

RESOLUTION NO. 2013-11-____ (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, APPROVING THE SECOND AMENDED BYLAWS OF MCKINNEYMAIN STREET CORPORATION; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council, by this resolution, desires to amend the Bylaws of the McKinney Main Street Corporation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

Section 1. The City Council of the City of McKinney, Texas hereby approves the Second Amendment to the Bylaws of the McKinney Main Street Corporation attached hereto as Exhibit A; and

Section 2. This Resolution shall be in full force and effect from and after its passage and adoption.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS ON THE 19th DAY OF NOVEMBER, 2013.

CITY OF MCKINNEY, TEXAS

BRIAN LOUGHMILLER
Mayor

ATTEST:

SANDY HART, TRMC, MMC
City Secretary
BLANCA I. GARCIA
Assistant City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

EXHIBIT A

SECOND AMENDED BYLAWS OF McKINNEY MAIN STREET

These Bylaws govern the affairs of McKinney Downtown Business Redevelopment Board, Inc., which is the Corporation's legal name, doing business as McKinney Main Street, a nonprofit corporation.

ARTICLE 1 OFFICES

Principal Office

1.01. The Corporation's principal office in Texas will be located at 111 N. Tennessee Street, McKinney, Texas 75069.

Registered Office and Registered Agent

1.02. The Corporation will maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as permitted in the Texas Non-Profit Corporation Act.

ARTICLE 2 PURPOSES

2.01. The Corporation is organized to operate exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue law) and, more specifically:

(a) To promote the historic preservation, protection and use of McKinney's traditional downtown area, including that area's commercial enterprises and residences;

(b) To take remedial actions to eliminate the physical, economic, and social deterioration of McKinney's traditional downtown area and thereby promote McKinney's historic preservation, contribute to its community betterment and enhance the social welfare while lessening the burdens of McKinney's government;

(c) To disseminate information of and promote interest in the preservation, history, culture, architecture and public use of McKinney's traditional downtown area;

(d) To aid, work with, and participate in the activities of other organizations, individuals, and public and private entities located within and outside McKinney, which are engaged in similar purposes.

The intention is to create the "McKinney Main Street Program", an organization which establishes a partnership between public and private sectors dedicated to carry out this mission. "McKinney Main Street" will be based upon a comprehensive strategy emphasized by the Texas Main Street Program, a program of the Texas Historical Commission, and the National Trust for Historic Preservation's Main Street Center.

ARTICLE 3 BOARD OF DIRECTORS

Management of Corporation

3.01. The Board of Directors will manage corporate affairs, however the Director and the Program Coordinator for the Corporation will report directly to the City Manager's Office while working in tandem with the Board on Council Priorities set forth for Historic Downtown McKinney.

ARTICLE I.

Number of Directors' Positions

3.02. The Board shall consist of eleven (11) Directors each of whom shall be appointed by City Council of the City of McKinney ("City Council") in addition to two non-voting staff liaisons appointed by the City Manager.

ARTICLE II.

Terms of Directors' Positions

3.04. The terms of the Directors' positions of the Board of Directors shall begin on October 1st of each year. Each Director shall serve terms consistent with the City Council Policy on Board and Commission Appointment and Eligibility or until his or her successor is appointed by the Council; provided, however, upon the death, resignation or removal of a Director, the Council shall appoint a replacement Director to serve for the unexpired term of office of the replaced Director. Any restriction as to term is governed by the Council. Unless otherwise provided, terms shall expire on September 30. Any Director, including Board officers, may be removed from office by the City Council at any time without cause.

Composition of Directors

3.05. The City Council shall endeavor to appoint persons who are best-suited to fulfill the purpose of the McKinney Main Street Board. As a guideline but not a limitation, the City Council may consider Board member applicants from the following business sectors or any other business sector: downtown business owners, downtown property owners, professional and service businesses, chamber of commerce, financial institutions, marketing expertise, special events expertise, fundraising expertise, and residents.

Regular Meetings

3.06. 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, Tex. Gov't Code Ann. Section 551, as amended.

Special Meetings

3.07. Special Board of Directors' meetings may be called by, or at the request of the Chairman, any two (2) Directors, the Mayor, or the City Council. The meetings will be held at the same place that regular meetings are held. The person or persons calling a special meeting will inform the Secretary/Treasurer of the Corporation of the information to

be included in the notice of the meeting. The Secretary/Treasurer of the Corporation will cause notice to be given to the Directors, as these Bylaws require.

Notice of Special Meetings

3.08. Written notice of any special meeting of the Board of Directors will be delivered to each Director by E-mail, telefax, by regular mail, or by hand delivery, not less than three (3) days , before the date of the meeting. The notice will state the place, day, and time of the meeting; who called it; and the purpose or purposes for which it is called.

Quorum

3.09. A majority of the number of Directors then in office constitutes a quorum for transacting business at any Board of Directors meeting. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required for a quorum. If a quorum is never present at any time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting once without further notice.

Attendance

3.10. Regular attendance is required at all posted meetings called by the chairman, the majority of the board or the City Council. Attendance at the Board meetings is required in accordance with the City Council Policy on Board and Commission Member Appointment and Eligibility.

Duties of Directors

3.11. Directors will discharge their duties in good faith, with ordinary care, and in a manner they reasonably believe to be in the Corporation's best interest. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on Directors, Directors may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation that has been prepared or presented by a variety of persons, including officers and employees of the Corporation, and professional advisors or experts, such as accountants or legal counsel. A Director is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property. Directors shall act in good faith and take actions they reasonably believe to be in the best interest of the Corporation and that are not unlawful.

Delegating Duties

3.12. Directors may select advisors and delegate duties and responsibilities to them, such as the full power to buy or otherwise acquire stocks, bonds, securities, and other investments on the Corporation's behalf, and to sell, transfer, or otherwise dispose of the Corporation's assets and properties at a time and for a consideration that the advisor deems appropriate. The Directors have no liability for actions taken or omitted by the advisor if the Board of Directors acts in good faith and with ordinary care in selecting the advisor. The Board of Directors may remove or replace the advisor at any time and without any cause whatsoever.

Actions of Board of Directors

3.13. The Board of Directors will try to act by consensus. However, if a consensus is not available, the vote of a majority of Directors present and voting at a meeting at which a quorum is present is enough to constitute the act of the Board of Directors, unless the act of a greater number is required by law or by some other provision of these Bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the Board of Directors' decision.

Compensation

3.14. Directors may not receive any compensation for their services.

Executive Director

3.15. The Executive Director will:

- (a) Report directly to the City Manager's Office.
- (b) Oversee and supervise all aspects of McKinney Main Street, supervise paid and volunteer staff, and coordinate with the staff of other organizations.
- (c) Implement the necessary actions to obtain the Texas Urban Main Street City designation for the City of McKinney.
- (d) Coordinate downtown organization, promotion, management, and historic preservation.
- (e) Manage all administrative aspects of the program office including purchasing, record keeping, budget development and accounting, and report preparation.
- (f) Provide assistance and guidance to the Board of Directors of McKinney Main Street and its committees.
- (g) Coordinate, oversee, and train community volunteers working for the activities of McKinney Main Street.
- (h) Attend all organizational and city meetings as deemed necessary by the City Manager and/or the Board of Directors.
- (i) Assist individual tenants and property owners with physical improvement projects through personal consultation by obtaining and coordinating technical assistance from the Texas Historical Commission. Assist in locating contractors and materials, and provide advice and guidance on necessary financial mechanisms and incentives.
- (j) Work with public and private sector organizations to facilitate downtown improvements including beautification, landscaping, street furniture, banners, solid waste services, and infrastructure.
- (k) Develop and conduct on-going public awareness and education programs designed to enhance community understanding of the Main Street Program's goals, including speaking engagements, media interviews, and representation of the community at local, state, and national levels.
- (l) Help build strong and productive working relationships with appropriate public agencies and private organizations at the state and

local level.

ARTICLE 4 OFFICERS

Officer Positions

4.01. The Corporation's officers will be a Chairman, a Vice-Chairman, and a Secretary/Treasurer. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. The same person may hold any two or more offices, except for Chairman and Secretary/Treasurer.

Election and Term of Office of Officers

4.02. Officers shall be elected at the first Board of Directors' meeting in October of each year. The Corporation's officers will be elected annually by the Board of Directors, with the exception of the Executive Director. The Executive Director and staff are City of McKinney Employees.

Each officer will hold office from the day he or she is elected, until new elections for officers are held at the first Board of Directors' meeting in October of the next year, or until his or her term as a Director ends, whichever is sooner.

Removal

4.03. Any Director, including Board officers, may be removed from office by the City Council at any time without cause.

Vacancies

4.04. The Board of Directors, by majority vote of the entire Board of Directors, may select a person to fill a vacancy in any office for the unexpired portion of the officer's term.

Chairman

4.05. The Chairman is the Corporation's chief executive officer. He or she will supervise and control all of the Corporation's business and affairs and will preside at all meetings of the members and of the Board. The Chairman may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors authorizes to be executed. However, the Chairman may not execute instruments on the Corporation's behalf if this power is expressly delegated to another officer or agent of the Corporation by the Board, these Bylaws, or statute. The Chairman will perform other duties prescribed by the Board of Directors and all duties incident to the office of Chairman.

Vice-Chairman

4.06. When the Chairman is absent, cannot act, or refuses to act, a Vice-Chairman will perform the Chairman's duties. When acting in the Chairman's place, the Vice-Chairman has all the powers of and is subject to all the restrictions on the Chairman. A Vice-Chairman will perform other duties as assigned by the Chairman or Board of Directors.

Secretary/Treasurer

4.07. The Secretary/Treasurer shall have responsibility for and cause the following actions:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Attempt to attend all meetings of the Board of Directors.
- (c) Keep a register of the mailing address of each director, officer, and employee of the Corporation.
- (d) Perform duties as assigned by the Chairman or the Board of Directors.
- (e) Sign checks and disburse funds to discharge the Corporation's obligations. However, funds may not be drawn from the Corporation or its accounts for amounts greater than \$500.00, without the signature of another person who is either the Director or the Chairman.
- (f) Maintain the Corporation's financial books and records.
- (g) Present monthly financial reports.
- (h) Perform other duties as assigned by the Chairman or the Board of Directors.
- (i) If the Board of Directors require, give a bond for faithfully discharging his or her duties in a sum and with a surety as determined by the Board of Directors.
- (j) Perform all duties incident to the office of Secretary/Treasurer.

Subcommittees

4.08 The Board may designate no more than three (3) Directors to constitute an official sub-committee of the Board to exercise such authority of the Board as may be specified in any resolution. It is provided, however, that any sub-committee shall function as a recommending body only. Final official action of the Corporation may be exercised only by the Board. The sub-committees may include external representation if deemed necessary by the Board. Each sub-committee shall keep regular minutes of the transactions of its meetings. Sub-committee minutes shall be handled in the same manner as Board minutes and voted and approved by the Board and the City Council.

ARTICLE 5 AVOIDANCE OF CONFLICTS OF INTEREST BY THE BOARD OF DIRECTORS

5.01 Board members shall scrupulously avoid any conflict, direct or indirect, between their own respective individual, professional or business interests and the interests of McKinney Main Street. This policy governs any transaction, proposed or existing, between McKinney Main Street and another individual, organization or corporation including but not limited to:

- (a) The sale, acquisition, or use of assets, other property, services or processes.
- (b) The employment or rendition of any services.
- (c) The award of any contract, license or grant.

- (d) Investment or deposit of any funds or assets of the Corporation.

ARTICLE 6 TRANSACTIONS OF CORPORATION

Contracts

6.01. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

Deposits

6.02. All the Corporation's funds will be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

Gifts

6.03. The Board of Directors may accept, on the Corporation's behalf, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions not prohibited by these Bylaws, the Articles of Incorporation, state law, and provisions set out in federal tax law that must be complied with to maintain the Corporation's federal and state tax status.

Restrictions and Regulations

6.04. The Corporation may not pay dividends or other corporate income to its directors, or officers, or otherwise accrue distributable profits, or permit the realization of private gain. The Corporation may not take any action prohibited by the Texas Non-Profit Corporation Act. The Corporation may not engage in any activities, except to an insubstantial degree, that do not further its purposes as set forth in these Bylaws.

The Corporation may not take any action that would be inconsistent with the requirements for a tax exemption under Internal Revenue Code Section 501(c)(3) and related regulations, rulings, and procedures. Nor may it take any action that would be inconsistent with the requirements for receiving tax-deductible charitable contributions under Internal Revenue Code Section 170(c)(2) and related regulations, rulings, and procedures. Regardless of any other provision in these Bylaws or state law, the Corporation may not:

- (a) Engage in activities or use its assets in manners that do not further one or more exempt purposes, as set forth in these Bylaws and defined by the Internal Revenue Code and related regulations, rulings, and procedures, except to an insubstantial degree.
- (b) Serve a private interest other than one clearly incidental to an overriding public interest.
- (c) Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings, and procedures.
- (d) Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include publishing or distributing statements and any other direct or indirect campaign activities.

- (e) Have objectives characterizing it as an “action organization” as defined by the Internal Revenue Code and related regulations, rulings, and procedures.
- (f) Distribute its assets on dissolution other than for one or more exempt purposes. On dissolution, the Corporation’s assets will be distributed to the state government for a public purpose, or to an organization exempt from taxes under Internal Revenue Code 501(c)(3) to be used to accomplish the general purposes for which the Corporation was organized.
- (g) Permit any part of the Corporation’s net earnings to inure to the benefit of any private shareholder or member of the Corporation or any private individual.
- (h) Carry on an unrelated trade or business, except as a secondary purpose related to the Corporation’s primary, exempt purposes.

Other Prohibited Acts

6.05. As long as the Corporation exists, and except with the Board of Director’s prior approval, no director or officer of the Corporation may:

- (a) Do any act in violation of these Bylaws or in violation of a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the Corporation's intended or ordinary business.
- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the Corporation's assets, directly or indirectly, for any purpose other than carrying on the Corporation's business.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the Corporation's name or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of its business.

ARTICLE 7 BOOKS AND RECORDS

Required Books and Records

7.01. The Corporation will keep correct and complete books and records of account. The books and records include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the Articles of Incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of all Bylaws, including these Bylaws, and any amended versions or amendments to them.
- (c) Minutes of the proceedings of the Board of Directors, and committees having any of the authority of the Board of Directors shall be filed with the City Secretary
- (d) A list of the names and addresses of the directors, officers, and any committee members of the Corporation.
- (e) A financial statement showing the Corporation's assets, liabilities, and net worth at the end of the three (3) most recent fiscal years.
- (f) A financial statement showing the Corporation's income and expenses for the three (3) most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.
- (h) The Corporation's federal, state, and local tax information or income-tax returns for each of the Corporation's three (3) most recent tax years.

Inspection and Copying

7.02. Any Director or member of the Corporation may inspect and receive copies of all the corporate books and records required to be kept under the Bylaws. Such a person may, by written request, inspect or receive copies. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no later than five working days after the Corporation receives a proper written request. The Board of Directors may establish reasonable copying fees, which may cover the cost of materials and labor but may not exceed \$1.00 per page. The Corporation will provide requested copies of books or records no later than five working days after receiving a proper written request.

ARTICLE 8 FISCAL YEAR

8.01. The Corporation's fiscal year of the Corporation will begin on the first day of October and end on the last day in September in each year.

ARTICLE 9 INDEMNIFICATION

9.01 Insurance for the purpose of indemnification of the Board of Directors may be acquired, upon the approval of such action by a majority of the Board of Directors.

ARTICLE 10 NOTICES

Notice By E-mail, By Mail, By Telephonic Document Transfer, or By Hand Delivery

10.01. Any notice required or permitted by these Bylaws to be given to a director or officer of the Corporation may be given by E-mail, by mail, by telephonic document transfer, or by hand delivery. Notice is deemed delivered when sent by E-mail to the recipient's current E-mail address, as it appears on the corporate records. Notice is deemed delivered when deposited in the mail addressed to the person at his or her address as it appears on the corporate records, with postage prepaid. Notice is also deemed delivered when sent by telephonic document transfer to the recipient's current telefax number, as it appears on the corporate records. Notice is deemed delivered by hand delivery when delivered to a person at the recipient's address, as it appears on the corporate records. A person may change his or her address, E-mail address, or telefax number in the corporate records by giving written notice of the change to the Secretary/Treasurer of the Corporation.

Signed Waiver of Notice

10.02. Whenever any notice is required by law or under the Articles of Incorporation or these Bylaws, a written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived.

Waiving Notice by Attendance

10.03. A person's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE 11 AMENDING BYLAWS

11.01. These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by a majority of the entire Board of Directors and ratified by the City Council. The notice of any meeting at which these Bylaws are altered, amended, or repealed, or at which new Bylaws are adopted will include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed.

ARTICLE 12 MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

12.01. These Bylaws will be construed under Texas law. All references in these Bylaws to statutes, regulations, or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

Legal Construction

12.02. To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to nonprofit corporations. If any Bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision, and the Bylaws will be construed as if they had not included the invalid, illegal, or unenforceable provision.

Headings

12.03. The headings used in the Bylaws are for convenience and may not be considered in construing the Bylaws.

Number

12.04. All singular words include the plural, and all plural words include the singular.

Parties Bound

12.05. The Bylaws will bind and inure to the benefit of the directors, officers, employees, and agents of the Corporation, except as the Bylaws otherwise provide.

Seal

12.06 The Board of Directors may provide for a Corporate Seal.

CERTIFICATE OF SECRETARY/TREASURER

I certify that I am the duly elected and acting Secretary/Treasurer of McKinney Main Street and that these Amended Bylaws constitute the Corporation's Bylaws. These Amended Bylaws were duly adopted at a meeting of the Board of Directors held on the day of _____ 2013.

Dated: _____

Secretary/Treasurer of the Corporation