RESOLUTION NO. 15 - 41

A RESOLUTION AMENDING BY-LAWS FOR THE COMMERCE ECONOMIC DEVELOPMENT CORPORATION; GRANTING AUTHORITY TO THE MAYOR TO EXECUTE SAID RESOLUTION AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE MAYOR'S SIGNATURE TO THIS RESOLUTION AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL INSTRUMENTS REQUISITE IN IMPLEMENTING THIS RESOLUTION AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE CITY MANAGER'S SIGNATURE TO THIS RESOLUTION.

WHEREAS, the Commerce Economic Development Corporation developed in 1994, was set forth with by-laws adopted by both the EDC and the City Council; and

WHEREAS, the City Council of the City of Commerce hereby desires to amend said by-laws; and

WHEREAS, the City Council of the City of Commerce, after careful consideration deems it to be in the best interest and welfare of the EDC that **Article IV, Section 1(c), titled Board of Directors; Article IV, Section 8, titled Ex-Officio Members; Article VI, Section 2, titled Annual Corporate Budget; and Article VIII, Section 2, titled Amendments to the Articles of Incorporation and By-Laws** be amended to read as follows:

ARTICLE IV, Section 1(c), Board of Directors

(c) The directors shall serve three-year (3) terms. In order to establish staggered terms for the officers, those positions whose current terms will expire at the end of 2015, will be appointed for a three-year (3) term. For officers whose terms will expire at the end of December 2016, those positions will be appointed as follows: One of these positions will serve a one-year (1) term; while the other two will serve 3-year (3) year terms. Those three positions will be drawn, to see which officer's place will take the one-year (1) position. This will establish the staggered three-year (3) terms with no more than two officers having expired terms in the same year.

Thereafter, each successor member of the Board shall be appointed and serve for three (3) years, or until a successor is appointed; or until his or her resignation, as herein provided. Terms shall expire on December 31, or at such time after December 31 that the Commission otherwise determines.

Should an officer complete an unexpired term left vacant by another officer, the completion of that term shall not count towards the officer's nine years of service to the Board.

No director may serve more than nine (9) consecutive years. However, in order to maintain the staggered terms, if a current board member begins a term in which his or her ninth year falls during the first or second year of their last term, they may be permitted to complete the three-year term.

Any director may be removed from office by the Commission at will.

ARTICLE IV, Section 8, Ex-Officio Members
The City Commission may designate one Commission Member as Ex-Officio Member, who may attend all meetings of the Board of Directors or Committees, and shall have the right to take part in any discussion, but shall not have the power to vote. This term shall be a one-year (1) term, beginning in May of each year, following the final canvass of the General Municipal Election. The Director of the Commerce Chamber of Commerce and the Commerce Industrial Development Association, or their designee, are also designated as Ex-Officio Members. Due to the confidentiality of potential clients, attendance during executive meetings will be by invitation only, and at the sole discretion of the Board.

ARTICLE VI, Section 2, Annual Corporate Budget
On or before August 1 of each year, the Board shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall not be effective, nor shall expenditures occur until the same has been approved by the Commission.

ARTICLE VIII, Section 2, Amendments to the Articles of Incorporation and By-Laws
These By-Laws may be amended or repealed and new By-Laws may be adopted by an affirmative vote of at least three (3) Board members present at any regular or special meeting, if at least five (5) days written notice is given of an intention to amend or repeal these By-Laws; or to adopt new By-Laws at such meeting. Any amendment of these By-Laws will be effective upon approval by the City Commission, and replace any and all previous By-Laws and Amendments.

NOW, THEREFORE, BE IT RESOVED, the City Council of the City of Commerce hereby amends the Economic Development Corporation by-laws.

BE IT FURTHER RESOLVED that the Mayor Pro Tem of the City of Commerce, Texas, Richard Hill, be authorized and he is authorized to affix his signature to this resolution.

BE IT FURTHER RESOLVED that the City Secretary be authorized and she is hereby authorized to attest to the signature of the Mayor to this Resolution.

PASSED BY THE GOVERNING BODY of the City of Commerce, Texas, at a regular meeting of the City Council of Commerce, Texas, on the 17th day of November 2015.

ATTEST:

Becky Pattillo, Acting City Secretary

(Seal)

CITY OF COMMERCE

Richard Hill, Mayor Pro Tem

APPROVED AS TO FORM:

Jay Garrett, City Attorney

I, Becky Pattillo, Acting City Secretary of the City of Commerce, Texas, do hereby certify that the above is a true and correct copy of a resolution, and that the same has not been repealed and is in full force and effect.

(Seal)

Acting City Secretary
City of Commerce

Sworn and subscribed before me, on this the 20 day of November, 2015, to certify which witness my hand and seal of office.

(Seal)

GREG RICHARDSON
Notary Public
STATE OF TEXAS
My Comm. Exp. 10-06-2018

Notary Public
State of Texas

CEDCByLawAmendment.111715

AMENDED BY-LAWS
COMMERCE ECONOMIC DEVELOPMENT CORPORATION

ARTICLE I

Section 1. Purpose

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 Commerce, Texas (the "City"), as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, as amended; Tex. Rev. Civ. Stat. Ann. Art. 5190.6 (the "Act"), as amended, and other applicable laws.

Section 2. Powers

In the fulfillment of its corporate purpose, the Corporation shall be governed by Sections 4A of the Act, and shall have all of the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed herein.

ARTICLE II

Section 1. Principal Office

The principal office of the Corporation in the State of Texas shall be located in the City of Commerce, Hunt County, Texas.

Section 2. 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 Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board.

ARTICLE III
MEMBERS

The Corporation shall have no members of stockholders.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. Powers, Number and Term of Office

(a) The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board"); and, subject to the restriction imposed by law, by the Articles of Incorporation, and by these By-Laws, the Board shall exercise all of the powers of the Corporation.

(b) The board shall consist of five (5) directors, each of whom, as well as each replacement, shall be appointed by the City Commission (the "Commission") of the City. The City Commission shall consider an individual's experience, accomplishments and educational background in appointing members to the Board. The Board may make recommendations of individuals to the Commission for appointment to the Board.

(c) The directors shall serve three-year (3) terms. In order to establish staggered terms for the officers, those positions whose current terms will expire at the end of 2015, will be appointed for a three-year (3) term. For officers whose terms will expire at the end of December 2016, those positions will be appointed as follows: One of these positions will serve a one-year (1) term; while the other two will serve 3-year (3) year terms. Those three positions will be drawn, to see which officer's place will take the one-year (1) position. This will establish the staggered three-year (3) terms with no more than two officers having expired terms in the same year.

Thereafter, each successor member of the Board shall be appointed and serve for three (3) years, or until a successor is appointed; or until his or her resignation, as herein provided. Terms shall expire on December 31, or at such time after December 31 that the Commission otherwise determines.

Should an officer complete an unexpired term left vacant by another officer, the completion of that term shall not count towards the officer's nine years of service to the Board.

No director may serve more than nine (9) consecutive years. However, in order to maintain the staggered terms, if a current board member begins a term in which his or her ninth year falls during the first or second year of their last term, they may be permitted to complete the three-year term.

Any director may be removed from office by the Commission at will.

Section 2. Meeting of Directors

The directors may hold their meetings at such place or places, but in any event within the City, as the board may from time to time determine; however, provided in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation as specified in Article II of the By-Laws.

Section 3. Open Meetings Act

All meetings and deliberations of the Board shall be called, convened, held and conducted, and notice shall be given to the public, in accordance with the Texas Open Meetings Act, Article 6252-17, Tex. Rev. Stat. Ann., as amended.

Section 4. Notice of Meetings

To the extent that the Open Meetings Act conflicts with the provisions of this section, the Open Meetings Act shall govern.

(a) Regular meetings of the Board shall be held without the necessity of written notice to the Directors at such times and places as shall be designated from time to time by the Board. Special Meetings of the Board shall be held whenever called by the president, by a majority of the directors, by the mayor of the City, or by a majority of the City Commission.

(b) The secretary shall give notice to each director for any Emergency Meeting (as defined in the Texas Open Meetings Act) in person or by telephone, at least two (2) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a Special Meeting. At any meeting at which every director shall be present, even though without any individual notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon consistent with applicable law.

(c) Whenever any notice is required to be given to the Board, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto, at his or her post office address as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objection to the transaction of any business on the grounds that the meeting is not lawfully called or convened. The business to be transacted and the purpose of any Regular or Special meeting of the Board need be specified in the notice or waiver of notice of such meeting. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 5. Quorum

A majority of the directors shall constitute a quorum for the conduct of the official business of the Corporation. The affirmative vote of three (3) directors present at a meeting, at which a quorum is in attendance, shall constitute the Board action, unless the act of a greater number is required by law.

Section 6. Conduct of Business

(a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the Board or the law.

(b) At all meetings of the Board, the president shall preside, and in the absence of the president, the vice president shall exercise the powers of the president.

(c) The secretary of the corporation shall act as secretary of all meetings of the Board; but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Section 7. Compensation of Directors

Directors shall not receive a salary or any other compensation for their service as directors. However, directors may be reimbursed for their actual and reasonable expenses incurred in the performance of their duties.

Section 8. Ex-Officio Members

The City Commission may designate one Commission Member as Ex-Officio Member, who may attend all meetings of the Board of Directors or Committees, and shall have the right to take part in any discussion, but shall not have the power to vote. This term shall be a one-year (1) term, beginning in May of each year, following the final canvass of the General Municipal Election. The Director of the Commerce Chamber of Commerce and the Commerce Industrial Development Association, or their designee, are also designated as Ex-Officio Members. Due to the confidentiality of potential clients, attendance during executive meetings will be by invitation only, and at the sole discretion of the Board.

ARTICLE V
OFFICERS

Section 1. Titles and Term of Office

(a) The officers of the Corporation shall be a President, Vice-President, and Secretary-Treasurer; and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the President shall not hold the office of Vice President or Secretary. Terms of office shall be one-year (1), ending December 31 (**or until such time a new officer is appointed),** with the right of an officer to be re-elected.

(b) All officers shall be elected by and be subject to removal from office at any time, by a vote of a majority of the entire Board.

(c) A vacancy in the office of any officer shall be filled for the remaining term by a vote of a majority of the entire Board.

Section 2. 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 vote on all matters coming before the Board.

(c) Shall have the authority, upon notice to the members of the Board, to call a Special Meeting of the Board, when in his or her judgment such a meeting is required.

(d) Shall have the authority to appoint, with Board approval, standing committees to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board.

(e) Shall have the authority to appoint, with Board approval, 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.

In addition to the above-mentioned duties, the President shall sign with the Secretary of the Board, or other designated person, any deed, mortgage, bonds, contracts, or other instruments with the Board has approved, and unless the execution of aid document has been expressly delegated to some other officer or agent of the Corporation by appropriate Board resolution, by a specific provision of these By-Laws, 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.

Section 3. Vice President

The Vice President shall have such powers and duties as may be prescribed by the Board, and shall exercise the powers of the President during that officer's absence or inability to act. Any action taken by the Vice President in the performance of the duties of the President shall be presumptive evidence of the President's absence or inability to act at the time such action was taken.

Section 4. Secretary-Treasurer

The Secretary-Treasurer shall have the responsibility to monitor the handling, custody, and security of all funds and securities of the Corporation in accordance with these By-Laws. The Secretary-Treasurer shall see to the entry in the books of the Corporation, full and accurate accounts of all monies received and paid out on an account of the Corporation. The Secretary-Treasurer shall, at the expense of the Corporation, give such bond for the faithful discharge of his or her duties in such form and amount as the Board may require. The Secretary-Treasurer shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices, may sign with the President in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation; shall have charge of the corporate books, records, documents and instruments, except the papers as the Board may direct, all of which shall, at all reasonable times, be open to public inspection upon application at the office of the Corporation, during business hours; and shall, in general, perform all duties incident to the office of Secretary subject to the control of the Board. The Secretary-Treasurer shall submit a copy of all corporation minutes and actions to the City Secretary within a reasonable time after a meeting.

Section 5. President, Vice President and Secretary-Treasurer

The President, Vice President and Secretary-Treasurer shall be elected from among the members of the Board.

Section 6. Compensation

Officers who are members of the Board shall not receive any salary or compensation for their services, except that they may be reimbursed for their actual and reasonable expenses incurred in the performance of their duties hereunder. Other officers, who are not members of the Board, may be compensated as directed by the Board.

Section 7. Personnel

The Corporation may establish full-time and/or part-time personnel positions. Personnel positions so established shall be reflected in the

Annual Corporate Budget and approved accordingly, as referred to in Article VI, Section 2 of these By-Laws.

Section 8. Contracts for Service

The Corporation may 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. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of its discretion and policy-making functions in discharging the duties herein above set forth in this section.

ARTICLE VI
FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 1. Economic Development Plan

The Board shall research, develop, prepare and submit to the Commission for its approval, an economic development plan for the city, which shall include proposed methods and expected costs of implementation. The plan shall include both short-term and long-term goals for the economic development of the city. Said plan should take into consideration general development plans and policies of the City Commission.

Section 2. Annual Corporate Budget

On or before August 1 of each year, the Board shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall not be effective, nor shall expenditures occur until the same has been approved by the Commission.

Section 3. Books, Records, Audits

(a) The Corporation shall keep ad property maintain, in accordance with generally accepted accounting principles, complete books, records, accounts and financial statements pertaining to its corporate funds, activities and affairs. Notwithstanding Article V, Section 5, the Corporation may maintain any financial records solely at the City offices.

(b) The books, records, accounts and financial statements of the Corporation shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm approved by the Board. Such audit shall be at the expense of the Corporation. The Corporation shall employ the same auditor as is employed by the City of Commerce.

Section 4. Deposit and Investment of Corporate Funds

All proceeds from the issuance of bonds, notes, or other debt instruments ("Debt Obligations") issued by the Corporation, shall be deposited and invested as provided in the resolutions, orders, indentures or other documents authorizing or relating to the issuance. All other monies of the Corporation shall be deposited, secured and/or investment of the public funds of the City. The Board shall designate authorized signatures on all payment authorization and/or check requests. The accounts reconciliation and investment of such funds and accounts may be reviewed by the Finance Department of the City, at the City's expense.

Section 5. Expenditures of Corporate Money

The monies of the corporation, including sales and use taxes collected pursuant to Section 4A of the Act, monies derived from the repayment of loans, rents received from the lease or use of property, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property, and the proceeds derived from the sale of Obligations, may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitation:

(a) Expenditures for the proceeds of Obligations shall be identified and described in the orders, resolutions, indentures or other agreements submitted to and approved by the City Commission prior to the sale and delivery of the Obligations to the purchasers thereof required by Section 6 of this Article.

(b) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 2 of this Article.

Section 6. Issuance of Obligations

No Obligations, including refunding Obligations, hall be sold and delivered by the Corporation unless the City Commission shall approve such Obligations by action taken no more than sixty (60) days prior to the date of sale of the Obligations.

Section 7. Conflicts of Interest

A Board member, officer of the Corporation, or member of the City Commission may not lend money to or borrow money from the Corporation. Anyone who serves on the Board shall be ineligible for employment by the Board for a period of twelve (12) months following their service on the Board.

Section 8. Gifts

The Board may accept, on behalf of the Corporation, any contributions, gifts, bequests or device for the general purpose, or for any special purposes of the Corporation.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year

The fiscal year of the Corporation shall be the same as the fiscal year of the City.

Section 2. Seal

The Seal of the Corporation shall be determined by the Board.

Section 3. Resignation

Any director or officer may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein; or if no time is specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 4. Approval or Advice and Consent by the Commission

To the extent that these By-laws refer to any approval by the City or the Commission, or refer to advice and consent by the Commission, such approval, or advice and consent shall be evidenced by a certified copy of a resolution, order or motion duly adopted by the Council.

Section 5. Services of City Staff and Officers

The Corporation shall have the right to utilize the services of City personnel for usual and routine matters, provided that the performance of such service does not materially interfere with the other duties of such personnel of the City. Subject to the approval of the City Manager or the City Commission, the Corporation may utilize the services of City personnel for unusual and non-routine matters. The Corporation shall pay reasonable compensation to the City for such services or use of any City personnel.

Section 6. Indemnification of Directors, Officers and Employees

(a) As provided in the Act, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

(b) The Corporation shall indemnify a person who was, is or has been threatened to be made a named defendant or respondent in a proceeding because the person is or was a Board member, officer, employee or agent, but only if the determination to indemnify is made in accordance with the provision of Article 1396-2.22A of the Texas Civil Statutes, as amended.

(c) The Corporation shall indemnify each and every member of the Board, its officers, employees, agents, each member of the City Commission and each employee of the City, to the fullest extent permitted by law and not otherwise covered by insurance, against any and all liability or expense, including attorneys fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the functions and activities of the Corporation.

(d) The Corporation may purchase and maintain insurance on behalf of any Board member, officer, employee or agent of the Corporation, or on behalf of any person serving at the request of the Corporation as a Board member, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity, or arising out of any such statues with regard to the Corporation, whether or not the Corporation has the power to indemnify that person against liability for any of those acts.

(c) Any indemnification or liability insurance provided under this Section may be obtained through the City's general insurance coverage.

ARTICLE VIII
EFFECTIVE DATE, AMENDMENTS

Section 1. Effective Date

These By-Laws shall become effective upon the occurrence of the following events:

(a) The adoption of these By-Laws by the Board; and

(b) The approval of these By-Laws by the City Commission

Section 2. Amendments to the Articles of Incorporation and By-Laws

These By-Laws may be amended or repealed and new By-Laws may be adopted by an affirmative vote of at least three (3) Board members present at any regular or special meeting, if at least five (5) days written notice is given of an intention to amend or repeal these By-Laws; or to adopt new By-Laws at such meeting. Any amendment of these By-Laws will be effective upon approval by the City Commission, and replace any and all previous By-Laws and Amendments.

These Amended By-Laws are Adopted by the Board of Directors on this the

____ day of November, 2015.

COMMERCE ECONOMIC DEVELOPMENT CORPORATION

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BY: DALE STOTTS, PRESIDENT
BOARD OF DIRECTORS

ATTEST:

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JENNA HILL, SECRETARY-TREASURER
BOARD OF DIRECTORS