

Lake Cities Chamber of Commerce By-Laws

Revised November 2018

Article I

Section 1

This organization is incorporated under the Laws of the State of Texas and shall be located within the limits of the City of Corinth, Lake Dallas, Hickory Creek or Shady Shores (“Lake Cities”), Denton County Texas.

Purpose

The Chamber is an independent, non-profit organization, devoted to the growth and retention of business in the Lake Cities area, including the promotion of economic development programs. The Chamber is designed to strengthen and expand the income potential of all businesses within the trade area.

Section 2 - Registered Office and Registered Agent

The Chamber shall comply with the requirements of the Texas Non – Profit Corporation Act (“Act”) and shall maintain a registered agent in Texas. The registered office may, but need not be, identical with the Chamber’s Principle office in Texas. The Board of Directors may change the registered office and registered agent as provided by the Act.

Section 3 - Limitations of Methods

The Corporation shall be non-profit, non-partisan and non-sectarian and shall not lend its influence or facilitate to any group affiliating itself with any political position or to the nominations, election or appointment or of any person to an elected public office. This limitation does not preclude the Chamber from sponsoring an educational forum open to all candidates. This limitation does not preclude the Board of Directors from evaluating political issues as they may affect Chamber objectives or policies and from recommending political action to the membership or making the Chamber’s views known to various governmental or media entities. The Board of Directors may propose and adopt position statements relating to all legislation, and or local issues, in accordance with the stated purpose and objectives of the Chamber. The Lake Cities Chamber of Commerce shall observe all local, state, and Federal laws which apply to a non-profit organization as defined in section 501(c)(6) of the Internal Revenue Code.

Section 4 - Books and Records

The Corporation will keep correct and complete books and records of accounts and will also keep minutes of the proceedings of meetings of its Board of Directors and committees having any of the authority of the Board of Directors and will keep at the registered or principle office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation that are required to be "open records" under applicable State or Federal law for a 501(6)(c) may be inspected by any member, his or her agent or attorney, in the offices of the corporation, for any proper purpose at a mutually agreeable time.

Article II - Membership

Section 1 - Eligibility

Membership is a privilege, not a right. Any person, association, corporation, partnership or estate having an interest in the objectives of the organization shall be eligible & considered for membership.

Section 2 - Class of Membership

The Chamber shall be composed of Corporate, Associate, Non-profit and Honorary Members.

- a. Corporate members shall include any person, firm, association or corporation interested in the welfare of the Lake Cities' business and the surrounding area. These members shall be entitled to advertise and promote their business in all Chamber publications, promotions and activities at their cost. Corporate members are eligible to vote under Section 6 below. Corporate members are allowed one (1) vote. These members may hold office and/or serve on the Board of Directors.
- b. Associate Members are Individual Members who join for a reduced Fee and may not promote their business through the Chamber's network. These Members may serve on any committee, hold office and serve on the Board of Directors with full voting privileges.
- c. Non-Profit Organizations may join at a reduced Fee and have limited promotional benefit; which will be at the Chamber's Board of Director discretion. These members are limited to one vote per Organization.
- d. Honorary Memberships may be awarded by the Board of Directors based on service and/or commitment to the Community. Honorary Members shall have one vote and may promote a business through the Chamber's network.
- e. The Board of Directors shall confer and may revoke membership by a three-fourths vote.

Section 3 - Election to Membership

Applicants shall submit applications for membership accompanied by the applicable fee. The application shall be regarded as a guarantee on the part of the applicant of his/her interest in and agreement with the purposes of the Chamber and his/her adherence if elected to its bylaws. A three-fourths vote of the Board of Directors is required to accept an application for membership.

Section 4 - Membership Fees

Membership Fees shall be payable in advance at a rate, schedule or formula as may be from time to time prescribed by the Board of Directors. The Board of Directors must approve adjustments to the Membership Fees.

Section 5 - Termination

- a. Any member may resign from the Chamber upon verbal or written notice to the Chairman or President.
- b. Any member may be expelled by the Board of Directors, by a majority vote, for nonpayment of any unpaid balance that has been outstanding for more than ninety (90) days from the due date, unless otherwise extended for good cause, as determined by the Board of Directors.
- c. Any member may be expelled by a two-thirds vote of the Board of Directors, at a regularly scheduled meeting thereof, for conduct unbecoming a member or prejudicial to the aims or repute of the Chamber, after notice and opportunity for a hearing are afforded the member complained against.
- d. Any member so expelled may have the right of appeal for a period of thirty (30) days from the date of the expulsion by presenting its case to the Appeals Committee which shall consist of the Chairman of the Board and three (3) Board members appointed by the Chairman and three (3) Board members selected by the appellant. Such expelled member shall have thirty (30) minutes to present evidence to the Appeals Committee at the office of the Chamber at a mutually agreed upon time as to why such expulsion is not warranted and the Appeals Committee shall have up to ten (10) days to render its decision. Any decision by the Appeals Committee will require a vote of two thirds of its members (66%) to overrule a decision to expel made by the Board and all decisions by the Appeals Committee are final.

Section 6 - Voting

In any proceeding in which voting by members is called for, each membership account in good standing shall be entitled to cast one vote. This will take place in person or by electronic email.

Section 7 - Exercise of Privileges

Any firm, association, partnership, corporation or estate holding privileges of membership covered by its subscription and shall have the right to change its membership nomination upon written notice.

Article III - Meetings

Section 1 - Annual Meeting

The Annual meeting of the Corporation, in compliance with the State Law, shall be held during September of each year. The time and place shall be fixed by the Board of directors and notice thereof mailed by postal or electronically to each member at least ten (10) days before said meeting.

Section 2 - Additional Meetings

General meetings of the Chamber of Commerce may be called by the Chairman of the Board at any time.

- a. Notice of special meetings shall be given to each member at least three (3) days prior to such meetings;
- b. Board meetings may be called by the Chairman of the Board or by the Board of Directors upon written application of three (3) members of the Board. Notice (including the purpose of the meeting) shall be given to each director at least one (1) day prior to said meeting;
- c. Committee meetings may be called at any time by the Chairman of the Board or by the Committee's Chair.

Section 3 - Quorums

A majority of Directors present shall constitute a quorum of the Board of Directors, a majority shall constitute a quorum of a committee, except when a committee consists of more than nine (9) members, five (5) shall constitute a quorum. At any duly called, regularly scheduled meeting of the Chamber, thirty (30) members shall constitute a quorum.

Section 4 - Notice, Agenda, Minutes

Written notice of Board of Directors and Committee meeting must be given at least three (3) days in advance unless otherwise stated. An advance agenda and minutes must be prepared for all meetings.

Article IV - Board of Directors

Section 1 - Board Membership

The Board of Directors shall be composed of up to fifteen (15) members, who shall be elected to three (3) year terms. The Chamber President shall serve on the Board of Directors as a non-voting member. The Government and policy making responsibilities of the Chamber shall be vested in the Board of Directors, which shall control its property, be responsible for its finances, and direct its affairs. An Ex-Officio position may be made available to the Chamber's legal council and may be made available to representatives of government entities that serve the Lake Cities Chamber of Commerce. The Ex-Officio position(s) are for receiving advice from or providing information to such Ex-Officio members and has no voting privileges on the Board of Directors. The Board may also appoint non-voting Emeritus members to the Board in recognition of exemplary past services or contributions to achieving the goals of the Chamber. All Ex-Officio and Emeritus appointments, other than legal counsel, shall be limited to three (3) year terms. However, a person who has been appointed to an Ex-Officio or Emeritus position, upon the expiration of their three (3) year term may, upon motion from a Board member and approval of the majority of the Board of Directors, be appointed to an additional three (3) year term. Ex-Officio and Emeritus members are subject to the same rules as regular Board members and must execute the Board Member Agreement before being accepted onto the Board.

Section 2 - Board of Directors' Responsibilities/Liabilities/Indemnification

- a. Board of Directors shall be composed of elected members and one, non-voting President. The government and policy making responsibilities of the Chamber shall be vested in the Board of Directors. The Board of Directors shall control its property, finances, make policy, take official positions, authorize and define the powers and duties of all committees and generally direct the affairs of the organization.
- b. The Board of Directors shall authorize an individual, as President of the Chamber, in addition to the Officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Chamber. Such authority shall be confirmed to a specific purpose, as directed by the Board of Directors. All checks, drafts, or orders for the payment of funds, notes or other evidences of indebtedness issued in the name of the Chamber, shall be signed by such officer, officers, or agents of the Chamber as directed by the Treasure.
- c. No action by any member, committee, employee, director, or officer shall be binding upon or constitute an expression of the policy of the Chamber until it has been approved or ratified by the Board of Directors.

Section 3 - Composition of the Board

Directors – Nine (9) Chamber Members, Past Chairman, and the Chamber President shall compose the Board of Directors. The President is an independent contractor and shall serve as a non-voting member of the Board. Three (3) directors shall be nominated each year for Board service the following year. Directors shall be elected to serve three (3) years, or until their successors are elected and qualified. No Director may be re-elected after serving two (2) full elective terms of three (3) years, until one year has lapsed. He/She may however, serve in another capacity on the Board of Directors. All reasonable efforts shall be made, to fill any vacancy of a Director position, at the next scheduled Board meeting. In addition to meeting the standard membership requirements, candidates considered for the Board of Directors shall have no criminal record more significant than a class C Misdemeanor.

The following officers shall be elected from the Board of Directors:

- a. Chairman of the Board
- b. Vice Chairman
- c. Treasurer
- d. Secretary

Section 4 - Board Vacancies

The office of any Director who shall have an unexcused absence from three (3) regular meetings of the Board of Directors in a calendar year will be deemed vacant. The Chairman of the Board shall determine unexcused absences and appoint a replacement for positions deemed vacant or from which a Board member has resigned. All appointments are subject to the approval of the Board of Directors.

Section 5 - Nominations and Elections

An annual election of Directors shall be held at the regularly scheduled membership meeting in the month of November.

- a. Two (2) months (September) prior to the election of officers, the Chairman shall appoint, subject to approval of the Board of Directors, a nominating committee of three (3) members; Two (2) of which are Directors whose terms do not expire at this election. One (1) member of the general membership at large. The Chairman of the Board shall designate the Chairperson of this committee.
- b. Nominating committee member's names and contact information shall be included in the Chamber's news letter and/or weekly email. Any member interested in being considered should contact a committee member.

- c. One (1) month prior to the election (November), the nominating committee shall present a slate of candidates with a minimum of one (1) year membership, for each vacancy to be filled. All nominees shall have been contacted and agreed to serve if elected.
- d. Twenty (20) days prior to the election, the President will notify all Chamber members, in writing or by email, of the slate of nominees selected by the nominating committee.
- e. The President shall appoint three (3) members to act as election judges who shall begin to tabulate all ballots received at 12:01p.
- f. Nominees shall be declared elected in the order of their total votes. In the event of a tie, the election shall be determined by vote of members present at the regularly scheduled meeting.
- g. If there are no petition nominees, the slate selected by the nominating committee and approved by the Board of directors, will be declared by acclamation, with no membership vote required.
- h. The newly elected Board of Directors will take office January 1, however, newly elected Board of Directors will be invited to attend and participate in any Board meetings after they are elected. They are expected to be at the Planning Meeting for the coming year in which they will serve.

Section 6 - *President*

The Board of Directors shall employ, as Contract Labor, a Chamber President. The Board of Directors shall hire, supervise, manage and discharge the office of the President and manage through the President, the day-to-day operations of the Chamber. In addition, the Board of Directors shall be responsible, along with the President, Treasure and the Budget Committee appointed by the Board of Directors, for the preparation of the annual budget for all activities of the Chamber. The Board of Directors and the President shall be responsible for all expenditures related thereto. The Board of Directors shall set the salary and any other consideration of employment. The Board of Directors will serve as the committee for the annual performance review of the President. The Chairman of the Board and the Past Chairman of the Board shall first conduct an annual interview and review with the President, the results of which will be presented to the Board for their consideration. This shall take place in the fourth quarter of the calendar year.

The President shall have primary responsibility for his/her direct reports, for operations and administration of the Chamber, for all programs and events, and for increasing new membership applicants and member/sponsor relations, and for managing the relationships with the Municipalities/Government agencies and other duties as assigned from time to time.

Section 7 - Indemnification

The Chamber, by resolution of the Board of Directors, may provide for indemnification by the Chamber of any and all of its directors or former directors against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding, in which they or any of them are made a parties, or party, by reason of having been Director of the Chamber, except in relation to matters as to which such Director shall be adjudged in such an action, suit or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct. If such resolution is passed by the Board, the Board shall solicit and procure Directors and Officers indemnification insurance according to the policies of the Board for such procurement.

Article V Officers

Section 1 - Determination of Officers

At its regular November meeting the Board of Directors shall nominate Officers for the upcoming year. The Officers shall include Chairman, Vice Chairman, Treasurer and Secretary. The names of all such nominated candidates shall be placed on a ballot by position, arranged alphabetical order, for a vote by all Board Members. Only Board Members already seated at the time of the nominations shall be eligible for nomination as an Officer. Board members may cast one vote for one candidate in each open Board position up to their total number of allocated votes. Voting by the Board shall be by secret ballot. Votes shall be tallied outside the presence of the Board of Directors by the President and an outgoing Board Member. Candidates receiving the most votes shall be deemed to have been selected by the Board for each open position. All Officers shall serve for a one (1) year term, or until their successor assumes the duties of the office, and they shall be voting members of the Board of Directors.

Section 2 - Duties of Officer

- a. Chairman of the Board. The Chairman of the Board shall serve as the Chief Elected Officer of the Chamber of Commerce and shall preside at all meetings of the membership and Board of Directors. The Chairman of the Board shall, with advice and council of the Vice Chairman determine all committees, select all committees' leaders, assist in the selection of committee personnel, subject to approval of the Board of directors.
- b. Vice Chairman. The Vice Chairman of the Board shall exercise the powers and authority and perform the duties of the Chairman of the Board in the absence or disability of the Chairman of the Board.

- c. Treasurer. The Treasurer shall be responsible for the oversight of all funds received by the Chamber and for their proper disbursement. Such funds shall be kept on deposit in financial institutions or invested in a manner approved by the Board of Directors. All checks require two (2) signatures and can be signed by the president or any officer who is an approved bank signatory. The Treasurer shall cause a monthly financial report to be presented to the Board.
- d. Secretary. The Secretary assures minutes are kept of all regularly scheduled Board meetings.
- e. Past Chairman. Following their year of service as Chairman, the Past Chairman shall act as an adviser and shall be responsible for the transition of the new slate of officers and assisting the incoming Chairman regarding issues that have carried over from the previous term.
- f. The President. The President shall be the Chief Administrator and Executive Officer. The President shall direct the preparation of notices, agendas, and minutes of the meetings of the Board. The President shall serve as advisor to the Chairman of the Board and on program planning and shall assemble information and data and cause to be prepared special reports as directed by the Board of Directors. With assistance of the Committee Chairs, the President shall be responsible for the administration of the program of work in accordance with the policies and regulations of the Board of Directors. The President shall be responsible for the directing and daily supervising of all Chamber employees and interns. With the cooperation of the Board of Directors and Budget/Finance Committee, the President shall assist with the preparation of an operating budget covering all activities of the Chamber, subject to the approval of the Board of Directors. The President shall also be responsible for all expenditures with approved budget allocation.

Section 3 - Vacancies

Upon any vacancy of the Chairman of the Board, the Vice Chairman shall then assume the duties as Chairman for the balance of the departing Chairman's term and shall continue as Chairman for such Vice Chairman's regularly scheduled term. Upon vacancy of the Vice Chairman, the Board of Directors shall recommend a member who meets the criteria to become Vice Chairman and upon a majority vote of the Board of Directors, such nominee shall be seated as the Vice Chairman.

Article VI - Committees

Section 1 - *Appointment and Authority*

The Chairman of the Board, by and with the approval of the Board of directors, shall appoint all committees and committee leaders. The Chairman of the Board may appoint such committees and their leaders necessary to carry out the programs of the Chamber. Committee appointments shall be at the will and pleasure of the Chairman of the Board and shall serve concurrent with the term of the appointing Chairman of the board, unless a different term is approved by the Board of Directors. In no event shall any Committee Chair serve more than three (3) years unless no other candidates are available to serve in such position.

Section 2 - *Limitation of Authority*

No action by any member, committee, division, employer, Director or Officer shall be binding upon, or constitute an expression of, the policy of the Chamber until it shall have been approved or ratified by the Board of Directors. Committees shall be discharged by the Chairman of the Board when their work has been completed and their reports accepted or when, in the opinion of the Board of Directors, it is deemed wise to discontinue the committees.

Section 3 - *Nepotism Policy*

It is the policy of the Chamber to seek the most qualified persons for all positions whether such position is as an employee or contract labor, however, members of the same family may not be hired by the Chamber as employees or contract labor. In addition, no Board Member who is related to an employee or contract labor may have direct or indirect supervision over the progress, performance, pay, welfare or job activities of any related employee or contract labor.

For the purpose of this policy, members of the same family include spouses, domestic partners, children, wards, grandchildren, parents, grandparents, siblings, in-laws, uncles, nieces, nephews, and cousins. If any employee marries or become domestic partners, the one with the shorter length of service will be required to resign or be terminated within 30 days unless the other does so voluntarily.

The Board of Directors may grant exceptions to this policy, with a three-fourths (3/4th) majority vote, upon determination that any such relationship does not create a conflict or jeopardize the operation of the Chamber.

Article VII. - Finances/Contracts

Section 1 - Funds

All non-designated monies paid to the Chamber shall be placed in a general operating fund or a Chamber savings account. Designed funds shall be defined as those funds that are paid to the Chamber for a specific purpose and designated by the Contributor to be placed in a separate account.

Section 2 - Disbursements

Upon approval of the budget, the President is authorized to make disbursements on accounts and expenses provided for in the budget, without additional approval of the Board of Directors. Disbursements from the general operating account shall be check, which will require signatures, debit card or by automatic monthly draft, as has been previously approved by the Board of Directors.

Section 3 - Budget

As soon as possible after the election of the new Board of Directors and Officer, the budget committee shall adopt the budget for the upcoming year and submit it to the Board of Directors for approval.

Section 4 - Financial Review

The accounts of the Chamber of Commerce shall be prepared monthly. The statements shall, at all times, be available to members of the organization within the offices of the Chamber. Monthly financial statements are prepared by the Treasurer and approved by the Board of Directors. The accounts of the Chamber of Commerce shall be audited as often as is determined necessary by the Board of Directors.

Section 5 - Contracts and Credit Cards

All contracts that potentially expose the Chamber to any liability shall first be reviewed and approved by the Chamber Board of Directors. Recurring contracts such as those associated with luncheons that may be used throughout any year, need only be reviewed and approved by the Treasurer and reported to the Board of Directors in monthly financial reports.

Article VIII - Dissolution

Section 1 - Procedure

The Chamber shall use its funds only to accomplish the objectives and purposes specified in these bylaws, and no part of said funds shall inure, or be distributed, to the members of the Chamber. Upon dissolution of the Chamber, any funds remaining shall be distributed to one or more regularly organized and charitable, educational, scientific, or philanthropic organizations, to be selected by the Board of Directors as defined in IRS 501(c)(6). Note: this is not in conflict with Section 1(3) as this refers to the type entity to which we could distribute its remaining funds which must be a 501(3)(C).

Article IX

Section 1 - Parliamentary Authority

The current edition of Roberts Rules of Order shall be the final source of authority in all questions of parliamentary procedure when such rules are inconsistent with the Charter or Bylaws of the Chamber.

Article X - Amendments

Section 1 - Revisions

These Bylaws may be amended or altered by two thirds (2/3) vote of the voting members of the Board of Directors. Any proposed amendments or alterations shall be submitted to the voting members of the Board of Directors in writing, at least ten (10) days in advance of the meeting at which they are to be acted upon.

Adopted this 29th day of November, of the year 2018.

President - Steve Holzwarth

1st Vice President - Dr. Larry Gilbert

2nd Vice President - Brad Hinson

Treasurer - Adrian Nelson

Secretary - Michelle McLaren