

FRISCO CHAMBER OF COMMERCE

BYLAWS

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FRISCO CHAMBER OF COMMERCE
BYLAWS

ARTICLE I. GENERAL

SECTION 1. NAME

This organization is incorporated under the laws of the State of Texas and shall be known as the Frisco Chamber of Commerce (the “Chamber”). The Chamber shall have, and continuously maintain, in the State of Texas, a registered office and a registered agent.

SECTION 2. MISSION

The mission of the Frisco Chamber of Commerce is to protect and promote commerce through advocacy, resources, and connections.

SECTION 3. LIMITATION OF METHODS

The Chamber shall observe all local, state, and federal laws that apply to a nonprofit corporation including, without limitation, the terms and conditions of Section 501(C)(6), as amended, of the Internal Revenue Code as revised.

ARTICLE II. MEMBERSHIP

SECTION 1. ELIGIBILITY

Any person, association, corporation, partnership, public entity, or other entity having an interest in the Chamber’s mission shall be eligible to apply for membership (all such members in good standing in the Chamber shall be referred to herein individually as “Member” and collectively as “Members” and/or “Membership”).

SECTION 2. ELECTION

- A. Applications for Membership must be submitted in accordance with the notice provisions of these Bylaws to the Board of Directors (the “Board”) of the Chamber and Members approved by the Board will commence Membership in the Chamber upon the payment of the prescribed Membership dues.
- B. The Board, in its discretion, shall have the ability to prescribe separate Membership levels.

SECTION 3. DUES

Member dues shall be prescribed by the Board, from time to time, and are payable as prescribed by the Board.

SECTION 4. TERMINATION

A Member may be expelled from the Chamber, by a two-thirds vote of the Board, for any or no reason, including without limitation non-payment of dues, conduct unbecoming of a member of the Frisco community, or conduct unbecoming or prejudicial to the mission or reputation of the Chamber.

SECTION 5. EXERCISE OF PRIVILEGES

Any Member that is a business entity ("Business Entity") covered, and defined by, the Texas Business and Commerce Code (the "Code") and in good standing in the Chamber may designate employees or other representatives to represent such Member subject to the approval by the Board.

SECTION 6. VOTING RESTRICTION OF MEMBERS

Each Member of the Chamber in good standing is entitled to one vote in any election or Membership meeting; provided however, that a Business Entity shall be entitled to one (1) vote on behalf of such Business Entity. Individuals who are members in good standing shall be entitled to one (1) vote per each individual Membership.

ARTICLE III. MEETINGS

SECTION 1. ANNUAL MEETING

The annual meeting ("Annual Meeting") of the Chamber shall be held each year at a time and place announced by the Board. Notices will be transmitted to each Member, as required hereby. The Annual Meeting may be held prior to any scheduled event sponsored by the Chamber or may be held as a separate event.

SECTION 2. OTHER MEETINGS

- A. Other meetings of the Membership may be called (i) by the acting Chair of the Board ("Board Chair"), (ii) upon petition in writing of percent (10%) of the Members in good standing, or (iii) by a majority of the Board, at any time deemed appropriate, by written notice to the President (as hereinafter defined) or Board Chair. Members will be given notice of called general or special meetings by the President at least ten (10) days prior to meeting dates unless a bona fide emergency precludes such advance notification. Such notice shall include the purpose of such meeting and the items to be discussed at such meeting.

- B. The Board shall meet monthly at a place and time to be announced by the Board Chair. At the discretion of the Board Chair, meetings may be cancelled but not in consecutive months and no more than three (3) monthly meetings may be cancelled annually.
- C. Additional Board meetings may be called by the Board Chair. Notice, as provided herein, shall be given to each Director (as hereinafter defined) as early as possible, but at least one day prior to any scheduled meeting. Emergency meetings may be scheduled by notice to the Directors.
- D. The Executive Committee (herein so called and hereinafter defined) shall meet at the call of the Board Chair at any time and place determined by the Board Chair.
- E. Committee meetings may be called at any time by the Board Chair or by the Committee Chair (as hereinafter defined) of any such committee or subcommittee.
- F. At the discretion of the Board Chair or upon majority vote of the Board, any meeting of the Board may be closed to the general public.
- G. Any Board meeting or Committee (as hereinafter defined) meeting may be held by remote communications technology in accordance with Section 22.002 of the Code.

SECTION 3. QUORUMS

- A. At any duly called general Membership meeting of the Chamber, the Members present shall constitute a quorum.
- B. A majority of the Directors at any duly called meeting shall constitute a quorum of the Board.
- C. The Committee members present shall constitute a quorum of such Committee.
- D. In Executive Committee (as hereinafter defined) and Budget and Finance Committee (as hereinafter defined) meetings, a majority of the Committee members shall constitute a quorum.

ARTICLE IV. BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS

Individual members of the Board shall hereafter be referred to as "Directors." The policy-making responsibilities of the Chamber shall be vested in the Board, which shall control its property, be responsible for its finances, and direct its affairs. Directors must be Members in good standing of the Chamber.

SECTION 2. COMPOSITION OF BOARD

- A. The Board shall be composed of a maximum of twenty (20) and a minimum of sixteen (16) Directors.
- B. The majority of the Directors shall elect a Board Chair.
- C. At the discretion of the Board up to seven (7) additional Members may serve on the Board in an ex-officio capacity as non-voting members of the Board. Ex-Officio Members shall provide such services and support to the Board as requested by the Board and shall not participate in the general affairs or direction of the Board or Board meetings except when specifically required or requested by the Board. Any one or more of such ex-officio members may be added or removed at any time, for any or no reason, upon the majority vote of the Directors. At the discretion of the Board Chair or upon majority vote of the Board, any one or more of such ex-officio members may be excluded from any meeting of the Board. Ex-officio members may designate a representative to serve in its capacity subject to the approval of the Board. Ex-officio members of the Board serve at the pleasure of the Board and are not subject to term limits. Ex-officio Members shall not have the duties or liabilities of a Director.

SECTION 3. TERMS OF OFFICE

- A. An elected Director's term of office shall begin on January 1st.
- B. Board Positions: The Board Chair shall serve one year in that position and one year as Past Board Chair (herein so called). At least one year must separate re-election as Board Chair.
- C. Other Directors: Excluding the Board Chair and Past Board Chair (herein so called), Directors shall be elected on an annual basis to succeed to open positions on the Board. Each Director shall serve a two-year term unless removed in accordance with these Bylaws. A Director's service shall be

limited to three (3) consecutive terms.

SECTION 4. BOARD NOMINATIONS AND ELECTIONS

- A. On or before October 1 of each year, the Board Chair shall appoint a Nominating Committee (herein so called) for the purpose of nominating a slate of Directors for the following year. The Nominating Committee shall consist of not less than seven (7) Members which shall consist of two (2) Members of the Chamber, two (2) Past- Board Chairs, the immediate Past-Board Chair, the Board Chair-Elect (as hereinafter defined), and one (1) other Director currently serving on the existing Board. The Board Chair-Elect shall serve as the Committee Chair (as hereinafter defined) of the Nominating Committee. Candidates for Board seats may not serve on the Nominating Committee. Members of the Nominating Committee must be Members in good standing of the Chamber at the time of their appointment.

Prior to the annual October Board meeting, the Nominating Committee shall present to the President a slate of candidates. Each candidate must be an active Member of the Chamber in good standing and must have agreed to accept the responsibility of serving on the Board. Upon receipt of the Nominating Committee's slate of candidates, the President shall present such slate to the existing Board at the October Board meeting. The Board shall vote on each nominee, and only those nominees receiving a majority approval of the Board shall be submitted to the Membership for election. If the slate of nominees is not sufficient to satisfy the minimum number of required Directors, the Nominating Committee will be instructed by the Board to reconvene and present additional nominees for consideration until the slate is sufficient to complete the minimum requirements. After the slate is completed, the President shall present such slate at the annual October Board meeting and thereafter notify the Membership of the names of the candidates and the following right of petition.

The Membership may nominate additional candidates by petition bearing the genuine signatures of ten (10) percent of the Members in good standing. Such petition must be received by the President within ten (10) calendar days of the date of transmittal of the Board's approval of the Nominating Committee's slate of candidates.

If no petition is received by the President within the designated

period, the nomination process shall be considered closed and the nominated slate of candidates shall be considered by the Board at their regular annual November meeting.

If a qualified petition shall present additional candidates, the names of all candidates nominated by the Board and the Membership shall be arranged on a ballot in alphabetical order. Instructions detailing the voting process will accompany each ballot submitted to the Membership and will specify that each Member will have one (1) vote for each available seat on the Board. Cumulative voting is prohibited. The President shall send a ballot to the Members, in good standing, at least fifteen (15) days prior to the regular annual November Board meeting. The ballots shall be marked in accordance with the instructions printed on the ballot and returned to the Chamber office within ten (10) calendar days of transmittal thereof. The Board shall have complete supervision of the election but shall have the right to designate the President to oversee implementation thereof. The Board Chair shall report the results to the Board at the regular annual November Board meeting. The Board shall declare the candidates with the greatest number of votes elected. In the event of a tie, the majority vote of the Board shall determine the winner(s).

- B. Directors whose terms are to expire shall continue to serve until December 31st.

SECTION 5. EXPULSION OF DIRECTOR

In the event that any Director shall (a) be absent from three (3) consecutive regular monthly Board meetings or (b) act in a manner not conducive to Board or Chamber Membership or the mission of the Chamber, the Directors shall have the right, but not the obligation, by a majority vote to remove such Director from the Board. Such Director shall be notified of this proposal to remove him or her from office in writing, at least ten (10) calendar days prior to the meeting at which this matter is to be considered and voted upon and shall have the right to respond to the proposed removal before such meeting. Such Director shall not be permitted to attend such meeting.

SECTION 6. VACANCIES ON BOARD OF DIRECTORS

The Board Chair shall have the power to nominate a Member(s) to fill all vacancies on the Board, such appointments to be approved by the Board, for the unexpired term of the Director(s) to be replaced.

SECTION 7. POLICY

All policies of the Board will be formalized and recorded in a manual of procedures for easy reference by the Directors, Officers, Membership, and Chamber employees. The Board shall adopt such rules, regulations and policies as may be required to conduct the affairs of the Chamber.

SECTION 8. ORIENTATION

All new members and Directors of the Board shall participate in an orientation program outlining their respective duties prior to assuming those duties. The President will be responsible for conducting the orientation.

SECTION 9. DUTIES OF DIRECTORS

- A. Board Chair: The Board Chair shall preside at all meetings of the membership, the Board and the Executive Committee. He or she shall, with the counsel and advice of the Board Chair-Elect, the Past Board Chair, and the President, determine the need for Committees, subject to the approval of the Board. The Board Chair shall, with the counsel and advice of the Board Chair-Elect, Secretary, Treasurer, Past Board Chair and President, select all Committee Chairs and assist in the selection of committee personnel. The Board Chair, in conjunction with the Board, will prepare appropriate reports necessary to keep the Members informed of the organization's goals, programs and efforts. The Board Chair shall be an ex-officio non-voting member of all Committees. With the prior written approval of the Board, any authorized officer or the Board Chair shall have the authority to sign all deeds, contracts and other instruments affecting the operation of the Chamber or any of its properties. Any matters that could impose liability to the Board or of the Chamber, in any form or fashion, will be reviewed and approved by the Board and, if deemed necessary by the Board, by authorized legal counsel prior to being executed. In the event of a tie concerning any vote of the Board on any issue before the Board, the Board Chair shall have two (2) votes.
- B. Board Chair-Elect: The Board Chair-Elect shall succeed to the office of the Board Chair in the year following his or her present term of office as a Director. The Board Chair-Elect shall be elected by majority of the Board by December of each calendar year. In the event of a vacancy in the office of Board Chair, the Board Chair-Elect shall automatically succeed to that office for the remainder of the unexpired term of the Board Chair, without loss of eligibility of a full term of office. The Board Chair-Elect shall also serve as Board Chair in the

absence of the Board Chair.

- C. Past Board Chair: The Past Board Chair will assist the Board Chair in preparing the Chair-Elect for leadership in the Chamber and perform such other duties as assigned by the Board Chair.

ARTICLE V. OFFICERS

SECTION 1. OFFICERS

The Board shall appoint such officers (“Officers”) it deems necessary or desirable to perform the day to day functions of the Chamber; provided that the Board must appoint a President, a Secretary and a Treasurer. The President, Secretary, Treasurer and all other Officers appointed or approved (in accordance with these Bylaws) shall be collectively referred to herein as “Officers.” Any two (2) or more offices, other than President and Secretary, may be held by the same person.

SECTION 2. PRESIDENT

The President shall be appointed by the Board and shall be a paid employee of the Chamber. The Board shall determine the terms and conditions upon which the President shall be retained. The President shall be the chief administrative and executive officer and shall be charged with the general supervision and management of the day to day affairs of the Chamber. The President shall assist and direct all Officers in the performance of their respective duties. The President may appoint such other Officers he or she deems necessary or desirable to assist in the performance of his or her duties. However, the Board must approve appointment of such Officers prior to their assumption of their duties. The President shall engage, discharge, and exercise supervision over all employees of the Chamber. The Board must approve the budget. The President shall determine employee compensation based on the approved budget. The President shall be an ex-officio non-voting member of the Board, the Executive Committee, the Budget and Finance Committee and all other Chamber Committees and shall conduct all Board meetings.

SECTION 3. SECRETARY AND TREASURER

The Secretary shall oversee the maintenance of all communications of the Chamber and maintain an accurate record of the minutes of all proceedings of the Membership meetings, Board meetings, and committee meetings. The Treasurer shall oversee preservation of all books, records and other documents of the Chamber and ensure an accurate account of the funds received and deposited in the accounts designated by the Board, and ensure an account of the checks or vouchers in payments of proper obligations of the Chamber. One or more persons may serve in the capacity

of Secretary and/or Treasurer and such person(s) need not be Directors. The Secretary and/or Treasurer shall serve at the discretion of the Board and may be removed or replaced by a majority vote of the Board at any time, for any or no reason. The duties of the Secretary and/or Treasurer may be delegated to the President as permitted by applicable law.

ARTICLE VI. COMMITTEES

SECTION 1. APPOINTMENT AND AUTHORITY

The Board Chair shall appoint all committees (“Committees”) and such committee chairperson(s) (the “Committee Chairs”) subject to confirmation by the Board. Such Committee Chairs shall appoint all sub-committees and sub-committee Committee Chairs subject to the approval of the Board Chair. The Board shall authorize and define the powers and duties of all Committees. Committee participants will be appointed and shall serve at the will and pleasure of each of the Committee Chairs. It shall be the function of the Committees to carry on such activities as may be delegated to them by the Board from time to time. A Committee and/or its Committee Chairs or Member(s) of any Committee may be terminated at any time, for any or no reason, at the discretion of the Board Chair.

SECTION 2. LIMITATION OF AUTHORITY

No Committee, Committee Member or Committee Chair shall take or make public any formal action, or make public any resolution, or in any way commit the Chamber on a question of policy, without first receiving prior written approval of the Board. In addition to the termination of a Committee, its Committee Chair or Member(s), Committees may also be discontinued by each of the Committee Chairs when, in the opinion of such Committee Chair, their work has been completed and their reports accepted, or when, in the opinion of such Chairperson(s), it is deemed wise, for any reason, to discontinue such Committee subject to the approval of the Board. No Committee of the Chamber nor any Committee Chair or Member thereof shall contract or otherwise commit the Board, Chamber, the Committee, the Committee Chair or any Member to any debt or liability, of any kind or nature, in its behalf, which shall in any manner or in any extent render the Chamber, or any Member thereof, liable for the payment of any sum or performance or any obligation without the prior written approval of the Board.

SECTION 3. EXECUTIVE COMMITTEE

In addition to the Committees appointed by the Board Chair, the Chamber shall have an Executive Committee (herein so called). The Board shall be assisted in its duties by an Executive Committee. The Executive Committee shall be composed of the Board Chair, Past Board Chair, Board Chair-Elect, Secretary, Treasurer, the President and two (2) additional Members of the

Board who shall be appointed by the Board Chair-Elect and approved by the Board. The Executive Committee shall meet as deemed necessary by the Committee Chair and prepare recommendations on specific issues submitted to it for review by the Board. To the extent deemed necessary by the Committee Chair or the Board Chair, the Committee Chair shall report its action at the next regularly scheduled meeting of the Board for discussion and final action, if necessary or required. Annually, the Executive Committee shall make an appraisal of the President's performance under his or her existing Employment Agreement, if any, and in keeping with the job description and official duties and recommend salary and other benefits for the President or other Officers. At the next regularly scheduled Board meeting, a summary of said appraisal shall be presented to the Board for review. Notwithstanding anything herein to the contrary, the Executive Committee may only be terminated by amendment to these Bylaws in accordance herewith.

SECTION 4. BUDGET AND FINANCE COMMITTEE

In addition to other Committees appointed by the Board Chair, the Chamber shall have a Budget and Finance Committee. The Board Chair shall appoint no less than three (3) Members to the Budget and Finance Committee in addition to the current Treasurer and the President. The Budget and Finance Committee shall advise the Executive Committee and the Board with respect to the financial conditions and financial policies of the Chamber and prepare reports detailing same. Such financial reports will be rendered as deemed necessary, but at a minimum semi-annually. The Budget and Finance Committee shall suggest ways and means of retaining and increasing the Membership and revenues of the Chamber as appropriate. The Budget and Finance Committee shall be responsible for assisting the President and the Chamber employees in establishing the annual budget (the "Budget") of estimated income and expenditures of the Chamber for the following calendar year necessary to meet the requirements of the Chamber's operations. The Budget and Finance Committee shall also be responsible for determining the ways and means by which the Budget requirements shall be met. As soon as possible after the election of the Board, the Budget and Finance Committee shall prepare a Budget and submit it to the Board. When passed by the Board, the Budget shall serve as the expense limitation on authority for expenditures for the applicable calendar year of the Chamber. The Chamber may not exceed the Budget expenditures without prior approval of the Board. Notwithstanding anything contained herein to the contrary, the Budget and Finance Committee may only be terminated by amendment to these Bylaws in accordance herewith.

SECTION 5. MEETINGS

Committee meetings shall be scheduled by the Committee Chair of such Committee. All Committees shall meet at least two (2) times a year.

ARTICLE VII. FINANCES

SECTION 1. FUNDS

All revenue (the "Funds") received by the Chamber shall be placed in a general operating fund. All Chamber Funds will be deposited in accounts designated by the Board Chair and approved by the Board.

SECTION 2. DISBURSEMENTS

Except as provided below, no obligation or expense shall be incurred and no Funds shall be disbursed outside the amounts specified in the Budget without the prior written approval of the Board. Upon approval of the Budget, the President is authorized to make disbursements on accounts as called for in the Budget without additional approval of the Board. Unbudgeted disbursements in the amount of \$2,500 or less shall require the signature of the President or another Officer of the Chamber with such authority from the Board. Unbudgeted disbursements in excess of \$2,500 shall only require the signature of the President or another Officer of the Chamber with such authority from the Board and an Executive Committee member.

SECTION 3. FISCAL YEAR

The fiscal year of the Chamber shall begin on January 1 and close on December 31.

SECTION 4. FINANCIAL REVIEW/AUDIT

On an annual basis, the Chamber will have its financial records reviewed by a certified public accounting firm, selected by the Budget and Finance Committee and approved by the Board. From time to time in the Board's discretion, or as required by law, the Chamber will have its financial records audited by a certified public accounting firm selected by the Budget and Finance Committee and approved by the Board. Following its completion, the non-confidential portions of such accountant's review/audit report will be posted on the Chamber's website and/or made available to the Membership at the Chamber offices.

SECTION 5. DIRECTOR AND OFFICER LIABILITY INSURANCE

All Officers and Directors shall be covered by Director's and Officer's Liability Insurance, in a form acceptable by the Board, for no less than \$1,000,000 for each claim, with all premiums therefore to be paid by the Chamber.

ARTICLE VIII. PARLIAMENTARY PROCEDURES

The Board shall implement, and enforce, its own parliamentary procedures in the administration of its meetings and Committee meetings. In the absence of such procedures, the Board and all Committees shall adhere to Roberts' Rules of Order (as amended).

ARTICLE IX. AMENDMENTS

These Bylaws may only be amended by (a) a two-thirds (2/3) affirmative vote of the Board or (b) a majority vote of the Members present at any regular or special meeting of the Membership called exclusively for such purpose.

ARTICLE X. DISSOLUTION

The Chamber shall use the Funds only to accomplish the objectives and purposes specified in these Bylaws, and no part of the Funds shall inure, or be distributed, to Directors, Officers, Members or employees of the Chamber. Upon dissolution of the Chamber, any assets, Funds and/or property remaining, after payment of all Chamber objections, shall be distributed to one or more regularly organized and qualified organizations, selected by the Board, which would then qualify under the provisions of Section 501(c)(6), as amended, of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

ARTICLE XI. NOTICE

Any notices transmitted pursuant to these Bylaws shall be deemed effective upon the date of transmittal thereof by the Chamber if such transmittal is made by United States mail (postage prepaid), hand delivery (by a courier service acceptable to the Chamber), facsimile or electronic mail to the address, facsimile number or electronic mail address maintained on file with the Chamber. It is the sole obligation of such Member to ensure that such addresses are correct. The Chamber has no duty or obligation to ensure the authenticity or correctness of such addresses.

ARTICLE XII. INDEMNIFICATION

SECTION 1. INDEMNIFICATION

The Chamber shall, and does hereby, indemnify any past, present or future Director, Officer, Committee Member, Committee Chair, volunteer, employee, or authorized agent of the Chamber who was, is, or may be named as a defendant, respondent, witness or in any other capacity in any proceeding (legal, administrative or otherwise) as a result of his or her actions or omissions taken, within the scope of his or her official capacity, office or authority for the Chamber (together, "Indemnified Party").

However, the Chamber shall only indemnify such person or entity if the Board and legal counsel to the Chamber determine that he or she acted in good faith and reasonably believed that his or her conduct was in the scope of his or her official capacity, office or authority. Such indemnification shall include, without limitation, the payment of all loss, cost, expense, attorney's fees and damages of any kind or nature associated directly or indirectly with such action. The Chamber shall not indemnify a person who (i) is found liable to the Chamber, (ii) is found liable to another on the basis of improperly receiving a personal benefit, or (iii) is found liable for willful or intentional misconduct in the performance of his or her duty. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and such person has exhausted all appeals in connection therewith.

SECTION 2. REIMBURSEMENT

The Chamber shall also pay or reimburse expenses incurred by an Indemnified Party in connection with the person's appearance, in any capacity, or other participation in a proceeding involving or affecting the Chamber when the person is not a named defendant or respondent in the proceeding.

SECTION 3. ADDITIONAL INDEMNIFICATION

The Chamber shall also indemnify an Indemnified Party to the extent required by law.