

RESOLUTION 20-22
BYLAWS
OF
CITY OF MOUNT VERNON ECONOMIC DEVELOPMENT CORPORATION
A NON-PROFIT CORPORATION
MOUNT VERNON, TEXAS

SECTION I
OFFICES

1.01 Registered Office and Registered Agent

The corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent, whose office is identical with such registered office, as required by the Texas Development Corporation Act of 1979. The Board of Directors may, from time to time, change the registered agent and/or the address of the registered office, provided that such change is appropriately reflected in these Bylaws and in the Articles of Incorporation.

The corporation and the registered office of the corporation are located at 109 N. Kaufman, Mount Vernon, Texas 75457, and the mailing address is P.O. Box 597, Mount Vernon, Texas 75457. The registered agent of the corporation at such office shall be the City Administrator of the City of Mount Vernon.

1.02 Principal Office

The principal office of the corporation in the State of Texas shall be located in the City of Mount Vernon, County of Franklin, and it may be, but need not be, identical with the registered office of the corporation.

SECTION II
PURPOSES

2.01 Purposes

The corporation is incorporated for the purposes set forth in its Articles of Incorporation, the same to be accomplished on behalf of the City of Mount Vernon, Texas (the "City") as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, Article 5190.6, Vernon's Ann. Civ. St., as amended (the "Act"), and other applicable laws, and organized under Section 4B of the Act. The purpose of the City of Mount Vernon Economic Development Corporation is to promote, assist, and enhance economic development in accordance with the Texas Development Corporation Act

of 1979. Any project, as defined by such Act, which shall be undertaken by the corporation, may include in such costs the maintenance and operating costs of such projects.

SECTION III MEMBERS

3.01 Members

The corporation shall have no members or issue any stock.

SECTION IV BOARD OF DIRECTORS

4.01 Board of Directors

The business and affairs of the corporation and all corporate powers shall be exercised by or under authority of the Board of Directors (the "Board"), appointed by the governing body of the City of Mount Vernon, and subject to applicable limitations imposed by the Texas Development Corporation Act of 1979, the Articles of Incorporation, and these Bylaws. The Board may, by contract, resolution, or otherwise, give general or limited or special power and authority to the officers and employees of the corporation to transact the general business of any special business of the corporation, and may give powers of attorney to agents of the corporation to transact any special business requiring such authorization.

4.02 Number and Qualifications

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

The City Council shall appoint the Directors of the corporation. Each director of the corporation must be a resident of the City of Mount Vernon or Franklin County. At least three (3) of these directors shall be persons who are not employees, officers or members of the governing body of the City of Mount Vernon, Texas. ~~At least one (1) shall be a councilperson or mayor of the City of Mount Vernon.~~

4.03 Tenure

Directors of the corporation shall serve a term of two (2) years except, to allow for continuity on the Board of Directors, the Board shall stagger the terms of the Directors in the following manner: The Board of Directors, at a regular or called meeting of the Board, shall establish places for each Director, beginning with Place 1 through Place 7. Existing directors shall draw for place numbers, with odd numbers receiving a two-year term and even numbers receiving a one-year term. Subsequent to this drawing for terms, the City Council shall make each appointment for each place at the expiration of the term of that director and all appointments shall be for a term of two years. Notwithstanding the appointment for a specific term, any director may be removed without cause at any time during the term by the City Council of the City of Mount Vernon, Texas."

4.04 Vacancies

Any vacancy occurring shall be filled by appointment by the vote of a majority of a quorum present of the City Council of the City of Mount Vernon, Texas.

4.05 Meetings

The Board shall meet monthly on the second Thursday of each month at 5:00 p.m.. All meetings of the Board shall provide notice thereof as provided and set forth in Chapter 551, Texas Government Code, "Texas Open Meetings Act". Any Member of the Board may request that an item be placed on the agenda by delivering the same in writing to the Executive Director no later than three days prior to the date of the Board meeting. The City Administrator, Mayor, Executive Director or President of the Board shall set special meeting dates and times.

Notice of all meetings shall contain information regarding the particular time, date, and location of the meeting and the agenda to be considered. All meetings shall be conducted in accordance with the Texas Open Meetings Act.

4.06 Quorum

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

4.07 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.

4.08 Voting; Action of the Board of Directors

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 majority of the Directors present at any meeting for which a quorum is present shall be the act of the Board of Directors. 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. Any conflict of interest shall be determined according to the standards of Chapter 171, Texas Local Government Code. In the event Chapter 171 of the Local Government Code shall apply, the Director shall disclose

the relationship as required by Section 171.004 of the Local Government Code and shall abstain from voting.

SECTION V OFFICERS

5.01 Officers of the Corporation

The elected officers of the corporation shall be a President, Vice President, Secretary and Treasurer. The Board may resolve to elect one or more Assistant Secretaries or one or more Assistant Treasurers as it may consider desirable. Such officers shall have the authority and perform the duties of the office as the Board may from time to time prescribe or as the Secretary or Treasurer may from time to time delegate to his or her respective assistant. Any two (2) or more offices may be held by the same person, except the office of President.

5.02 Selection of Officers

The initial President and Vice President shall be elected by the Board and shall serve a term of one (1) year. On the expiration of the term of office of the original President and Vice President, the Board shall select from among its members individuals to hold such office. The term of office of the President and Vice President shall always be for a period of one (1) year from date of selection by the Board, provided, however, that the President and Vice President continue to serve until the election of their successors.

The Secretary and Treasurer shall be selected by the members of the Board and shall hold office for a period of one (1) year from the date of selection, provided, however, that the Secretary shall continue to serve until the election of their successor.

5.03 Vacancies

Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term of that office in the same manner as other officers are elected to the Board.

5.04 President

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

1. Shall preside over all meetings of the Board.
2. Shall have the right to vote on all matters coming before the Board.
3. Shall have the authority, upon notice to the members of the Board, to call a special meeting of the Board when, in his judgment, such meeting is required, subject to provisions of the Texas Open Meetings Act.
4. Shall have the authority to appoint standing committees to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board.

5. Shall have the authority to appoint ad hoc committees which may address issues of a temporary nature of concern or which have a temporary affect on the business of the Board.

In addition to the above-mentioned duties, the President shall sign with the Secretary of the Board any deed, mortgage, bonds, contracts, or other instruments which the Board of Directors has approved and unless the executive of said document has been expressly delegated to some other officer or agent of the corporation by appropriate Board resolution, by a specific provision of these Bylaws, or by statute. 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 of Directors.

5.06 Vice President

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

5.06 Secretary

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. The Secretary shall also file a copy of said minutes with the City and the same to be given, in accordance with the provisions of these Bylaws, or as required by the Texas Open Meetings Act or the Texas Open Records Act of other applicable law. The Secretary shall be custodian of the corporate records and seal of the corporation, and shall keep a register of the mailing address and street address, if different, of each Director. The Board may choose to assign the responsibilities of the Secretary to the Executive Director at any time.

5.07 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 of Directors 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. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation. The Treasurer shall receive and give receipt for money due and payable to the corporation from any source whatsoever, and shall deposit all such moneys in the name of the corporation in such bank, trust corporation, and/or other depositories as shall be specified in accord with Section VI of these Bylaws. The Treasurer shall, in general, perform all the duties incident to that office and such other duties as from time to time may be assigned to him by the President of the Board. The Board may choose to assign the responsibilities of the Treasurer to the Executive Director at any time.

5.08 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 the Board of Directors.

5.09 Contracts for Service

The corporation may, with approval of the City Council, contract with 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. This shall include the right of contract for promotional purposes as may be defined by the Development Corporation Act, subject to any limitations contained in the Act.

SECTION VI FINANCIAL ADMINISTRATION

The corporation shall contract with the City for financial and accounting services. The corporation's financing and accounting records shall be maintained according to the following guidelines:

6.01 Fiscal Year

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

6.02 Budget

A budget for the forthcoming fiscal year shall be submitted to and approved by the Board of Directors and the City Council of the City of Mount Vernon. The Board of Directors shall submit the budget in accordance with the annual budget preparation schedule as set forth by the City Administrator. The budget shall be submitted to the City Administrator for inclusion in the annual budget presentation to the City Council. The budget proposed for adoption shall include the projected operating expenses and such other budgetary information as shall be useful to or appropriate for the Board of Directors and the City Council of the City of Mount Vernon.

6.03 Contracts

As provided in Section V above, the President and 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, including the Director of Economic Development, to enter into contract or execute and deliver any instrument in the name and on behalf of the corporation. 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.

6.04 Checks and Drafts

All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed or bear the facsimile of any two of the four presiding officers of the Corporation.

6.05 Deposits

All funds of the City of Mount Vernon Economic Development Corporation shall be deposited on a regular basis to the credit of the corporation in a depository which shall be selected following procedures and requirements for selecting a depository as set forth in Chapter 105 of the Local Government Code or the depository of the City of Mount Vernon, Texas, may be utilized.

6.06 Gifts

The City of Mount Vernon Economic Development Corporation may accept on behalf of the corporation any contribution, gift, bequest, or device for the general purpose or for any special purposes of the corporation.

6.07 Purchasing

All purchasing and contracts executed by the corporation shall be made in accordance with the requirements of the Texas Constitution and Statutes of the State of Texas.

6.08 Investments

Temporary and idle funds which are not needed for immediate obligations of the corporation may be invested in any legal manner as set out in Chapter 2256, Texas Government Code.

6.09 Bonds

Any bonds issued by the corporation shall be in accordance with the statute governing this corporation but, in any event, no bonds shall be issued without approval of the Mount

Vernon City Council after review and comment by the City's bond counsel and financial advisor.

6.10 Expenditures

The City Council shall approve any single tax expenditures exceeding \$5,000.00.

SECTION VII BOOKS AND RECORDS

7.01 Books and Records

The corporation shall keep correct and complete books and records of all actions of the corporation, including books and records of account and the minutes of meetings of the Board of Directors and of any committee having any authority of the Board and to the City Council. All books and records of the corporation may be inspected by Directors of the corporation or his/her agent or attorney 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. The Board of Directors shall provide for an annual financial audit to be performed by a competent independent audit firm employed by the City Council for the City's audit.

7.02 Monthly Reports

The corporation shall provide monthly summaries of anticipated projects, proposed dispersal of funds, and funds that are dispersed over \$5,000.00 per year.

SECTION VII SEAL

8.01 Seal

The Board of Directors shall obtain a corporate seal which shall bear the words "Corporate Seal of the City of Mount Vernon 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 IX
PROGRAM**

9.01 Authorization

The corporation shall carry out its program subject to its Articles of Incorporation and these Bylaws, and such resolutions as the Board may from time to time authorize.

9.02 Program

The program of the City of Mount Vernon Economic Development Corporation shall be to assist, stimulate, and enhance economic and community development in Mount Vernon and Franklin County, Texas, subject to applicable State and Federal law, these Bylaws, and the Articles of Incorporation.

**SECTION X
PARLIAMENTARY AUTHORITY**

10.01 Amendments to Bylaws

These Bylaws may be amended or repealed and new Bylaws may be adopted by an affirmative two-thirds (2/3) majority vote of the number of authorized Directors then serving on the Board, at any regular or any special meeting of the Directors held for such specific purpose, and the notice requirements stated hereinabove regarding regular or special meetings shall apply. A majority of the Directors of the corporation present at a meeting of the Board may, in accord with the requirements of Section IV hereinabove, amend or repeal and institute new Bylaws, provided that at least ten (10) days prior to the meeting, written notice setting forth the proposed action shall have been given to the Directors, and public notice regarding such action given according to the requirements of the Texas Open Meeting Act and Open Records Act.

Furthermore, the City Council reserves the right to amend the Bylaws at any time.

Notwithstanding the foregoing, no amendment shall become effective unless the City Council approves the amendment.

**SECTION XI
DISSOLUTION**

11.01 Dissolution

The corporation shall be dissolved according to the provisions contained in the appropriate sections of the Texas Development Corporation Act of 1979, as amended.

**SECTION XII
INDEMNITY**

12.01 Indemnity

The Board of Directors shall authorize the corporation to pay or reimburse any current or former Director or Officer of the corporation for any costs, expenses, fines, settlements, judgments, and other amounts, actually and reasonably incurred by such person in any action, suite, or proceeding to which he or she is made a party by reason of holding such position as Director or Officer; provided, however, that such Director or Officer shall not receive such indemnification if he/she be finally adjudicated in such instance to be liable for 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 of Directors may, in proper causes, extend the indemnification to cover the good faith settlement of any such action, suit, or proceedings, whether formally instituted or not.

Furthermore, the corporation agrees to indemnify and hold harmless and defend the City of Mount Vernon, its officers, agents and its employees, from and against all claims and suits or damages, injuries to persons (including death), property damages (including loss or use), and expenses, (including court costs and attorney fees), arising out of or resulting from the corporation's work and from any liability arising out of or in connection with the City of Mount Vernon or its officers, agents, or employees entry upon said property, common, constitutional, or statutory law, or based on whole or in part upon the negligent or intentional acts or omissions of the corporation, its officers, agents, employees, subcontractors, licensees, invitees, or trespassers or based in whole or in part upon the negligent acts or omissions of the City of Mount Vernon, its officers, agents, employees, licensees, or invitees. The corporation agrees to waive any and all claims it may have against the City of Mount Vernon connected with, resulting from, or arising out of claims and suits covered by this indemnification provision and agrees that any insurance carrier involved shall not be entitled to subrogation under any circumstances against the City of Mount Vernon, its officers, agents, and employees.

**SECTION XII
MISCELLANEOUS**

14.01 Relation to Articles of Incorporation

These Bylaws are subject to and governed by the Articles of Incorporation.

14.02 Effective Date

PASSED, ADOPTED AND APPROVED by the City Council of the City of Mount Vernon
this the _____ day of _____, 20_____.

BRAD HYMAN – MAYOR

ATTEST:

KATHY LOVIER – CITY SECRETARY