

**FIRST AMENDED  
BYLAWS  
OF  
ATHENS ECONOMIC DEVELOPMENT CORPORATION**

**NOVEMBER 17, 2015**

**SECTION I  
DEFINITIONS**

- 1.1 AEDC shall mean Athens Economic Development Corporation.**
- 1.2 City shall mean the City of Athens, Henderson County, Texas.**
- 1.3 Director or Directors shall mean the members of the governing body of AEDC.**
- 1.4 Board shall mean the Board of Directors of AEDC.**
- 1.5 Council shall mean the governing body of the City.**

**SECTION II  
CORPORATE STRUCTURE**

AEDC is a non-profit Type B Development Corporation without stock or members, specifically governed by and organized pursuant to the Development Corporation Act and the Texas Non-Profit Corporation Act.

**SECTION III  
PURPOSE**

The purpose of the AEDC is to promote, assist, and enhance economic development in compliance with the provisions of law, with focus on:

- a) Business retention, expansion, and attraction to create, expand or retain primary jobs;
- b) Development, improvement and maintenance of a positive business environment;
- c) Support of community development initiatives that directly benefit business objectives;

## SECTION IV

### REGISTERED OFFICE AND AGENT

AEDC shall have and continuously maintain a registered office in the City and a registered agent whose office is identical with such registered office. The Board may, from time to time, change the registered agent and/or the address of the registered office.

The initial registered office of the AEDC was 100 W. Tyler Street, Athens, Texas 75751 and the initial registered agent at such address was Herbert Gatlin, Jr. The registered office is now 201 W. Corsicana, Suite 3, Athens, Texas 75751. The Registered Agent at such address is the Executive Director of AEDC.

## SECTION V

### BOARD OF DIRECTORS

#### **5.1 Authority**

The business and affairs of AEDC and all corporate powers shall be exercised by or under authority of the Board

#### **5.2 Relationship with Council**

In accordance with law, the Council shall require that the Board be responsible to it for the proper discharge of its duties.

#### **5.3 Appointment of Directors**

The Directors shall be appointed by the Council without limitation by Board nominations and may be removed at any time, with or without cause by the Council.

#### **5.4 Number of Directors**

The authorized number of Directors of this Board shall be seven (7).

#### **5.5 Nominations of Directors**

The Board shall nominate persons for the position of Director using its best efforts to assure breadth of inclusion, communication and coordination of all development efforts throughout the community and all Director nominees shall be selected in accordance with the following qualification guidelines.

- A) Be a citizen of the United States.
- B) Have senior level, policymaking experience within an organization, management or ownership experience, knowledge and experience with finance and budgets, demonstrated commitment to Athens through active involvement in community affairs, residence in Henderson County, sufficient knowledge and awareness of constituency

perspective to bring useful input for Board consideration in making economic development decisions.

c) Directors shall be residents of the City, provided however, so long as the population of the City by official census is less than twenty thousand, not more than three of the Directors may be persons residing in Henderson County and within ten miles of the city limits of the City.

### **5.6 Tenure**

Board members shall serve a term of two (2) years with a maximum of three (3) consecutive terms and may not return to the Board for a period of at least one (1) year after the completion of the third term.

### **5.7 Vacancies**

Any vacancy occurring shall be filled by appointment by the City Council in accordance with these Bylaws. If the remainder of the term filled is less than two (2) years, then the Board member filling the vacancy may complete three (3) additional terms of two (2) years before retiring for the minimum one year.

### **5.8 Meetings**

The Board shall meet at least quarterly at a place and times to be determined by the President within the boundaries of the City.

### **5.9 Annual Meetings**

The annual meeting of the Board of Directors shall be in October of each year.

### **5.10 Special Meetings**

Special Meetings may be called by the President of the Board or any two Directors.

### **5.11 Meeting Agenda**

Any member of the Board may request that an item be placed on the agenda by delivering the same in writing to the Secretary of the Board no later than ten (10) days prior to the date of the Board meeting.

### **5.12 Notice of Meetings**

Notice of any meeting shall be given to the Directors and public in accordance with the requirements of the law. The notice shall contain information regarding the particular time, date, and location of the meeting and the agenda to be considered as required by law. All meetings shall be conducted in accordance with the Texas Open Meetings Act.

### **5.13 Quorum**

For the purpose of convening a meeting or transacting business of AEDC, a simple majority of the number of Directors then serving on the Board shall constitute a quorum. If there is an insufficient number of Directors present to convene the meeting, the presiding officer shall adjourn the meeting.

### **5.14 Attendance**

Regular attendance of the Board meetings is required of all Directors. The following number of absences may constitute the need for replacement of a member: three (3) consecutive absences, or attendance reflecting absence constituting 50% or more of the meetings over a 12-month period. In the event replacement is indicated, the member will be counseled by the President and, subsequently, the President may submit in writing to the Secretary of the City the need to replace the Board member in question.

### **5.15 Ex-Officio Members**

The City Administrator of the City or his/her designee and the Mayor of the City or his/her designee may attend any meeting of the Board or any Committees, including executive, private and public. These representatives shall not have the power to vote in the meetings they attend. Their attendance shall be for the purpose of ensuring that information about the meetings is accurately communicated to the Council.

### **5.16 General Duties of the Board**

The Board is hereby authorized to perform the following duties:

A) Develop an overall economic development plan for the City which shall include and set forth intermittent and/or short term goals which the Board deems necessary to accomplish compliance with its overall economic development plan. Such plan shall be approved by the City Council. The overall development plan developed by the Board shall be one that includes the following elements:

1) An economic development strategy to permanently bolster the business climate throughout the City.

2) Strategies to fully utilize the assets of the city which enhance economic development.

3) Identification of strategies to coordinate public, private, military and academic resources to develop and enhance business opportunities for all citizens of Athens.

4) Identification of strategies and provide for implementation of identified strategies for direct economic development as defined in this Section.

B) The Board shall review and update its overall economic development plan each year to ensure that said plan is up to date with the current economic climate and is capable of meeting current economic development needs of the City.

C) The Board shall expend, in accordance with State law and on approval of the City, the tax funds received by it on direct economic development where such expenditures will have a direct benefit to the citizens of the City. "Direct economic development" shall mean the expenditure of such tax funds for programs that directly accomplish or aid in the retention or creation of identifiable existing jobs including job training and/or planning and research activities necessary to promote said job creation or retention.

**5.17 Compensation**

The duly appointed members of the Board shall serve without compensation, but shall be reimbursed for actual or commensurate cost of travel, lodging and incidental expenses while on official business of the Board in accordance with State law.

**5.18 Voting: Action of the Board**

Directors must be present in order to vote at any meeting. Unless otherwise provided in these Bylaws or in the Articles of Incorporation or as required by law, the act of a simple majority of the Directors present at any meeting for which a quorum is present shall be the act of the Board.

**5.19 Conflicts**

In the event that a Director is aware of a conflict of interest or potential conflict of interest, with regard to any particular vote, the Director shall bring the same to the attention of the meeting and shall abstain from the vote, unless the Board determines that no conflict of interest exists. Any person may bring to the attention of the meeting any apparent conflict of interest or potential conflict of interest of any Director, in which case the Board shall determine whether a true conflict of interest exists before any vote shall be taken regarding that particular matter. The Director as to whom a question of interest has been raised shall refrain from voting with regard to the determination as to whether a true conflict exists.

**VI.**

**CONTRACTS**

**6.1 Contracts for Service**

The Board may contract with or employ any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract or employment shall ever be approved or entered into which seeks or attempts to divest the Board of its discretion and policymaking functions in discharging the duties hereinabove set forth in this section, or the City of its oversight.

## **6.2 Execution of Contracts**

The President and/or Secretary shall execute any contracts or other instruments which the Board has approved and authorized to be executed, provided, however, that the Board may by appropriate resolution, authorize any other officer or officers or any other agent or agents to enter into contracts or execute and deliver any instrument in the name and on behalf of AEDC. Such authority may be confined to specific instances or defined in general terms. When appropriate, the Board may grant a specific or general power of attorney to carry out some action on behalf of the Board, provided, however that no such power of attorney may be granted unless an appropriate resolution of the Board authorizes the same to be done.

## **6.3 Accounting by City**

The AEDC may contract with the City for financial, payroll and accounting services

# **SECTION VII**

## **OFFICERS**

### **7.1 Officers**

The elected officers of AEDC shall be a President, Vice President, Secretary, and Treasurer. The Board may resolve to elect one or more other officers or assistant officers authorized by the Council.

### **7.2 Duties**

Officers shall have the authority and perform the duties of the office as provided by the Bylaws of AEDC and as the Board may from time to time prescribe.

### **7.3 Selection of Officers**

The President, Vice President and Secretary and Treasurer shall be elected by the Board officers from its members at the annual meeting of the Board, subject to approval by the Council, and shall serve a term of one (1) year provided, however, that they shall continue to serve until the election of their successors. Any two (2) or more offices may be held by the same person, except the President shall not also hold office as Vice President or Secretary.

### **7.4 Vacancies**

Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled by the Board, with the approval by the Council, for the unexpired portion of the term of that office.

### **7.5 Removal**

Officers may be removed by the Council at any time with or without cause.

## **7.6 President**

The President shall be the presiding officer of the Board with the following authority:

- a) Shall preside over all meetings of the Board.
- b) Shall have the right to vote on all matters coming before the Board.
- c) Shall have the authority to create standing committees to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board.
- d) Shall have the authority to create ad hoc committees which may address issues of a temporary nature of concern or which have a temporary effect on the business of the Board.
- e) In general, the President shall perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board.

## **7.7 Vice President**

A) In the absence of the President, or in the event of his or her inability to act, the Vice President shall perform the duties of the President. When so acting, the Vice President shall have all power of and be subject to all the same restrictions as upon the President.

B) The Vice President shall also perform other duties as from time to time may be assigned to him or her by the President.

## **7.8 Secretary**

A) The Secretary shall keep, or cause to be kept, at the registered office a record of the minutes of all meetings of the Board and of any committees of the Board.

B) The Secretary shall be custodian of the corporate records and seal of AEDC, and shall keep a register of the mailing address and street address, of each Director.

C) The Secretary shall furnish or cause to furnish a copy of the minutes of each meeting to the City.

## **7.9 Treasurer**

A) The Treasurer shall have charge and custody of and be responsible for all funds and securities of AEDC.

B) The Treasurer shall, in general, perform or cause to be performed all duties instant to that office and such other duties as from time to time may be assigned by the President of the Board or the Board.

C) The Treasurer shall receive or cause to be received money due and payable to AEDC from any source whatsoever and shall deposit or cause to be deposited all sums of money of AEDC in such bank, trust company, and or other depositories as shall be specified in

accordance with law and shall disburse or cause to be disbursed funds of AEDC in accordance of law and as directed and authorized by the Board.

**7.10 Assistant Secretaries and Assistant Treasurers**

The Assistant Secretaries and Assistant Treasurers, if any, shall in general, perform such duties as may be assigned to them by the Secretary or the Treasurer, or by the President or by the Board.

**SECTION VIII**

**COMMITTEES**

**8.1 Committees**

A) The President may create, from time to time, other committees as are necessary or appropriate to assist the Board.

B) No such committee shall have independent authority to act for or in the stead of the Board with regard to the following manners: amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee or any Director or Officer of AEDC; amending the Articles of Incorporation or Bylaws; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of AEDC; authorizing the voluntary dissolution of AEDC or revoking the proceedings therefore; adopting a plan for the distribution of the assets of AEDC; or amending, altering, or repealing any resolution of the Board.

C) The designation and appointment of any such committee and delegation to that committee of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed by law.

**8.2 Appointment**

Members of committees shall be appointed by the President, and approved by the Board.

**8.3 Qualifications**

Committee members need not be Directors of AEDC unless required by these Bylaws or Board resolution and shall be appointed with consideration of the qualifications for Director.

**8.4 Term of Office of Committee Members**

A) Each member of a committee shall continue as such until the next annual meeting and until his or her successor on the committee is appointed, unless the committee shall be sooner terminated or unless such member has ceased to serve on the Board, or unless such member be removed from such committee.



B) Any committee member may be removed from committee membership by the President, with Board approval, whenever in their judgment the best interests of AEDC would be served by such removal.

### **8.5 Vacancies on Committees**

Vacancies in the membership of any committee maybe filled in the same manner as provided with regard to the original appointments to that committee.

## **SECTION IX**

### **FINANCIAL ADMINISTRATION**

#### **9.1 Fiscal Year**

The fiscal year of the AEDC shall begin on October 1 and end on September 30 of the following year.

#### **9.2 Budget**

A budget for the forthcoming fiscal year, together with any proposed amendments thereto during such fiscal year, shall be approved by the Board and the Council.

#### **9.3 Checks and Drafts**

All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of AEDC shall be signed and countersigned by any two (2) Directors.

#### **9.4 Deposits**

All funds of AEDC shall be deposited on a regular basis to the credit of AEDC in a local bank that shall be federally insured and shall be selected following procedures and requirements for selecting a depository required by law.

#### **9.5 Gifts**

The AEDC may accept any contribution, gift, bequest, or devise for any purposes of AEDC, subject to approval of the Board and Council.

#### **9.6 Purchasing**

All purchases made and contracts executed by AEDC shall be made in accordance with the requirements of law.

### **9.7 Investments**

Temporary and idle funds which are not needed for immediate obligations of AEDC may be invested in any legal manner provided by law.

### **9.8 Bonds**

Any bonds issued by AEDC shall be issued in accordance with the applicable provisions of the law.

### **9.9 Uncommitted Funds**

Any uncommitted funds of AEDC at the end of the fiscal year shall be considered a part of the Undesignated Fund Balance.

The Undesignated Fund Balance may be committed for any legal purpose. This may include the establishment of the Permanent Reserve Fund which may be accumulated for the purpose of using the interest earnings of such fund to finance the operation of the AEDC.

### **9.10 Audit**

An annual financial audit of AEDC shall be performed by an independent certified public accountant or firm of independent certified public accountants selected by the Board. Such audit shall be performed, and the report thereon made available to the Board and the Council, as soon as practicable following the end of each fiscal year of AEDC.

## **SECTION X**

### **BOOKS AND RECORDS**

AEDC shall keep correct and complete books and records of all actions of AEDC. The books and records of account, the minutes of meetings of the Board and of any committee having any authority of the Board, shall be maintained and reported on a timely basis to the Council. Directors or his/her agent or attorney may inspect all books and records of AEDC at any reasonable time; and any information which may be designated as public information by law shall be open to public inspection at any reasonable time. The Texas Open Records Act and Open Meetings Act shall apply to disclosure of public information.

## **SECTION XI**

### **BONDS**

#### **11.1 Directors and Officers**

AEDC will maintain a Director's & Officers liability policy in an appropriate amount approved by the Council. Such coverage is to be reviewed and adjusted as necessary Annually.

#### **11.2 Treasurer**

The Treasurer shall be bonded for the faithful discharge of his/her duties with such surety or sureties and in such sum as the Board shall determine by Board resolution, but in no event shall the amount of such bond be less than an amount equal to the average of the sums which the Treasurer has access to and the ability to convert during a twelve (12) month period of time.

#### **11.3 Check Signors**

All persons authorized to sign checks or make deposits shall be bonded with such surety or sureties in such amount as the Board shall determine by Board resolution, but in no events shall the amount of such bond be less than the amount equal to the average of the sums of which such persons have access to and the ability to convert during a six (6) month period of time.

#### **11.4 Employees**

All employees of AEDC with access to funds of AEDC or to personal property of AEDC which could be removed without authorization shall be bonded with such surety or sureties in such amount as the Board shall determine by Board resolution

## **XII**

### **SEAL**

The Board shall obtain a corporate seal, which shall bear the words "Corporate Seal of Athens Economic Development Corporation"; the Board may thereafter use the corporate seal and may later alter the seal as necessary without changing the corporate name; but these Bylaws shall not be construed to require the use of the corporate seal.

## **SECTION XIII**

### **AMENDMENTS**

These Bylaws may be amended or replaced and new Bylaws may be adopted by an affirmative vote of five (5) of the authorized Directors serving on the Board, at a meeting of the Board with notice as required by law subject to approval by the Council or may be amended or replaced by the Council.

**SECTION XIV**

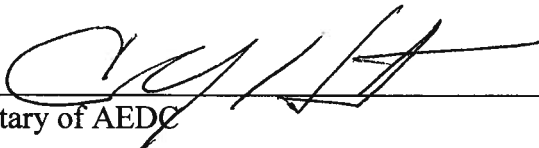
**INDEMNITY**

AEDC shall indemnify and hold harmless each current or former Director, Officer, agent or employee of the AEDC from and against any costs, expenses, fines, settlements, judgments, liabilities and other amounts, actually and reasonably incurred by such person in any action, suit, or proceeding to which he or she is made a party by reason of holding such position as Officer, Director, agents, or employees; provided, however, that such Officer, Director, agent or employee shall not receive such indemnification if he/she be finally adjudicated in such instance to be liable for negligence or misconduct in office. The indemnification herein provided shall also extend to good faith expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board may, in proper cases, extend this indemnification to cover the good faith settlement of any such action, suit, or proceedings, whether formally instituted or not.


Furthermore, AEDC shall indemnify and hold harmless and defend the City, its officers, agents, and its employees, from and against liability for any and all claims, liens, suits, demands, and/or actions for damages, injuries to persons (including death), property damage (including loss of use), and expenses, including court costs and attorneys' fees and other reasonable costs arising out of or resulting from AEDC's activities and from any liability arising out of or such causes of action based upon common, constitutional, or statutory law, or based in whole or in part upon the negligent or intentional acts or omissions of AEDC, including but not limited to its officers, agents, employees, licensees, invitees, and other persons. It is further agreed with respect to the above indemnity, that the City and AEDC will provide the other prompt and timely notice of any event covered which in any way, directly or indirectly, contingently or otherwise, affects or might affect AEDC or the City, and the City shall have the right to compromise and defend the same to the extent of its own interests. It is further agreed this indemnity clause shall be an additional remedy to the City and not an exclusive remedy.

**CERTIFICATE**

This is to certify that the foregoing is a true and correct copy of the Bylaws of AEDC and that such Bylaws were duly adopted by the Board on November 17, 2015.

  
\_\_\_\_\_  
Secretary of AEDC

Adopted by the Board of Directors on November 17, 2015.

Attest:   
\_\_\_\_\_  
President of AEDC

Approved by the City Council of the City of Athens, Texas, on  
\_\_\_\_\_, 2015.

\_\_\_\_\_  
City Secretary

Attest:

\_\_\_\_\_  
Mayor