

BEAUMONT CHAMBER OF COMMERCE

AMENDED *the 19th Day of August, 2008 – Executive Committee*
28th Day of August – Board of Directors

BY-LAWS

ARTICLE I. GENERAL

Section 1: The name of this organization shall be ~~%Greater~~ Beaumont Chamber of Commerce+(hereafter referred to as ~~%the chamber+~~), and it is incorporated under the laws of the state of Texas.

Section 2: The chamber is organized: to advance the economic, industrial, agricultural, professional, cultural and civic welfare in Southeast Texas generally and the Beaumont area particularly; to encourage the growth of existing industries and businesses; to assist new firms and individuals to locate in this area; to support all activities beneficial to the community and area and to oppose those which might be detrimental; to promote the welfare of the area citizens, following always those policies designed to accomplish ~~%the~~ greatest good for the greatest number.+

Section 3: The chamber 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 and the Texas Non-Profit Corporation Act.

Section 4: The chamber, in its activities, shall be non-partisan and nonsectarian.

Section 5: The chamber shall maintain in the State of Texas a registered office and registered agent whose office is identical with such registered office as required by the Texas Non-Profit Corporations Act. The registered office need not be identical with the registered office of the chamber. The address of the registered office and the registered agent may be changed from time to time by the board of directors of the chamber.

ARTICLE II. MEMBERSHIP

Section 1: Any person or entity having an interest in the chamber's objectives shall be eligible to apply for membership in accordance with policies or qualifications established from time to time by the board of directors of the chamber.

Section 2: Members of the chamber are classified as active members and honorary members, and all members other than honorary members shall be active members.

Section 3: Application for membership shall be in writing. The form of the Application shall be as determined from time to time by the board of directors. Applications will be submitted to the membership committee for its recommendations and to the board of directors (the ~~board~~) for its final approval or disapproval. Memberships approved by the board will begin upon payment of the prescribed membership investment.

Section 4: Membership dues shall be at such rate or rates, schedules or formulas as may be from time to time prescribed by the board, payable in advance in such installments and with such frequency as the board may determine.

Section 5: Membership in the chamber may be terminated as follows:

- (a) Any member may resign from the chamber upon written request to the board:
- (b) Membership may be revoked by the board by a majority vote for nonpayment of dues after one hundred and twenty (120) days from the date the dues are owing. This time period may be extended by the board;
- (c) Any membership may be rescinded whenever in its judgment the board determines the best interest of the chamber would be served. Such action shall require the affirmative vote of a least a majority of the directors elected to serve on the board.

Section 6: Honorary membership in the chamber may be conferred from time time upon those persons who have distinguished themselves through their community involvement as the board may determine. Such honorary memberships shall be without dues and without the privilege of voting.

Section 7: Any person or entity holding one or more memberships shall have right at any time to change any or all of its representatives upon written notice of the chamber. No member may sell, assign, transfer or in any manner whatsoever dispose of his membership in the chamber, or be deprived thereof, except in the manner provided.

Section 8: Any entity holding membership may designate individuals who will act as the representative of the entity holding membership.

Section 9: Each member of the chamber in good standing is entitled to one vote in any election, referendum or membership meeting. Entities may exercise multiple memberships by designating executives (its representatives) as members of the chamber to represent such entity in voting situations and on project committees. The number of such designated or assigned memberships is based upon the multiple of an entity's minimum base membership or dues investment. Voting members may not exceed ten (10) votes per entity. Voting by written proxy shall be permitted. Proxies shall be filed with the president of the chamber at least 24 hours prior to the election or meeting in which such vote is cast. Ballots will be sent to the business address of members.

Section 10: Annually, each member of the board and all committee chairmen, committee personnel and staff shall participate in an orientation program outlining the duties of such persons prior to their assuming such duties. Every effort will be made to orient new members as to the aims, objectives and work program of the chamber.

ARTICLE III. MEETINGS

Section 1: The annual meeting of the chamber shall be held at such time and place as determined by the board. Notice of the annual meeting shall be mailed to each member at least ten (10) days prior to the meeting.

Section 2: The manner in which meetings may be called is as follows:

(a) special meetings of the chamber may be called by the chairmen of the board any time. Special meetings shall be called upon the written petition of seventy-five (75) members in good standing. Notice (including the purpose of the meeting) of a special meeting shall be mailed to each member by the president of the chamber at least ten (10) days prior to such meeting.

(b) Board meetings may be called by the chairman of the board at any time. Board meetings shall be called upon the written petition of three (3) members

of the board. Notice shall be given to each director by the president of the chamber at least one (1) day prior to such meeting. Neither the business, nor the purpose, of any meeting of the board need be specified in the notice unless required by law or by these by. laws.

(c) Committee meetings may be called at any time by the chairman of the board, the respective division chairmen or by the committee chairmen.

Section 3: Quorums for meetings shall be as follows:

(a) At any duly called meeting of the chamber twenty five (25%) percent of the voting members of record as of the last annual meeting of the chamber shall constitute a quorum;

(b) Fifty (50%) percent of the elected directors shall constitute a quorum of the board;

(c) At committee meetings, a majority shall constitute a quorum, except that when a committee consists of more than nine (9) members, five (5) shall constitute a quorum.

(d) At any meeting of the chamber or the board at which a quorum is present, a majority of affirmative votes shall carry an item of business.

ARTICLE IV. BOARD OF DIRECTORS

Section 1: The affairs of the chamber shall be managed by its board, which shall be composed of twenty-four (24) directors, six (6) of whom shall be elected annually to serve for terms of three (3) years and six (6) of whom shall be elected annually to serve for terms of one (1) year. Additionally, the chairman of the board, the vice chairman of the board, and the chairman for fiscal affairs shall automatically be members of the board if they are not otherwise then serving as elected directors. No elected director serving as a director shall have his present term of office reduced, and the number of directors may exceed the stated maximum until the terms of the present directors expire.

Section 2: The nominating committee for selection of nominees for the board

of the chamber shall consist of seven (7) members and shall include at least four (4) active members of the chamber not then serving on the board.

(a) The nominating committee shall be elected by the board at a regular board meeting held no later than five (5) months prior to the end of the chamber's current fiscal year. The nominating committee shall meet as soon after its election as practicable and select a minimum of twelve (12) members of the chamber as nominees for directors of the chamber. The names of the nominees selected by the nominating committee shall be distributed to the members by the president of the chamber no later than four (4) months prior to the end of the chamber's current fiscal year, and the members shall also be notified of their right to nominate by petition.

(b) Additional names of nominees for directors will be selected upon the written petition of twenty-five (25) voting members of the chamber in good standing. All such petitions, if any, shall be filed with the president of the chamber within fifteen (15) days after notice has been given of those nominees selected by the nominating committee. The determination by the nominating committee of the validity of any petition shall be final.

(c) No person shall be eligible to serve more than two (2) consecutive three-year terms or six (6) one-year terms as a director. After such service, such person shall be eligible to serve as a director at the expiration of one year from the date of the termination of such person's last term as a director.

(d) No person shall be a director and an advisory director for more than seven

(7) consecutive years. Provided, however, that the chairman of the board, the vice chairman of the board, and the chairman for fiscal affairs may serve for eight (8) consecutive years.

(e) The names of persons nominated by the nominating committee and those nominated by petition shall be published to the membership in an order determined by lot no later than two (2) months prior to the end of the current fiscal year.

(f) Each voting member of the chamber in good standing, with dues paid on a current basis, shall be entitled to vote for no more than six (6) members to be elected as directors.

(g) The ballots must be returned to the office of the chamber within ten (10) days of the date of posting in order to be counted in the election.

(h) The six (6) nominees receiving the highest number of votes shall be elected to terms of three (3) years; the six (6) nominees receiving the next highest number of votes shall be elected to terms of one (1) year. Ties shall be resolved by lot by the president.

Section 3: The newly elected directors shall take office immediately following the adjournment of the last meeting of the fiscal year immediately preceding the fiscal year for which they are to serve.

Section 4: The chairman of the board shall appoint a tellers committee, the members of which are not members of the board, to supervise the election, and such committee shall serve until the results are ascertained.

Section 5: Vacancies, by resignation or otherwise, in the board shall be filled promptly by appointment by the chairman of the board, subject to the approval of the board, and any director so chosen shall fill the unexpired term of the director whose place he is filling.

Section 6: Absence from three (3) consecutive regular meetings of the board, without an excuse deemed valid and so recorded by the board, shall be construed as a resignation.

Section 7: When a chairman of the board completes his term in office concurrently with his term on the board and is not eligible for renomination as a director under the provisions of these by-laws, he shall continue for a period of one year as an ex-officio director with full rights and privileges.

Section 8: Each year, the chairman of the board may appoint, subject to board approval, such advisory directors from the membership at large as he may deem advisable, who shall meet and participate in meetings of the board, but who shall have

no vote. The advisory directors shall serve as such for one year and shall be eligible for re-appointment for not more than four (4) consecutive terms of one year each.

(a) An advisory director shall be eligible to serve as division chairman and serve on any committee.

(b) It is anticipated that advisory directors will be active members of the chamber and will continue to act as such and will be selected because of present and anticipated future contributions to the chamber and not solely as a reward for past services.

Section 9: Regular meetings of the board shall be held at such time and place as shall be determined by the board, at least bi-monthly.

Section 10: The board of directors or committee of the board of directors may take action without holding a meeting, providing notice, or taking a vote if each director or member of the committee entitled to vote on the action signs a written consent or consents stating the action taken. Any photographic, photostatic, facsimile, email or similarly reliable reproduction of a consent in writing signed by a director or member of the committee may be substituted or used instead of the original writing for any purpose for which the original writing could be used. If the reproduction is a complete reproduction of the entire original writing, advance notice is not required to be given to take any action by written consent. Such consent shall have the same force and effect as a unanimous vote at a meeting of the board of directors or the committee, as the case may be, duly called and held.

Section 11: Directors and committee members may participate in and hold a meeting by means of conference telephone or similar communication equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons. If voting is to take place at the meeting, reasonable measures must be implemented to verify that every director or committee member voting at the meeting by means of remote communications is sufficiently identified, and a record of any vote or other action must be kept. Participation in such a meeting shall constitute presence in

person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE V. OFFICERS

Section 1: Subject to approval by the board, the new chairman of the board shall determine the divisions of the chamber.

Section 2: Subject to confirmation by the board, the chairman of the board for the then-current fiscal year shall appoint a committee of three (3) persons for the nomination of new officers no later than three (3) months prior to the end of the current fiscal year. The report of the nominating committee shall be presented to the current board no later than two (2) months prior to the end of the current fiscal year. Nominees shall be members of the current board or shall have served at least two (2) years on a prior board. The nominating committee will be composed, if practical, of two (2) past chairmen of the board and one other member. The newly elected directors and the holdover directors shall meet no later than the end of the current fiscal year to receive the nominations of the nominating committee and will elect from those nominations and from nominations made from the floor a chairman of the board, vice chairman of the board, a chairman for fiscal affairs and chairmen for such divisions as may be established under Section 1 of this article.

Section 3:

(a) **Chairman of the Board:** The chairman of the board shall serve a two-year term. The chairman of the board shall be the chief elected officer of the chamber of commerce and shall preside at meetings of the chamber and of the board. He shall serve as chairman of the executive committee. Subject to the approval of the board, he shall sign all deeds, contracts and other instruments affecting the operation of the chamber of any of its

properties. He shall, with the president, sign all formal documents of the chamber.

(b) **Vice Chairman of the Board:** He shall serve as first assistant to the chairman of the board of the chamber, performing such duties as may be assigned to him by the chairman of the board or by the board, and he shall perform the duties of the chairman of the board in the absence of that officer. On the death or resignation of the chairman of the board, the vice chairman of the board shall become chairman of the board for the remainder of term of office of the deceased or resigned chairman of the board. He shall also be designated as the chairman of the board-elect. It is anticipated, but not required, that the chairman of the board-elect will be named the chairman of the board for the succeeding year unless the then-chairman of the board is re-elected for an additional year.

(c) **Chairman for Fiscal Affairs:** He shall be in charge of all funds of the Chamber and shall present a monthly and annual financial report to the board.

(d) **Division Chairmen:** The division chairmen shall be responsible for such activity as determined by the chairman of the board. Each will confer with the administrative branch of the chamber on ways and means by which full committee production can be motivated and achieved within their area of responsibility. The division chairmen will confer with the chairman of the board, vice chairman of the board, chairman for fiscal affairs and the president with reference to financial needs. Each will make periodic reports of divisional progress to the board and will serve as the conduit through which recommendations for proposed policy will be presented to the board for its action.

(e) **President:** Annually, the president will be elected by majority of the

board to serve at the will of the board. The board shall fix his compensation. He shall be the chief administrative and executive officer of the chamber and shall be charged with the general supervision and management of the office and business affairs of the organization. He shall also act as agent for service of process and shall conduct the correspondence, preserve the records, documents and communications of the chamber and keep books of account, maintain an accurate record of the proceedings of meetings of the chamber and the board. He shall engage, discharge and have supervision over all employees of the chamber, including determining their duties, in accordance with policies and practices approved by the board. The compensation of employees of the chamber shall be determined by the president with the approval of the executive committee. He shall prepare and maintain a statement of all chamber policies as determined by the board and shall recommend when such policies may be re-examined, re-affirmed or rescinded by the board.

(f) **Executive Committee:** The executive committee shall consist of the officers of the Greater Beaumont Chamber of Commerce, which shall be the chairman of board, the immediate past chairman of the board, the vice chairman of the board and the chairman for fiscal affairs. Other members of the Executive Committee shall include division chairmen, a financial institution representative, an attorney and other committee chairmen as designated by the chairman of the board and approved by the board. The president of the chamber shall be a member of the committee, but without a vote. The executive committee shall, during the intervals between meetings of the board, exercise the functions of the board, subject to final action by the board. The executive committee shall attend to the routine work of the chamber and also shall perform such duties as, from time to time, may be delegated to it by the board. The executive committee shall meet at least once a month, either separately or jointly, with the board, and a majority of its members shall constitute a quorum.

ARTICLE VI. COMMITTEES AND OTHER ENTITIES

Section 1: The chairman of the board shall appoint all committees and committee chairmen, subject to confirmation by the board. The board shall authorize and define the powers and duties of all standing and special committees except those committees whose functions are set forth in these by-laws. It shall be the function of the committees to make investigations, conduct studies and hearings, make recommendations to the board and carry on such activities as may be delegated to them by the board.

Section 2: No committee, nor the president or staff of the chamber, 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 approval of the board.

Section 3: Special 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, it is deemed wise to discontinue the committee.

Section 4: The board may organize or authorize the organization of foundations and entities in which the chamber has a substantial interest. These entities may be organized as corporations, trusts, associations or other entities deemed appropriate by the board. The by laws and articles of incorporation (where necessary) shall be subject to approval by the board.

Section 5: A budget and finance committee shall be appointed annually by the chairman of the board subject to confirmation by the board. The committee shall advise the board with respect to the financial condition of the chamber.

(a) The chairman for fiscal affairs shall be the chairman. The chairman and this committee shall be responsible for assisting the administration in establishing the budget necessary to meet the requirements of the chamber's program of work. He and his committee shall be responsible for determining the ways and means by which budget requirements are met.

(b) Within thirty (30) days after the commencement of each fiscal year, the budget and finance committee in conjunction with the president shall present a budget of estimated income and expenditures and submit it to the board. No committee may exceed its appropriation without prior consent of the board.

Section 6: Any such committee, to the extent provided in such resolution, shall

have and may exercise all of the authority of the board of directors in the business and affairs of the chamber except where the action of the board of directors is required, or the authority of such committee is limited, by statute. The number of members on each committee may be increased or decreased from time to time by resolution of the board of directors. Any member of any committee may be removed from such committee at any time by resolution of the board of directors. Vacancies in the membership of a committee (whether by death, resignation, removal or otherwise) may be filled by resolution of the board of directors. The time, place and notice (if any) of meetings of any committee shall be determined by such committee. At meetings of any committee, a majority of the number of members of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee, except as otherwise specifically provided by statute, the Certificate of Organization, or these Bylaws.

Section 7: Committees and Other Entities: An audit committee shall be appointed annually by the chairman of the board subject to confirmation by the board. The chairman of the fiscal affairs committee may be a member of the committee. The committee shall examine the annual audit and management letter prepared by an independent auditor. The chairman for the audit committee shall present the audit to the executive committee and the board of directors for approval. In appointing the committee, the chairman of the board shall designate a chairman of the audit committee.

ARTICLE VII. FINANCES

Section 1: All membership dues paid to the chamber shall be placed in a general operating fund.

Section 2: Funds not used from the current year's budget will be placed in the chamber's contingency funds and shall be subject to appropriation by the board.

Section 3: No obligation or expense shall be incurred and no money shall be appropriated without prior approval of the board. 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.

Section 4: Disbursements shall be by check. Checks shall be signed by such person or persons as may be authorized from time to time by the board.

Section 5: The chamber shall purchase bond coverage for all members, staff and volunteers who handle funds for the chamber.

Section 6: The fiscal year of the chamber begins October 1 and ends September 30.

Section 7: The financial statements of the chamber shall be reviewed or audited by a certified public accountant annually as soon as practical after the close of the fiscal year. The financial statements shall be made available to members of the chamber at the offices of the chamber at all reasonable times.

ARTICLE VIII. PARLIAMENTARY PROCEDURES

Section 1: The proceeding of the chamber shall be governed by and conducted according to the latest rules of Robert's Rules of Order as revised.

Section 2: Resolutions as to policy of the chamber to be adopted by the board shall be proposed in writing and mailed to each director three (3) days in advance of the meeting at which such action is proposed to be taken. These resolutions shall include (but not limited to) endorsements or opposition to proposed legislation, action

suggested at public elections, including bond issues and resolutions to be submitted to any political body as expressing the policy or position of the chamber.

ARTICLE IX. REFERENDUM

Upon the request in writing of five (5%) percent of the members in good standing of the chamber, the board shall, or upon its own initiative may, submit any question to the members for a mail referendum vote, the ballot for such vote to be accompanied by statements setting forth both sides of the question.

ARTICLE X. AMENDMENTS

These by-laws may be amended in whole or in part or revoked and new by-laws adopted at any regular meeting (at which a quorum is present) of the board by majority of the directors present. The proposed amendments shall be mailed to the directors no less than ten (10) days prior to the meeting of the board at which they are to be considered. Notice shall be promptly given to the chamber members of any actions taken on any proposed amendment by the board.

ARTICLE XI. INDEMNIFICATION OF DIRECTORS

Section 1. The board of directors or officers shall enter contracts or other commitments as agents for the chamber without personal liability for any such contract or commitment.

Section 2. No director of the chamber shall be liable to any person, business entity or other enterprise for any action taken pursuant to the by-laws of the chamber. The chamber shall further indemnify to fullest extent permitted by the Texas Non-Profit Corporations Act, any other applicable laws and these by-laws, any director, officer, agent or employee, or former director, officer, agent or employee of the chamber, or any person who may have served at its request, as a director, officer, partner, venturer,

proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against expenses actually and necessarily incurred by such person and any amount paid in satisfaction of judgments in connection with any action, suit or proceeding, whether civil or criminal in nature, in which such person is made a party by reason of being or having been such a director, officer or employee (whether or not a director, officer, agent or employee at the time such costs, or expenses are incurred by or imposed upon such person) except in relation to matters as to which such person shall be adjudged in such action, suit or proceeding, to be liable for gross negligence or willful misconduct in performance of such person's duty. The chamber may also reimburse to any director, officer or employee, the reasonable cost of settlement of any such action suit or proceeding, if it shall be found by a majority of the directors not involved in the matter in controversy, whether or not a quorum, that it was to the interest of the chamber that such settlement be made and the such director, officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such director, officer, agent, or employee may be entitled by law, by-law, agreement, vote of members, or otherwise.

ARTICLE XII. DISSOLUTION

Section 1: In the event of the dissolution of the chamber or cessation of its function, the board is authorized and empowered, as the board may determine, to transfer and convey the chamber's assets, after payment of all outstanding obligations, to a non-profit, community development or similar organizations as defined by the Internal Revenue Code. In no event shall any part of such assets be distributed to any person, firm or corporation other than a non-profit organization.

ARTICLE XIII. MISCELLANEOUS

Section 1. These by-laws are set forth to comply with the requirements of the Texas Nonprofit Corporation Act and Texas law.

Section 2. The chamber is not organized for profit. No member, member of the board or person from whom the chamber may receive any property or funds shall receive or shall be lawfully entitled to receive pecuniary profit from the operation thereof, and in no event, shall any part of the funds or assets of the chamber be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the board except as provided herein; provided, however, that any member of the board may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the chamber.

Section 3. Any officer, director or employee who is a director, officer or employee of, or in any other manner affiliated with, any individual, group, association, partnership, corporation, joint venture or other organization (collectively ~~%Affiliated Entities~~) which transacts any business with the chamber shall not be disqualified by reason of that affiliation from participating with respect to the authorization, execution, delivery or performance of any contract between the chamber and the Affiliated Entity, provided that such person's affiliation is disclosed in writing to the board of the chamber before the board's authorization of any such contract and provided further that the board of the chamber determines that the contract is on terms which are competitive with services available from similarly qualified persons or firms.

Section 4. If any part of these by-laws shall be held invalid or inoperative for any reason, the remaining parts, so far as possible and reasonable, shall be valid and operative, and effect shall be given to the intent manifested in the portion held invalid or inoperative.

Section 5. Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the by-laws of the chamber, a waiver thereof in writing signed by the person or persons entitled to such notice, whether such notice, whether

before or after the time stated therein, shall be deemed equivalent to the giving of such notice.