

FIRST AMENDED AND RESTATED BYLAWS
OF
IRRIGATION ~~&AND~~ ELECTRICAL DISTRICTS ASSOCIATION
OF ARIZONA, INC.

Section 1. Organization

- 1.1 Name. The name of the corporation is ~~the~~ Irrigation ~~&and~~ Electrical Districts Association of Arizona, Inc., an Arizona nonprofit corporation (the “Corporation”).
- 1.2 Principal Office. The principal office of the Corporation shall be 14825 ~~WestW~~ Grand ~~AvenueAve~~, Surprise, AZ 85374, ~~USA~~, and additional offices may be maintained at such other places within the State of Arizona as the Board of Directors of the Corporation may, from time to time, designate.
- 1.3 Fiscal Year. The fiscal year of the Corporation shall be a calendar year.
- 1.4 Purpose and Business.
- (a) These Bylaws are formed and adopted by the Corporation to govern and facilitate its business as a nonprofit corporation under ~~chapter 22~~ chapters 24 through 40 of title 10 of the Arizona Revised Statutes, ~~(or the corresponding provisions of any future law)~~, and as a tax-exempt organization under sections 501(a) and 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any future law), and section 43-1201 of the Arizona Revised Statutes (or the corresponding provisions of any future law).
- ~~(b)~~ The character of the business and affairs that the Corporation intends to conduct are:
- ~~(e)(b)~~ Advocate for irrigation, electrical, and power districts within as set forth in the State of Arizona before state and federal government regulatory agencies and legislative bodies; to provide information to members concerning the purchase and sale of electrical power for irrigation, electrical, and power districts; engage in marketing and promotional activities; and obtain and distribute information concerning best practices for the operations of such districts;articles:
- ~~(i)~~ To monitor and comment on legislative proposals, proposed agency rules and actions and other governmental activity that may affect the operation of the Corporation’s members or persons residing within the service area of the Corporation’s members, and to monitor and advise members concerning regulatory and legislative activity affecting the ability of members to purchase

~~electricity or that affects the pricing of electricity or the reliability of the electric grid; and~~

~~(ii) To do and perform any and all acts necessary or appropriate to advance the foregoing purposes, or any other act which the Corporation may perform under applicable law.~~

1.5 Prohibited Activities.

- (a) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers or other private persons, except that this Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its exempt purposes.
- (b) The Corporation shall not carry on any activities not permitted to be carried on by a corporation that is exempt from federal income tax under Sections 501(a) and 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any future law), and state income tax under Section 43-1201.1 of the Arizona Revised Statutes (or the corresponding provisions of any future law).

Section 2. Membership

- 2.1 Members. The Corporation shall have members. Members shall be irrigation, water conservation, agricultural improvement, electrical, and power districts, and municipal and tribal utilities ~~formed, located~~ within the State of Arizona. ~~The initial members shall be those persons who were voting members of the Irrigation and Electrical Districts of Arizona.~~ By a vote of a majority of the Board of Directors, the Board may also admit as ~~voting~~ members, cities, towns, municipalities, Indian tribes, and electric cooperatives. ~~Each member~~ As the board of directors shall conduct all business of the Corporation, members shall have one vote in any matter submitted to the members for approval no voting rights.
- 2.2 Associate Members. The Corporation may have associate members, who shall not be entitled to appoint a representative to the Board of Directors and who shall have no voting rights. The terms and conditions of eligibility for an associate member shall be set from time to time by the Board of Directors, at its discretion.
- 2.3 Fees, Dues and Assessments. The Board of Directors may fix the annual dues to be paid by the members and by the associate members. The amount of dues paid by members and associate members may be varied by the Board of Directors.
- 2.4 Application for Membership. All applications for membership shall be in writing, and may be provided electronically or to the principal office, and shall be delivered to the attention of the Executive Director. The Executive Director will notify the Board of Directors, and put it on the agenda for approval. Membership is only effective after Board approval and deposit of the annual dues.

2.5 Membership Year. A member's membership period will be the calendar year. If [aan](#) organization is admitted as a member during a calendar year, the member's dues, if any, shall be prorated.

2.6 Termination of Membership.

- (a) Causes of Termination. The membership of any member shall terminate upon occurrence of any of the following events:
 - (i) The resignation of the member;
 - (ii) Expiration of the period of membership, unless the member sooner renews for a subsequent period on the renewal terms set by the Board of Directors;
 - (iii) Failure of a member to pay dues, fees, or assessments as set by the Board of Directors;
 - (iv) The occurrence of any event that renders such member ineligible for membership, or failure to satisfy membership qualifications; or
 - (v) The expulsion of the member, based upon the good-faith determination by the Board of Directors, or a committee authorized by the Board of Directors to make such a determination, that the member has failed in a material and serious degree to observe the rules and conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.
- (b) Suspension of Membership. A member may be suspended based on the good-faith determination by the Board of Directors, or a committee authorized by the Board of Directors to make such a determination, that the member has failed in a material and serious degree to observe the Corporation's rules of conduct or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation. An organization whose membership is suspended shall not be a member during the period of suspension.
- (c) Procedure for Expulsion. If grounds appear to exist for expulsion or suspension of a member under subsection (a) or (b) of this Section 2.6, the procedure set forth below shall be followed:
 - (i) The member shall be given fifteen (15) days' prior notice of the proposed expulsion or suspension and the reason for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by first class or registered mail to the member's last address as shown on the Corporation's records.
 - (ii) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed

expulsion or suspension. The hearing shall be held, or the written statement considered, by the Board of Directors or by a committee authorized by the Board of Directors to determine whether the expulsion or suspension should take place.

- (iii) The Board of Directors or committee shall decide whether or not the member shall be expelled, suspended, or sanctioned in some other way. The decision of the Board of Directors or committee shall be final.
- (iv) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination, or any such action shall be deemed to have been waived.

2.7 Transfer of Memberships. No member may transfer a membership or any right arising from it. All rights of membership cease on the member's death or dissolution.

2.8 Good Standing. Any member who is in arrears in the payment of any installment of dues shall not be in good standing and may not, at the discretion of the Board of Directors, be entitled to vote as a [director or](#) member.

Section 3. Board of Directors

3.1 General Powers. The management of the affairs of the Corporation shall be vested in a Board of Directors, each of whom must be a ~~member of the Corporation or a~~ duly authorized representative of a member of the Corporation. The Board of Directors shall have the power to adopt bylaws, to amend or repeal the same, to fill vacancies occurring in the Board of Directors, to elect officers, to appoint committees, including, without limitation, an executive committee, with such members, powers, and authority as they may confer, and to do all other things not prohibited by law to manage the affairs of the Corporation.

3.2 Number and Tenure. Each ~~district that is a~~ member shall appoint a natural person employed by the ~~district~~member as a director of the Corporation. Except as otherwise provided in these bylaws, the term of each director shall be ~~two (2) years~~one (1) year.

3.3 Vacancies. Vacancies in the Board of Directors prior to the expiration of a Director's term shall be filled by a successor appointed by the member who appointed the vacated directorship. The term of any Director who is elected to fill such a vacancy; shall end at the time the previous Director's term would have expired.

3.4 Removal. Any director may be removed, with or without cause, by either a majority vote of the members of the Corporation at any meeting properly called for such purpose or by the member who originally appointed the director. ~~Furthermore, if a Director fails to attend three (3) consecutive meetings of the Board of Directors, the Director will be removed without further action by the members of the Corporation effective thirty (30) days after the date of such third (3rd) absence, unless a majority of the other members of the Board~~

~~of Directors vote to excuse the director's absence at the third (3rd) meeting from which the Director is absent or at a special meeting of the Board of Directors called for such purpose.~~

- 3.5 Alternate Directors. A member may appoint by written notice to the President an alternate director to act in place of a Director who is unable to attend a Board meeting to vote by proxy or to vote or otherwise act for the current director ~~by signing an appointment form, either personally or by the director's attorney in fact, and the Corporation shall be entitled to accept the alternate's vote or other actions as those of the director making the appointment. The appointment is valid for one month unless a different period is expressly provided on the appointment form.~~ The appointment is at all times revocable by the director making the appointment. The appointment does not relieve the director of liability for acts or omissions imposed by law on the director.

Section 4. Officers

- 4.1 Designation. The principal officers of the Corporation shall be a President, a Vice-President, a Secretary, a Treasurer, an ~~Executive Director~~Assistant Secretary, and such other officers as may from time to time be appointed, each of whom shall be elected by the Board of Directors. Any two or more offices may not be held by one individual.
- 4.2 Election and Tenure of Office. All officers shall be elected by the Board of Directors ~~at each~~prior to the annual meeting. The officers elected shall hold office for a period of one (1) year, or until their successors are elected and qualified, but shall be subject to removal by the Board of Directors at any time. The first officers of the Corporation shall be elected by the Board of Directors at the first meeting of such Board of Directors and shall serve at the pleasure of the Board.
- 4.3 Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.
- 4.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

~~1.6 Executive Committee. The Executive Committee shall be made up of President, a Vice-President, a Secretary, a Treasurer. The Executive Committee shall be responsible for the following activities:~~

~~(a) Develop an agenda for each Board of Directors' meeting in consultation with the Executive Director;~~

~~(a) To provide guidance and support to the Executive Director as deemed necessary for accomplishing the Associations goals and objectives;~~

~~(b)(a) To conduct the annual performance review of the Executive Director based upon input from the Board of Directors. The annual performance review of the Executive Director shall be subject to the approval by the Board of Directors;~~

~~(b) To address any other issues expressly delegated to the Executive Committee by the Board of Directors;~~

- 4.5 President. The President shall be the chief executive officer of this Corporation. The President shall preside at all meetings of the Board of Directors. The President shall have all of the general powers and duties that are usually vested in the office of president of a corporation, including, without limitation, the power to appoint committees from among the members of the Board of Directors from time to time as the President may decide is appropriate to assist in the conduct of the affairs of this Corporation. If the President is unable to act, the Board of Directors shall appoint some other member of the Board of Directors other than the Secretary to do so on an interim basis.
- 4.6 Vice-President. The Vice-President shall perform such duties as are assigned by the Board of Directors. The Vice-President shall also serve as the Vice-President of the Board of Directors.
- 4.7 Secretary. The Secretary shall be responsible for the following:
- (a) Book of Minutes. Keeping or causing to be kept a book of minutes of all meetings and actions of directors, committees, and members.
 - (b) ~~(b)~~ Membership records. Keeping or causing to be kept a record of the Corporation's members.
 - (c) Notices. Giving or causing to be given, notice of all meetings of the members and of the Board of Directors. The Secretary of the Corporation shall also serve as the Secretary of the Board of Directors.
- 4.8 Treasurer. The Treasurer shall be responsible for the following:
- (a) Books of account. Keeping and maintaining or causing to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation.
 - (b) Deposit and disbursement of money and valuables. Depositing or causing to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors; disbursing or causing to be disbursed the funds of the Corporation as may be ordered by the Board of Directors, and whenever they request it, an account of all of the Treasurer's transactions and of the financial condition of the Corporation.

- (c) Bond. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board of Directors for faithful performance of the duties of said office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in said officer's possession or under said officer's control on said officer's death, resignation, retirement, or removal from office.

4.9 At-Large Members. The At-Large Members shall perform such duties as are assigned by the Board of Directors.

Section 5. Executive Director. ~~The~~

~~Role of Executive Director shall have the duties and responsibilities set forth in Section 1.4 and all other responsibilities as directed by the . The Executive Committee. They~~ Director shall be selected by the Board of Directors, and hold office until removed by death, resignation, or action of the Board of Directors. ~~The~~ shay Executive Director also serve as Assistant Secretary and the Executive Committee may authorize the Executive Director, as Assistant Secretary, to sign documents and conduct business on behalf of the company as appropriate. This Assistant Secretary position shall be a non-voting, ex-officio officer. The Executive Director shall be paid a salary in such amount as the Association, as determined by the Board of Directors. ~~They shall have supervision of the office of the Association. They~~ The Executive Director shall be reimbursed for the necessary expenses incurred while traveling and shall seek authorization for reimbursement from the Treasurer, with a copy to the President. ~~The Executive Director shall be a non-voting, non-elected officer.~~

Section 6. No Meetings of Members

No Meeting of Members. All business of the Corporation shall be conducted by the Board of Directors. No meetings of the members shall be held.

~~1.7 Section 7. Compensation. No compensation shall be paid to officers for their services as such, with the exception of the Executive Director. Officers may be reimbursed for their reasonable expenses in acting as officers as may be authorized by the Board of Directors from time to time.~~

~~Section 5. Meetings~~

~~Place of Meetings. Meetings of the members shall be held at the principal office of the Corporation, or at such other suitable place convenient to the members, as may be designated by the~~ **Board of Directors:**

- 7.1 Regular Meetings. Regular meetings of the ~~members~~ Board of ~~the Corporation~~ shall Directors may be held on such dates and ~~at such~~ times as determined by the Board of Directors.
- 7.2 Annual Meeting. ~~The annual meeting of members of the Corporation shall be held on a date and a time determined by the Board of Directors.~~ The annual meeting of the Board of

Directors shall be held ~~immediately following on~~ a date and time as determined by the ~~annual meeting~~Board of ~~the members~~Directors. At such annual meeting, ~~any newly elected directors shall meet with existing directors for the purposes of organization,~~the Board of Directors shall address the election of officers, and the transaction of other business. The Board of Directors may ~~provide by resolution~~establish the time and place, either within or without the State of Arizona, for the holding of additional regular meetings of the Board of Directors without other notice ~~than such resolution~~.

7.3 Special Meetings. Special meetings of the ~~members may be called at any time by any of the following: the~~ Board of Directors; ~~may be called by~~ the President; or ~~five percent (5%) or more by a majority of the members~~ of the ~~voting members~~. ~~The notice~~Board of any special meeting shall state the time and place of such meeting, the purpose thereof, and shall be delivered to the President, Vice President, Secretary, or Treasurer of the Corporation. ~~No business shall be transacted at a special meeting except as stated in the notice~~Directors. Unless otherwise specified in the notice thereof, any and all business may be transacted at a special meeting.

7.4 Notice of Meetings. ~~The Executive Director shall deliver or email a notice of each regular meeting, annual meeting, or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member at the member's address as it appears on the records of the Corporation.~~Notice of Meetings. Unless properly waived, notice of any meeting of the Board of Directors, stating the time and in general terms the purpose or purposes thereof, shall be ~~emailed~~mailed or faxed to all of the directors at least three (3) days prior to such meeting, to the last known address of each director as the same appears on the records of the Corporation. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

7.5 Place of Meetings. ~~The directors shall hold their meetings within or without the State of Arizona as the Board of Directors from time to time may determine. Unless otherwise determined, such meetings shall be held at the principal office of the Corporation.~~Meetings of the Board of Directors, whether regular or special, may be held by means of conference telephone or similar equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting.

~~7.5~~7.6 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. A meeting at which a quorum is initially present may continue and transact business notwithstanding the withdrawal of directors, provided that at least one-third of the directors then in office are present, and provided further, that any action is approved by at least a majority of the required quorum

for such meeting or such greater number as is required by the Articles of Incorporation, these bylaws, or by law. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by the Articles of Incorporation, these bylaws, or by law.

~~7.67.7~~ Chairman. At all meetings of the Board of Directors, the President, or in the President's absence, a Chairman chosen by the Directors present, shall preside.

~~7.77.8~~ Action Without A Meeting. Any action to be taken at a meeting of the directors or any action to be taken at a meeting of any committee may be taken without a meeting of such directors or committee members and without notice, as the case may be, if all of such directors or committee members consent to the action taken in writing.

~~2.1~~ Order of Business. ~~The order of business at all meetings of the members unless, otherwise specified by resolution or rule of the Board of Directors, shall be as follows:~~

~~(a) Roll Call;~~

~~(b) Guest Speaker~~

~~Reports of~~ Section 8. Committees ~~(Federal & State Reports, Water & Power);~~

~~(c) New business~~

~~(d) Approval of the Minutes of preceding meeting;~~

~~The chairperson at any meeting may make changes in the order of business and change the rules or procedures for the conduct of such meeting, unless there is objection thereto by a majority of those present. The Board of Directors need not follow Robert's Rules of Order.~~

~~2.2~~ Notice of Certain Agenda Items. ~~Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal(s):~~

~~(a) Removing a director without cause;~~

~~(b) Amending the Articles of Incorporation;~~

~~(c) Acting on any matters referred to the members by the Board of Directors;~~

~~(d) Electing to wind up and dissolve the Corporation; or~~

~~(e) Approving a plan of distribution of assets, other than cash, not in accordance with liquidation rights of any class or classes as specified in Articles or Bylaws, when the Corporation is in the process of winding up.~~

~~2.3 Manner of Casting Votes; Approval by Majority; Proxies. Voting shall be by voice or ballot, provided that any election of directors must be by secret ballot if there are a greater number of nominees than there are vacancies to be filled or if demanded by any member at the meeting before the voting begins. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number is required by Arizona corporation law. There shall be no voting by proxy in the Corporation.~~

~~2.4 Adjourned Meetings. If any meeting of members cannot be organized because a quorum is not present, the members who are present, in person, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.~~

~~2.5 Action Without A Meeting. Any action to be taken at a meeting of the members may be taken without a meeting of such members and without notice, as the case may be, if all of such members consent to the action taken in writing.~~

~~2.6 Compensation. The directors of the Corporation and all members of committees shall serve without salary, unless ordered by the directors. However, they shall be reimbursed for the necessary expenses incurred in the execution of their duties.~~

~~Section 6. Committees~~

8.1 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of at least one (1) director, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation; provided, however, that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any director or officer of the Corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law.

8.2 Executive Committee. The Executive Committee shall consist of the President, who shall serve as its ~~Chairman~~Chair, the Vice-President(s), the Secretary, the Treasurer and ~~not less than up to~~ two (2) At-Large members ~~of the Board of Directors elected by and from its membership~~. The executive committee shall carry out such responsibilities as may be assigned to it by the Board of Directors, including at a minimum:

(a) To develop an agenda for each Board of Directors' meeting in consultation with the Executive Director;

(b) To provide guidance and support to the Executive Director as deemed necessary for accomplishing the Associations goals and objectives;

(c) To conduct the annual performance review of the Executive Director based upon input from the Board of Directors. The annual performance review of the Executive Director shall be subject to the approval by the Board of Directors;

~~8.28.3~~ and Interim Action by Executive Committee. The Executive Committee may initiate action between meetings of the Board, which shall be subject to ratification by the Board of Directors. ~~Ratification may be accomplished at a meeting of the Board of Directors or by a poll of all members of the Board of Directors by mail or telephone. A majority of the~~ When a majority of members of the Board of Directors have voted affirmatively per ratification, the action voted upon shall be considered ratified. ~~Three (3)~~ members of the Executive Committee shall constitute a quorum, and no action may be taken without the concurrence of two-thirds ($\frac{2}{3}$) of the committee members present. Ratification may be accomplished at a meeting of the Board of Directors or by a poll of all members of the Board of Directors by mail, email, or telephone. When a majority of members of the Board of Directors have voted affirmatively per ratification, the action voted upon shall be considered ratified.

~~8.38.4~~ Other Committees. Other committees ~~not~~ having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which quorum is present.

~~8.48.5~~ Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the Corporation and until his successor is appointed, unless the committee is sooner terminated, or unless such member is removed from such committee, or unless such member ceases to qualify as a member thereof.

~~8.58.6~~ Chairman. One member of each committee shall be appointed Chairman by the person or persons authorized to appoint the members thereof.

~~8.68.7~~ Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

~~8.78.8~~ Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

8.88.9 Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

Section 79. Advancement Of Expenses

The Corporation may advance to any indemnified director or officer, costs of defense, including costs of preparing for and defending any claim, and costs of responding to any investigation or inquiry, upon execution of an undertaking to repay such advances to the Corporation, if it is determined that the person to whom costs of defense were advanced is not entitled to indemnification.

Section 810. Insurance

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, and other agents, against any liability asserted against or incurred by any officer, director, or agent in such capacity or arising out of the officer's, director's, or agent's status as such. The Corporation will purchase liability insurance to protect the Corporation, its officers, directors, and other agents sponsored by the Corporation in an amount determined to be adequate by the Board of Directors.

Section 11. Compensation⁹

No compensation shall be paid to officers, directors, or members of committees for their services as such, except for the Executive Director. However, each of the foregoing may be reimbursed for their reasonable expenses incurred in the execution of their duties as approved by the Board of Directors.

Section 12. Records and Reports

12.1 Maintenance of Corporate Records. The Corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of its members, Board of Directors, and committees of the Board of Directors;
- (c) A record of its members, giving their names, addresses, and the class of membership held by each. All such records shall be kept at the Corporation's principal office, or if its principal office is not in the State of Arizona, at its principal business office in this state.

12.2 Annual Report.

- (a) ~~(a)~~ An annual report shall be prepared within one hundred twenty (120) days after the end of the Corporation's fiscal year by an outside auditor. That report shall contain the following information in appropriate detail:

- (i) ~~1.~~ Internal Revenue Service 990 Report, completed by independent accountant(s). 990 shall be reviewed and approved by the Board of Directors prior to submittal to the IRS.
 - (ii) ~~2.~~ Any information that is required by the Arizona Revised Statutes or Federal Law.
- (b) The Corporation shall notify each member annually of the member's right to receive a financial report under this Section. On written request by a member, the Board of Directors shall promptly cause the most recent annual report to be sent to the requesting member.

Section 13. Finance:

- 13.1 The General Fund of the Association shall be composed of dues from Members of all classes and fees paid for services, donation, gifts, and sponsorships. The General Fund shall be used in a manner consistent with the approved annual budget.
- 13.2 The Executive Director shall prepare and furnish a monthly financial report to the Board of Directors.
- 13.3 The Executive Director shall submit the annual budget for the next fiscal year to the Board of Directors for approval by the Active Membership at the Membership Meeting.
- 13.4 The Executive Director and the Treasurer will be responsible for investing any surplus funds in a manner consistent with Board fiscal policies.

Section ~~10~~13. Liability and Indemnification

- 14.1 Directors and officers of the Corporation shall be immune from civil liability and shall not be subject to suit directly or by way of contribution for any act or omission resulting in damage or injury if such officer or director was acting in good faith and within the scope of his or her official capacity, unless such damage or injury was caused by the willful and wanton or grossly negligent conduct of such officer or director. The personal liability of any officer or director of the Corporation to the Corporation or its members or to other persons for monetary damages for breach of fiduciary duties as an officer or director is hereby eliminated to the fullest extent allowed under the Arizona Revised Statutes (~~presently, Article 5 of Chapter 25 of Title 10 of the Arizona Revised Statutes~~),² as amended from time to time; provided, however, that this ~~Article X~~Section 14.1 shall not eliminate or limit the liability of an officer or director for:
- (a) receipt of a financial benefit by a director or officer to which such person is not entitled;
 - (b) an intentional infliction of harm upon the Corporation or its members;

- (c) a violation of Arizona Revised Statutes § 10-3833; or
- (d) an intentional violation of criminal law.

14.2 The Corporation shall indemnify to the fullest extent allowed by applicable law, any person who incurs liability expense by reason of such person acting as an officer or director of the Corporation. This indemnification with respect to directors shall be mandatory, subject to the provisions of Arizona law, in all circumstances in which indemnification is permitted by law. Indemnification shall not be extended to any officer or director if the liability of such officer or director is based on any conduct described in clause (i) through (iv) of this Section 10. The Corporation shall indemnify, to the maximum extent from time to time permitted by applicable law, any person who incurs liability or expense by reason of such person acting as an incorporator, director, or officer of the Corporation. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law.

Section ~~11~~15. Amendment and Repeal

These bylaws, except as otherwise provided herein, may be amended or repealed, or new bylaws may be adopted, by a two-thirds vote in favor thereof by the Board of Directors in such instance as the Board of Directors may determine to be advisable. The Board of Directors, in its discretion, may refer an amendment of the bylaws to the member for their consideration and vote. Unless properly waived, notice of any meeting at which any action concerning the bylaws is proposed shall be mailed to all directors at least seven (7) days prior to such meeting, and in the same manner prescribed for giving notice of all meetings of the Board of Directors.

Such notice shall state in general terms the nature of any proposed action concerning the bylaws. These Bylaws are adopted as of the _____ day of _____, ~~2021~~2023.

[Signature page to follow]