

Recommended Correction to Articles of Organization. We should be able to file as a correction and not an amendment since the information in the original Articles is not correct.

Currently Reads:

The affairs of the Corporation shall be managed by a Board of Directors (the "Directors") which shall be composed of seven (7) persons appointed by the City Council. Each of the Directors **shall be a resident of the City.**

Initial directors listed: Larry Hartman, Leta Stokes Donny Jones, Fred Morris, Barbara Percy, Tom Edwards, Dennis Green

Each director shall hold office for the term for which the director is appointed unless sooner removed or resigned. Each director, including the initial Directors, shall be eligible for reappointment. Directors are removable by the City Council at will and shall be appointed for term of two (2) years. Initial terms of Directors shall be provided by the Corporation's Bylaws. If a director is a member of the city council and ceases to be a member of such, such shall constitute an automatic resignation as a director and such vacancy shall be filled in the same manner as for other vacancies.

Any vacancy of a director position occurring through death, resignation or otherwise shall be filled by an appointment of the City Council, as provided by the Corporation's Bylaws to hold office until the vacating member's term.

NEW ARTICLE EIGHT

The affairs of the Corporation shall be managed by a Board of Directors (the "Directors") which shall be composed of seven (7) persons appointed by the City Council. Each director of a Type B corporation authorized to be created by a municipality with a population of less than 20,000 must: (1) be a resident of the municipality; (2) be a resident of the county in which the major part of the area of the municipality is located; or (3) reside: (A) within 10 miles of the municipality's boundaries; and (B) in a county bordering the county in which most of the area of the municipality is located. The names and addresses of the persons who are to serve as the initial Directors are as follows:

Larry Hartman- 112 Great West Loop, Morgan's Point Resort, Texas 76513

Leta Stokes- 55 Willow Run, Morgan's Point Resort, Texas 76513

Donny Jones- 15 Apache Lane, Morgan's Point Resort, Texas 76513

Fred Morris- 96 Great West Loop, Morgan's Point Resort, Texas 76513

Barbara Pearcy- 50 Stirrup Drive, Morgan's Point Resort, Texas 76513

Tom Edwards- 2 Cliffhouse #102, Morgan's Point Resort, Texas 76513

Dennis Green- 12 Stirrup Drive, Morgan's Point Resort, Texas 76513

Each Director shall hold office for the term for which the director is appointed unless sooner removed at will by the City Council or resigned. A Director is appointed by the governing body of the authorizing municipality for a term of two (2) years. Directors are removable by the City Council at will and shall be appointed for term of two (2) years. Initial terms of Directors shall be provided by the Corporation's Bylaws. If a Director is a member of the city council and ceases to be a member of such, such shall constitute an automatic resignation as a Director and such vacancy shall be filled in the same manner as for other vacancies.

Any vacancy of a Director position occurring through death, resignation or otherwise shall be filled by an appointment of the City Council, as provided by the Corporation's Bylaws to hold office until the vacating member's term is completed.

Linda's Rationale: MPR is a city of less than 20,000 people and directors are not required to be a resident of MPR

Background information:

Section 505 (Specific to Type B Economic Development Corporations)

Sec. 505.052. RESTRICTION ON BOARD MEMBERSHIP. (a) Each director of a Type B corporation authorized to be created by a municipality with a population of 20,000 or more must be a resident of the municipality.

(b) Each director of a Type B corporation authorized to be created by a municipality with a population of less than 20,000 must:

(1) be a resident of the municipality;

(2) be a resident of the county in which the major part of the area of the municipality is located; or

(3) reside:

(A) within 10 miles of the municipality's boundaries; and

(B) in a county bordering the county in which most of the area of the municipality is located.

(c) Three directors of a Type B corporation must be persons who are not employees, officers, or members of the governing body of the authorizing municipality.

(d) Notwithstanding Subsections (a)-(c), if a municipality terminates a Type A corporation's existence and authorizes the creation of a Type B corporation, a person serving as a director of the Type A corporation at the time of termination may serve on the board of directors of the Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 3.01, eff. April 1, 2009.

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