

BYLAWS
OF
Southern Arizona Accessible Wildlife Refuge
An Arizona Nonprofit Organization

PREAMBLE

The following Bylaws shall be subject to, and governed by, the Arizona Nonprofit Corporation Act and the Articles of Incorporation of Southern Arizona Accessible Wildlife Refuge (“SAAWR”). In the event of a direct conflict between the herein contained provision of these Bylaws and the mandatory provisions of the Arizona Nonprofit Corporation Act, said Nonprofit Corporation Act shall be the prevailing controlling law. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of Southern Arizona Accessible Wildlife Refuge, it shall then be these Bylaws which shall be controlling.

ARTICLE 1 – NAME

The legal name of the Nonprofit Organization shall be known as Southern Arizona Accessible Wildlife Refuge (“SAAWR”).

ARTICLE 2 – PURPOSE

- Section 1.** *Charitable and Educational.* The purposes for which SAAWR is formed are those set forth in its Articles of Incorporation, which are exclusively for charitable and educational purposes.
- Section 2.** *Mission.* SAAWR is a 501(c)(3) nonprofit organization. SAAWR is devoted to providing individuals of diverse abilities opportunities to access the unique ecosystem of the Sonoran Desert and educating them about the role they play in maintaining healthy ecosystems. As an accessible wildlife refuge, we foster respect and understanding for biodiversity, and we are committed to ensuring that everyone has access to this unique ecosystem.
- Section 3.** In addition, SAAWR has been formed for the purpose of performing all things incident to, or appropriate in, the foregoing specific and primary purposes. However, SAAWR shall not, except to an insubstantial degree, engage in any activity or the exercise of any powers which are not in furtherance of its primary nonprofit purposes.
- Section 4.** SAAWR shall hold and may exercise all such powers as may be conferred upon any nonprofit organization by the laws of the State of Arizona and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of SAAWR. At no time and in no event shall SAAWR participate in any activities which have

not been permitted to be carried out by an Organization exempt under Section 501(c) of the Internal Revenue Code of 1986 (the "Code"), such as certain political and legislative activities.

ARTICLE 3 – OFFICES

- Section 1.** The principal office of SAAWR shall be located in Tucson, AZ.
- Section 2.** SAAWR may have other such offices as the Board of Directors may determine or deem necessary, or as the affairs of SAAWR may find a need for from time to time, provided that any permanent change of address for the principal office is properly reported as required by law.

ARTICLE 4 – DEDICATION OF ASSETS

- Section 1.** *Properties.* The properties and assets of SAAWR are irrevocably dedicated to and for nonprofit purposes only. No part of the net earnings, properties, or assets of this Organization, on dissolution or otherwise, shall inure to the benefit of any person or any member, director, or officer of this Organization.
- Section 2.** *Dissolution.* On liquidation or dissolution, all remaining properties and the assets of SAAWR shall be distributed and paid over to an organization dedicated to nonprofit purposes which has established its tax-exempt status pursuant to Section 501(c)(3) of the Code.

ARTICLE 5 – BOARD OF DIRECTORS

- Section 1.** *General Powers and Responsibilities.* SAAWR shall be governed by a Board of Directors (the "Board"), which shall have all the rights, powers, privileges, and limitations of liability of directors of a nonprofit corporation organized under the Arizona Nonprofit Corporation Act. The Board shall establish policies and directives governing the business and programs of SAAWR and shall delegate to the Executive Officers and Organization staff, subject to the provisions of these Bylaws, authority, and responsibility to see that the policies and directives are appropriately followed.
- Section 2.** *Number and Qualifications.* The Board shall have up to five (5) members, but no fewer than one (1) Board member. The number of Board members may be increased beyond five (5) members by the affirmative vote of two-thirds (2/3) of the then-serving Board of Directors. A Board member must be a resident of the State of Arizona.
- Section 3.** *Ex-Officio Board Members.* In addition to the regular membership of the Board, representatives of such other organizations or individuals as the Board may deem advisable to elect shall be *Ex-Officio Board Members*, which will have the same rights and obligations, including voting power, as the other directors.

Section 4. Board Compensation. The Board shall receive no compensation other than for reasonable expenses. However, provided the compensation structure complies with Article 7 —EXECUTIVE COMPENSATION as stipulated under these Bylaws, nothing in these Bylaws shall be construed to preclude any Board member from serving SAAWR in any other capacity and receiving compensation for services rendered.

Section 5. Board Elections. The Governance Committee, if created, shall present nomination for new and renewing Board members bi-annually. Recommendations from the Governance Committee shall be made known to the Board in writing before nominations are made and voted on. New and renewing Board members shall be approved by a majority of those Board members at a Board meeting at which a quorum is present. If no Governance Committee is created, then this duty shall fall upon another committee created for that purpose or upon the Board of Directors.

Section 6. Term of Board. All appointments to the Board shall be for a term of two (2) years. No person shall serve more than three (3) consecutive terms unless a majority of the Board, during the course of a Board meeting at which a quorum is present, votes to appoint a Board member to two (2) additional years. No person shall serve more than eight (8) consecutive years. After serving the maximum total number of consecutive years on the Board, a member may be eligible for reconsideration as a Board member after one (1) year has passed since the conclusion of such Board member's service.

Section 7. Vacancies. A vacancy on the Board of Directors may exist at the occurrence of the following conditions:

- a) The death, resignation, or removal of any director;
- b) The declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, found by final order or judgment of any court to have breached a duty pursuant to the Corporation Code and/or Act of the law dealing with the standards of conduct for a director, or has missed five (5) consecutive meetings of the Board during any one calendar year;
- c) An increase in the authorized number of directors; or
- d) The failure of the directors, at any annual or other meeting of directors at which director(s) are to be elected, to elect the full authorized number of directors.

The Board of Directors, by way of affirmative vote of two-thirds (2/3) of the directors then currently in office, may remove any director without cause at any regular or special meeting, provided that the director to be removed has been notified in writing in the manner set forth in this Article that such action would be considered at the meeting.

Except as provided in this paragraph, any director may resign effective upon giving written notice to the chair or the Board, the president of SAAWR, the secretary of SAAWR, or the Board of Directors, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be designated to take office when the resignation becomes effective.

Unless the Attorney General of Arizona is first notified, no director may resign when the Organization would then be left without a duly elected director in charge of its affairs.

Any vacancy on the Board may be filled by a simple majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

A Board member elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 8. Resignation. Each Board member shall have the right to resign at any time upon written notice thereof to the Chair of the Board. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

Section 9. Removal. A Board member may be removed, with or without cause, at any duly constituted meeting of the Board, by the affirmative of two-thirds (2/3) of then-serving Board members.

Section 10. Meetings. The Board's regular meetings may be held at such time and place as shall be determined by the Board. The Chair of the Board or any two (2) regular Board members may call a special meeting of the Board with seven (7) days' written notice provided to each member of the Board. The notice shall be served upon each Board member via hand delivery, regular mail, or email. The person(s) authorized to call such special meetings of the Board may also establish the place the meeting is to be conducted, so long as it is a reasonable place to hold any special meeting of the Board.

Section 11. Minutes. The Secretary shall be responsible for the recording of all minutes of each and every meeting of the Board in which business shall be transacted in such order as the Board may determine from time to time. The Chair of the Board shall appoint an individual to act as Secretary at each meeting. The Secretary, or the individual appointed to act as Secretary, shall prepare the minutes of the meetings, which shall be delivered to SAAWR to be placed in the minute books. A copy of the minutes shall be delivered to each Board member via either hand delivery, regular mail, email, or shared online within a cloud storage system (e.g., Google Drive, Dropbox, etc.) within three (3) business days after the close of each Board meeting.

Section 12. Quorum. At each meeting of the Board of Directors or Board Committees, the presence of a simple majority of persons shall constitute a quorum for the transaction of business. If at any time the Board consists of an even number of members and a vote results in a tie, then the vote of the Chair of the Board shall be the deciding vote. The act of the majority of the Board members serving on the Board or Board Committees and present at a meeting in which there is a quorum shall be the act of the Board or Board Committees, unless otherwise provided by the Articles of Incorporation, these

Bylaws, or a law specifically requiring otherwise. If a quorum is not present at a meeting, the Board members present may adjourn the meeting from time to time without further notice until a quorum shall be present. However, a Board member shall be considered present at any meeting of the Board or Board Committees if during the meeting he or she is present via telephone or web conferencing with the other Board members participating in the meeting.

Section 13. Voting. Each Board member shall have only one vote.

Section 14. Board Member Attendance. An elected Board Member who is absent from three (3) consecutive regular meetings of the Board during a fiscal year shall be encouraged to reevaluate with the Chair of the Board his/her commitment to SAAWR. The Board may deem a Board member who has missed five (5) consecutive meetings without such a reevaluation with the Chair to have resigned from the Board.

ARTICLE 6 – EXECUTIVE COMMITTEE

Section 1. Executive Officers. The Executive Officers of SAAWR shall consist of a President/Chief Executive Officer (“CEO”), a Vice President/Chief Operating Officer (“COO”), and a Treasurer/Chief Financial Officer (“CFO”). A single person may hold the title of not more than two (2) Officers. Executive Officers shall be voting members of the Board, in accordance with Article 7, Section 3.B(1) of these Bylaws.

Section 2. Duties. In addition to the duties in accordance with this Article, Executive Officers shall conduct all other duties typically pertaining to their offices and other such duties which may be required by law, Articles of Incorporation, or by these bylaws, subject to control of the Board of Directors, and they shall perform any other such additional duties which the Board of Directors may assign to them at their discretion.

Section 3. Selection. The Executive Officers will be selected by the Board at its annual meeting (or in accordance with Article 7 – Executive Compensation of these Bylaws, if an Officer is compensated), and shall serve the needs of the Board, subject to all the rights, if any, of any officer who may be under a contract of employment. Therefore, without any bias or predisposition to the rights of any officer that may be under any contract of employment, any officer may be removed with or without cause by the Board. All officers have the right to resign at any time by providing notice in writing to the CEO, COO, and/or Board of Directors, without bias or predisposition to all rights, if any, of SAAWR under any contract to which said officer is a part thereof. All resignations shall become effective upon the date on which the written notice of resignation is received or at any time later as may be specified within the resignation; and unless otherwise indicated within the written notice, a stated acceptance of the resignation shall not be required to make the resignation effective.

Section 4. Vacancies. Any and all vacancies in any office because of death, resignation, disqualification, removal, or for any other cause, shall be filled in accordance with the

herein prescribed Bylaws for regular appointments to such office. The compensation, if any, of the officers shall be fixed or determined by resolution of the Board of Directors.

Section 5. Chair of the Board (Chief Executive Officer). The CEO shall be the Chair of the Board. It shall be the responsibility of the CEO, when present, to preside over all meetings of the Board of Directors and Executive Committee. The Chair of the Board is authorized to execute, in the name of SAAWR, any and all contracts or other documents which may be authorized, either generally or specifically, by the Board to be executed by SAAWR, except when required by law that the CEO's signature must be provided.

ARTICLE 7 – EXECUTIVE COMPENSATION

Section 1. Philosophy. It is SAAWR's philosophy that the Executive Officers are the principal representatives of SAAWR, and the people responsible for the efficient operation of the Organization. Therefore, it is the desire of SAAWR and its Board to provide a fair, yet reasonable and not excessive, compensation for the Executive Officers ("Compensated Individuals").

Section 2. Policy. It is the policy of SAAWR that all compensation paid by the organization is reasonable based upon a review of comparability information. This policy provides procedure for the review and approval of the compensation of the Compensated Individuals.

Section 3. Procedure for Approval of Compensation. The annual process for determining compensation is as follows:

- A. General.** The Board of Directors shall annually evaluate and approve each of the Compensated Individuals on their performance and ask for their input on matters of performance and compensation.
- B. Specific Requirements.** The Board reviewing and approving compensation for Compensated Individuals shall satisfy the following requirements or procedures:
 - (1) Approval by Persons Without a Conflict of Interest.** Compensation shall be reviewed and approved by the Board, provided that persons with a conflict of interest with respect to the compensation arrangement at issue are not involved. Members of the Board do not have a conflict of interest if they (a) are not benefitting from or participating in the compensation arrangement; (b) are not in an employment relationship subject to the direction or control of any person benefitting from or participating in the compensation arrangement; (c) do not receive compensation or other payments subject to the approval of any person benefitting from or participating in the compensation arrangement; (d) have no material financial interest affected by the compensation arrangement; and (e) do not approve a transaction providing economic benefits to any person participating in the compensation arrangement,

who in turn has or will approve a transaction providing economic benefits to the member.

(2) Use of Comparability Data. In its review and approval of compensation, the Board shall affirmatively determine that compensation is reasonable to the organization based upon information sufficient to determine whether the value of services is the amount that would ordinarily be paid for like services by like enterprises, whether taxable or exempt, under like circumstances. Relevant information includes, but is not limited to:

- a) Salary and benefit compensation studies by independent sources;
- b) Compensation levels paid by similarly situated organizations, both taxable and exempt, for functionally comparable positions;
- c) Written job offers for positions at similar organizations competing for the services of the compensated person(s);
- d) The availability of similar services in the geographic area of the organization; and
- e) Information obtained from the IRS Form 990 filings of similar organizations.

If the organization has average annual gross receipts of less than \$1 million for the prior three tax years, the Board will have appropriate comparability information if it has information on compensation paid by three comparable organizations in the same or similar communities for similar services.

Section 4. Concurrent Documentation. To approve compensation for the Executive Officers, the Board must document how it reached its decisions, including the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:

- a) A description of the compensation and benefits and the date it was approved;
- b) The members of the Board who were present during the discussion about compensation and benefits, and the results of the vote;
- c) A description of the comparability data relied upon and how the data was obtained;
- d) Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by anyone who is otherwise a member of the Board but who had a conflict of interest with respect to the decision on the compensation and benefits; and
- e) If the reasonable compensation is higher or lower than the range of comparability data obtained, the basis for the decision.

Such minutes shall be reviewed and approved by the Board as reasonable, accurate, and complete within a reasonable time after the review and approval of the compensation.

Section 5. Independence in Setting Compensation. The Chair of the Board of Directors, who is a volunteer and not compensated by SAAWR, will operate independently without undue influence from the CEO.

ARTICLE 8 – COMMITTEES

Section 1. Committees of Directors. The Board of Directors may, from time to time, and by resolution adopted by a majority of the directors then in office provided that the quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to extent of the powers specifically delegated in the resolution of the Board or in these Bylaws. Each such committee shall consist of at least 2 people and may also include persons who are not on the Board but whom the directors believe to be reliable and competent to serve at the specific committee. However, committees exercising any authority of the Board of Directors may not have any non-director members. The Board may designate one or more alternative members of any committee who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution, may:

- a) Approve of any action that, pursuant to applicable Law, would also require the affirmative vote of the members of the Board if this were a membership vote.
- b) Fill vacancies on, or remove members of, the Board of Directors or any committee that has the authority of the Board.
- c) Fix compensation of the directors serving on the Board or on any committee.
- d) Amend or repeal the Articles of Incorporation or bylaws or adopt new bylaws.
- e) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- f) Appoint any other committees of the Board of Directors or their members.
- g) Approve a plan of merger, consolidation, voluntary dissolution, bankruptcy, or reorganization; or a plan for the sale, lease, or exchange of all or considerably all of the property and assets of the Organization otherwise than in the usual and regular course of its business; or revoke any such plan.
- h) Approve any self-dealing transaction, except as provided pursuant to law.

Unless otherwise authorized by the Board of Directors, no committee shall compel SAAWR in a contract or agreement or expend Organization funds.

Section 2. Meetings and Actions of Committees. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 7— Committees of these Bylaws concerning meetings and actions of the directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of

Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the Organization records. The Board of Directors may adopt rules not consistent with the provision of these bylaws for the governance of any committee.

If a director relies on information prepared by a committee of the Board on which the director does not serve, the committee must be composed exclusively of any or any combination of (a) directors, (b) directors or employees of SAAWR whom the director believes to be reliable and competent in the matters presented, or (c) counsel, independent accountants, or other persons as to matters which the director believes to be within that person's professional or expert competence.

ARTICLE 8 – STANDARD OF CARE

Section 1. *General.* A director shall perform all the duties of a director, including, but not limited to, duties as a member of any committee of the Board on which the director may serve, in such a manner as the director deems to be in the best interest of SAAWR and with such care, including reasonable inquiry, as an ordinary, prudent, and reasonable person in a similar situation may exercise under similar circumstances.

In the performance of the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- a) One or more officers or employees of the Organization whom the director deems to be reliable and competent in the matters presented;
- b) Counsel, independent accountants, or other persons, as to the matters which the director deems to be within such person's professional or expert competence; or
- c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director deems to merit confidence,

so long as in any such case the director acts in good faith, after reasonable inquiry when the need may be indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Except as herein provided in Article 8 – Standard of Care, any person who performs the duties of a director in accordance with the above shall not have liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limitation of the following, any actions or omissions which exceed or defeat a public or charitable purpose to which the Organization, or assets held by it, are dedicated.

Section 2. Loans. The Organization shall not make any loan of money or property to, or guarantee the obligation of, any director or officer, unless approved by the Arizona Attorney General; provided, however, that SAAWR may advance money to a director or officer of the Organization or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

ARTICLE 9—CONFLICT OF INTEREST

Section 1. Purpose. The purpose of the Conflict of Interest policy is to protect the SAAWR's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations and is not intended as an exclusive statement of responsibilities.

Section 2. Definitions.

- a) *Interested Person.* Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b) *Financial Interest.* A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - (1) An ownership or investment interest in any entity with which SAAWR has a transaction or agreement,
 - (2) A compensation arrangement with SAAWR or with any entity or individual with which SAAWR has a transaction agreement, or
 - (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SAAWR is negotiating a transaction or arrangement.
 - (4) Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial. A financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Procedures.

- a) *Duty to Disclose.* In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors who are considering the proposed transaction or arrangement.
- b) *Determining Whether a Conflict of Interest Exists.* After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

- c) *Procedures for Addressing the Conflict of Interest.*
- (1) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - (2) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - (3) After exercising due diligence, the governing board or committee shall determine whether SAAWR can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - (4) If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in SAAWR's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
- d) *Violations of the Conflict of Interest Policy.*
- (1) If the governing board or committee has a reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - (2) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

- Section 4.** *Records of Proceedings.* All minutes of the Board Meetings, when applicable, shall contain the following information:
- a) The names of all the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
 - b) The names of the persons who were present for discussions and any votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any vote taken in connection with the proceedings.

- Section 5.** *Compensation.*
- a) A voting member of the governing board who receives compensation, directly or indirectly, from SAAWR for services is precluded from voting on matters pertaining to that member's compensation.

- b) A voting member of any committee whose jurisdiction included compensation matters and who receives compensation, directly or indirectly, from SAAWR for services is precluded from voting on matters pertaining to that member's compensation.
- c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from SAAWR, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6. Annual Statements. Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a) Has received a copy of the conflict of interest policy,
- b) Has read and understands the policy,
- c) Has agreed to comply with the policy, and
- d) Understands that SAAWR is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews. To ensure that SAAWR operates in a manner consistent with charitable purposes, and doesn't engage in activities that could jeopardize its tax-exempt status, periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b) Whether partnerships, joint ventures, and arrangements made with management organizations to conform to SAAWR's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't result in inurement, impermissible private benefit, or in excess benefit transaction.

Section 8. Use of Outside Experts. When conducting periodic reviews, as provided for in Section 7, SAAWR may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Section 9. Violation of Loyalty – Self-Dealing Contracts. A self-dealing contract is any contract or transaction (i) between this Organization and one or more of its Directors, or between this Organization and any corporation, firm, or association in which one or more of the Directors has a material financial interest ("Interested Director"), or (ii) between this Organization and a corporation, firm, or association of which one or more of its directors are Directors of this Organization. Said self-dealing shall not be void or voidable because such Director(s) of corporation, firm, or association are parties or because said Director(s) are present at the meeting of the Board of Directors or committee which authorizes, approves, or ratifies the self-dealing contract, if:

- a) All material facts are fully disclosed to or otherwise known by the members of the Board and the self-dealing contract is approved by the Interested Director in good

faith (without including the vote of any membership owned by said interested Director(s));

- b) All material facts are fully disclosed to or otherwise known by the Board of Directors or committee, and the Board of Directors or committee authorizes, approves, or ratifies the self-dealing contract in good faith—without counting the vote of the Interested Director(s)—and the contract is just and reasonable as to the Organization at the time it is authorized, approved, or ratified; or
- c) As to contracts not approved as provided in above sections (a) and/or (b), the person asserting the validity of the self-dealing contract sustains the burden of proving that the contract was just and reasonable as to the Organization at the time it was authorized, approved, or ratified.

Interested Director(s) may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof, which authorizes, approves, or ratifies a contract or transaction as provided for and contained in this section.

Section 10. Indemnification. To the fullest extent permitted by law, the Organization shall indemnify its “agents,” as described by law, including its directors, officers, employees and volunteers, and including persons formerly occupying any such position, and their heirs, executors and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” and including any action by or in the right of SAAWR, by reason of the fact that the person is or was a person as described in the Nonprofit Corporation Act. Such right of indemnification shall not be deemed exclusive of any other right to which such persons may be entitled apart from this Article.

SAAWR shall have the power to purchase and maintain insurance on behalf of any agent of SAAWR, to the fullest extent permitted by law, against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, or to give other indemnification to the extent permitted by law.

ARTICLE 10 – MEMBERSHIP

Section 1. Composition. SAAWR shall have members.

Section 2. New Members. New members shall be admitted upon completing a registration form and paying dues annually.

Section 3. Terms. Membership shall begin on the date of payment of dues, and continue for one (1) calendar year through the end of the membership month. Active members shall be those who have paid membership until renewal payment of dues becomes delinquent. Membership privileges shall be terminated upon delinquency of payment and removal of membership.

Section 4. Voting. Members shall not have voting rights within SAAWR.

ARTICLE 11 – EXECUTION OF CORPORATE INSTRUMENTS

Section 1. *Execution of Corporate Instruments.* The Board of Directors may, at its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Organization.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of SAAWR, promissory notes, deeds of trust, mortgages, other evidences of indebtedness of the Organization, other organization instruments or documents, memberships in other organizations, and certificate of shares of stock owned by SAAWR shall be executed, signed, and/or endorsed by the Chief Financial Officer.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Organization, or in special accounts of the Organization, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

Section 2. *Loans and Contracts.* No loans or advances shall be contracted on behalf of SAAWR and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board of Directors. Without the express and specific authorization of the Board, no officer or other agent of SAAWR may enter into any contract or execute and deliver any instrument in the name of and on behalf of SAAWR.

ARTICLE 12 – RECORDS AND REPORTS

Section 1. *Maintenance and Inspection of Articles and Bylaws.* SAAWR shall keep at its principal office the original copy or a copy of its Articles of Incorporation and bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during office hours.

Section 2. *Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns.* SAAWR shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Section 3. *Maintenance and Inspection of Other Corporate Records.* SAAWR shall keep adequate and correct books and records of accounts and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at a place or places designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of SAAWR. The minutes shall be kept in written or typed form or in any form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of SAAWR shall turn over to

his or her successor or the Chair of the Board or President, in good order, such organization monies, books, records, minutes, lists, documents, contracts, or other property of SAAWR as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of SAAWR and each of its subsidiary organizations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

Section 4. Preparation of Annual Financial Statements. SAAWR shall prepare annual financial statements using generally accepted accounting principles. Such statements shall be audited by an independent certified public accountant, in conformity with generally accepted accounting standards. SAAWR shall make these financial statements available to the Arizona Attorney General and members of the public for inspection no later than one hundred twenty (120) days after the end of the fiscal year of the Organization, which shall contain the following information:

- a) The assets and liabilities, including trust funds, of this organization at the end of the fiscal year.
- b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- c) The expenses or disbursements of the Organization for both general and restricted purposes during the fiscal year.
- d) The information required by Nonprofit Corporation Act concerning certain self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.

The report shall be accompanied by any pertinent report from an independent accountant or, if there is no such report, the certificate of an authorized officer of SAAWR that such statements were prepared without audit from the books and records of the Organization.

ARTICLE 13 – FISCAL YEAR

The fiscal year for this Organization shall end on September 30th.

ARTICLE 14 – AMENDMENTS AND REVISIONS

These bylaws may be adopted, amended, or repealed by two-thirds (2/3) of the directors then in office. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations, therefore, is given in accordance with these Bylaws. If any provision of these Bylaws requires the vote of a larger portion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed by that greater vote.

ARTICLE 15 – CORPORATE/ORGANIZATION SEAL

The Board of Directors may adopt, use, and alter an organization seal. The seal shall be kept at the principal office of SAAWR. Failure to affix the seal to any corporate/organization instrument, however, shall not affect the validity of that instrument.

ARTICLE 16 – CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Nonprofit Corporation Act as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural, and the plural number includes the singular, and the term “person” includes an Organization as well as a natural person. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

Adopted: 5/16/21

Amended: 6/6/21, Name change—remove “Southwest” and add “Southern Arizona”; Acronym change (from SWAWR to SAAWR) to match name change

Amended: 8/22/21, Amend Conflict of Interest Policy—create new Article (Article 9) to specifically address Conflict of Interest; renumerate remaining Articles thereafter