be called by the Board of Directors, or upon petition in writing signed by not less than ten (10) members in good standing.

SECTION 5. NOTICE. All regular and special meetings of the CHAMBER and the Board of Directors shall be preceded by written notice of said meeting, by providing members via U.S.P.S. or electronic communications as deemed acceptable by the Board of Directors, sent not less than five (5) nor more than thirty (30) days prior to such meeting. The Board of Directors, by majority vote, may waive this requirement for any regular Board meeting.

SECTION 6. QUORUMS. At any duly called regular or special meeting of the CHAMBER, ten (10) members present shall constitute a quorum. At any duly called meeting of the Board of Directors, one-third (1/3) of the Board members present thereat shall constitute a quorum. At any duly called committee meeting, one-third (1/3) of the members thereof present shall constitute a quorum.

SECTION 7. AGENDAS. The Chairperson of any Chamber, Board or Committee meeting shall accept items to the agenda from the floor by any member in good standing.

SECTION 8. DEBATE. Every member of the CHAMBER shall be entitled to speak, and to vote, on any subject properly brought before any regular or special meeting of the CHAMBER as are the members of the Board of Directors at all of its meetings. Debate may be limited at the discretion of the officer presiding at any and all of the aforesaid meetings.

SECTION 9. PARLIAMENTARY PROCEDURE. Roberts Rules of Order, as amended from time to time, shall govern parliamentary procedure at all meetings of the CHAMBER and at all meetings of the Board of Directors. However, the Directors may, by majority vote, conduct the Board of Directors meetings with less formality.

## ARTICLE V.

### COMMITTEES

SECTION 1. APPOINTMENT AND AUTHORITY. The President, by and with the approval of the Board of Directors, shall appoint all committees and their chair persons. Such appointments shall be at the will and pleasure of the President, but shall not exceed his/her term as President. Each committee shall conduct such activities as may be delegated to them and make recommendations to the Board of

Directors after conducting such studies, investigations and hearings as they deem necessary.

SECTION 2. STANDING COMMITTEES. The following shall be the standing or permanent committees of the CHAMBER: Membership Nominating and Election Banquet and Special Events Budget, Finance and Audit Promotion and Marketing Retail and Commercial

SECTION 3. OTHER COMMITTEES. The Board of Directors may, from time to time, establish and appoint such other committees as it deems necessary to conduct the business of the CHAMBER and carry out its objectives.

SECTION 4. BUDGET, FINANCE AND AUDIT COMMITTEE. This committee shall be appointed annually by the President, and comprised of the President, Vice President and Treasurer who shall participate as members thereof together with one non-board member, with the Treasurer serving as chairperson. The committee shall be responsible for establishing the budget necessary to meet the requirements of the CHAMBER'S program of work and objectives and shall, from time to time, advise the Board of Directors regarding the financial condition of the CHAMBER and suggest ways and means of increasing its revenues. The Budget, which said committee shall present to the Board as soon as possible after the first of January of each year, shall serve as the CHAMBER'S appropriation measure for the fiscal year in which presented.

SECTION 5. NOMINATION AND ELECTION COMMITTEE. The President shall appoint a nomination and election committee comprised of two (2) Board members and one (1) CHAMBER non-board member whose duties shall be to present a slate of candidates for each annual election and to conduct the election of Officers and

Directors at the annual election in accordance with the terms and conditions of these Bylaws.

SECTION 6. LIMITATION OF AUTHORITY. No committee shall take or make public any formal action, or make public any resolution, or in any way commit the CHAMBER on a question of policy, without first receiving approval of the Board of Directors. Special committees shall be discharged by the President when their work has been completed and their reports accepted, or when, in the opinion of the Board of Directors, it is deemed wise to discontinue the committee. No committee shall exceed its authorized funds or expenses without prior authorization of the Board.

## ARTICLE VI.

### ELECTIONS

SECTION 1. NOMINATIONS. Prior to January 1st of each year the nomination and election committee shall present to the Secretary a slate of candidates to replace the Officers and Directors whose terms are expiring, confirming the willingness of the nominees to accept the responsibility of service to the CHAMBER if duly elected.

SECTION 2. NOTICE. Upon receipt of the report of the nominating and election committee, the Secretary shall notify the membership by U.S. Mail, or by acceptable electronic communications as determined by the Board of Directors, the names of each nominated person for each Office or Directorship and the date, time and place of the election, which shall be conducted at the annual meeting of the CHAMBER. A list of candidates so nominated and the results of the election shall be kept on file in the CHAMBER office.

SECTION 3. VOTING ENTITLEMENT. Every member of the CHAMBER in good standing is entitled to vote at any election conducted by the CHAMBER, and any such member is entitled to make nominations from the floor during any such election.

SECTION 4. RESTRICTIONS. Voting by proxy shall not be permitted at any election conducted by the CHAMBER.

## ARTICLE VII.

### FINANCES

SECTION 1. RECEIPTS. All monies paid to the CHAMBER shall be deposited in a general operating fund. Unused funds, if any, may be designated for special use by the Board of Directors.

SECTION 2. DISBURSEMENTS. No expense or financial obligation shall be incurred without prior approval of the Board of Directors. Upon approval of the budget, the Treasurer is authorized to make disbursements on accounts and expenses provided for in the budget without additional approval of the Board of Directors. No disbursements, except those from petty cash, shall be made other than by check. Any two of the following designated Officers shall be required to act as co-signer on all issued checks, namely: President, Vice President, Secretary and Treasurer.

SECTION 3. FISCAL YEAR. The fiscal year of the CHAMBER shall be the calendar year.

SECTION 4. ANNUAL AUDIT. All accounts of the CHAMBER shall be audited annually, as soon as practical after January 1st of each year, by the Budget, Finance and Audit Committee. The audit shall at all times be available to members of the CHAMBER at its registered office.

## ARTICLE VIII.

### CONFLICTS OF INTEREST

PROCEDURE WHEN CONFLICTS ARISE. A contract or other transaction between the CHAMBER and (a) its Director or a member of the family of its Director; or (b) a director of a related organization, or a member of the family of a director of a related organization; or (c) an organization in, or of which, the CHAMBER Director, or a member of the family of its Director, is a director, officer or legal representative or has a material financial interest; is not void or voidable because the director or the other individual or organizations are parties or because the Director is present at the meeting of the Board or a committee at which the contract or transaction is authorized, approved, or ratified, if:

A. The contract or transaction was, and the person asserting the validity of the contract or transaction sustains the burden of establishing that the contract or transaction was fair and reasonable as to the CHAMBER at the time it was authorized, approved, or ratified;

B. The material facts as to the contract or transaction and as to the Director's interest are fully disclosed or known to the directors and the contract or transaction is approved in good faith by two-third (2/3) of the non-interested Directors;

C. The material facts as to the contract or transaction and as to the director's or directors' interest are fully disclosed or known to the Board or a committee, and the

Board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a majority of the Board or committee, but the interested Director or Directors shall not be counted in determining the presence of a quorum and shall not vote thereon.

## ARTICLE IX.

### INDEMNIFICATION

SECTION 1. LIABILITY. No Officer, Director or member of the CHAMBER, past or present, who is or was not paid for services to the CHAMBER shall not, to the extent permitted by law, be individually liable for damage occasioned solely by reason of membership in, or participation in, CHAMBER activities.

SECTION 2. LITIGATION. Any present or former Officer, Director or member of the CHAMBER who was or is a party, or is threatened to be made a party, to any proceeding or litigation whenever and by whomever brought, by reason of his/her former or present official capacity as an Officer, Director or member of the CHAMBER, or in his or her official capacity as an Officer, Director or member of another entity or organization, while serving at the request of the CHAMBER, shall be fully indemnified for all reasonable expenses, including attorney fees and costs, incurred by him/her in connection with such proceeding or litigation.

## ARTICLE X

### MISCELLANEOUS

SECTION 1. CORPORATE SEAL. A corporate seal shall not be required to legalize any documents signed by the Officers of the CHAMBER as it has determined that it shall not have a corporate seal.



SECTION 2. DISSOLUTION. Dissolution of the CHAMBER must be approved by three-fourths (3/4) of the total membership in good standing and shall require that the vote be by ballot.

SECTION 3. DISBURSEMENT OF ASSETS. The CHAMBER shall use its funds and other assets, if any, for the purpose of accomplishing its objectives as specified in these By-Laws, and no funds or assets shall be distributed to CHAMBER Officers, Directors or members. Instead, upon dissolution, the CHAMBER shall distribute its funds and assets to one or more qualified charitable, educational, scientific or philanthropic organizations as defined in Section 501(c)(3) of the IRS Tax Code, such donee(s) to be selected by the Board of Directors.

## ARTICLE XI

### AMENDMENTS

SECTION 1. ADOPTION. These By-Laws and the Articles of Incorporation may be amended by a majority vote of the members present at any regular meeting of the CHAMBER provided such amendments have first received the approval of a majority of the directors and notice of proposal to amend have been sent to each CHAMBER member in good standing to his/her postal or e-mail address not less than one week prior to such meeting.

SECTION 2. ALTERNATE ADOPTIONS. The Board of Directors shall have the authority to adopt by a two-thirds (2/3) majority, these By-Laws and/or the Articles of Incorporation of the CHAMBER and may exercise such authority from time to time subject to the revocation of such authority by the majority vote of the CHAMBER members at a regular meeting.

### CERTIFICATION

We, the undersigned, Don C. Guggemos Sr. and Sarah Bisping, respectively, the elected President and Secretary of the Winsted Area Chamber of Commerce, Winsted, Minnesota, a non-profit corporation, do hereby certify that at a regular meeting of said corporation duly called and held in the City of Winsted on this 15th day of November, 2007, at which meeting a quorum of the members were present, these amended By-Laws of the Winsted Area Chamber of Commerce were adopted unanimously.

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Don C. Guggemos Sr., President

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Sarah Bisping, Secretary