



**BYLAWS  
OF  
THE ARIZONA COMMERCE AUTHORITY**

**SECTION ONE  
NAME AND CHARACTER**

The name of this Authority is the Arizona Commerce Authority. The Authority has been created and organized pursuant to the provisions of Arizona Revised Statutes § 41-1501 et seq., as amended from time to time (the “**Act**”).

**SECTION TWO  
OFFICES AND CORPORATE SEAL**

2.1 Principal Office. The known place of business and current mailing address of the Authority is 333 North Central Avenue, Suite 1900, Phoenix, Arizona 85004.

2.2 Other Offices. The Authority may maintain offices at such other place or places, as may be designated from time to time by the Board of Directors (the “**Board**”), where the business of the Authority may be transacted with the same effect as though done at the principal office.

2.3 Seal. A seal shall not be required to establish the validity of any instrument executed by or on behalf of the Authority, but, nevertheless, if in any instance a seal is used, the same shall, at the pleasure of the officer affixing the same, be either: (a) a circle having on the circumference thereof “The Arizona Commerce Authority,” and in the center “Organized 2011 – Arizona”; or (b) a circle containing the words “Authority Seal” on the circumference thereof.<sup>1</sup>

**SECTION THREE  
BOARD OF DIRECTORS**

3.1 Appointment. The Board shall be appointed and serve terms in accordance with the provisions of the Act.<sup>2</sup> Ex officio members of the Board without the power to vote shall be appointed in accordance with the Act.<sup>3</sup>

3.2 Powers and Duties. The members of the Board shall have those powers and duties set forth in the provisions of the Act and as may be afforded by and subject to the

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<sup>1</sup> Derived from A.R.S. § 41-1504(A)(1).

<sup>2</sup> A.R.S. § 41-1502.

<sup>3</sup> A.R.S. § 41-1502(A)(4).

limitations and restrictions of applicable law, as amended from time to time. The Board shall approve the annual budget for the Authority and any material revisions thereof.

3.3 Time and Place of Meetings; Notice of Meetings; Agenda. All business meetings of the Board shall be held on such a date and at such time and place as may be fixed from time to time by the Chairperson. Any meeting held by the Board, except as provided in A.R.S. § 41-1502(I), is subject to the notice provisions of, and must be open to the public in accordance with, A.R.S. §§38-431 *et seq.* The Chairperson shall set the agenda for each Board meeting. The Chairperson shall preside at the meetings of the Board. At each Board meeting, members shall be given the opportunity to identify items they wish to have placed on future agendas.

3.4 Quorum/Voting. A majority of the voting membership of the Board, which must include the Chairperson and the Chief Executive Officer, shall constitute a quorum, and the concurrence of a majority of those present and entitled to vote shall be sufficient to conduct the business of the Board, except as may be otherwise specifically provided by statute or other applicable law.<sup>4</sup>

3.5 Telephonic Communication. Unless otherwise prohibited or restricted by statute or resolution of the Board, meetings of the Board may be held by means of a conference telephone call or similar communications equipment arrangement that allows all persons participating in the meeting to hear each other. Participation by means of communications equipment shall constitute presence in person at the meeting. Any member participating telephonically shall identify himself or herself whenever he or she makes a comment.

3.6 Resignation. A voting member of the Board may resign from the Board at any time. Resignation from the Board must be in writing and received by the Chairperson.<sup>5</sup> The resignation will become effective ten calendar days following delivery of the notice unless the notice specifies a later date or the Chairperson waives the ten-day period.

3.7 Removal. A voting member of the Board (and ex-officio members) shall be automatically removed without action of the Board upon the occurrence of any of the following:

- a. The death of the member.
- b. Insanity of the member, judicially determined.
- c. The member ceases to be a resident of the state.
- d. The member fails to attend at least three (3) consecutive regular meetings of the Board, without excuse reasonably acceptable to the Chairperson.
- e. Conviction of the member of a felony or an offense involving a violation of the member's official duties to the Authority.<sup>6</sup>

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<sup>4</sup> A.R.S. § 41-1502(G).

<sup>5</sup> Based on A.R.S. § 38-294(7).

<sup>6</sup> Analogous to A.R.S. § 38-291.

3.8 Vacancies. Any vacancy in any of the Board positions shall be filled in accordance with the provisions of the Act and by other provisions of law by the elected official or his or her successor who made the prior appointment to the vacant position. Such official shall be notified in writing of the existence of the vacancy.<sup>7</sup>

3.9 Executive Session. The Board may convene executive sessions pursuant to Article 3.1, Chapter 3, Title 38 of the Arizona Revised Statutes. Except for the President of the Senate and the Speaker of the House of Representatives, non-voting members of the Board will not participate in executive sessions of the Board.

3.10 Records. The Board shall keep and maintain a complete and accurate record of all of its proceedings. Public access to the Board's records is subject to A.R.S. §41-1504(L).

## **SECTION FOUR OFFICERS**

4.1 Chief Executive Officer. Pursuant to the Act, the Board shall hire a Chief Executive Officer of the Authority.

a. The Board shall prescribe the terms and conditions of employment for the Chief Executive Officer.

b. The Chief Executive Officer shall have such duties as are directed by the Board and as prescribed by the Act.

c. The Chief Executive Officer shall have authority to hire the Authority's employees and prescribe the terms and conditions of their employment as are necessary to carry out the purposes of the Authority, subject to any hiring policies of the Authority approved by the Board.<sup>8</sup>

4.2 Contracts and Commitments. The Board and Chief Executive Officer have concurrent authority under the Act to enter into obligations or contracts, or to execute or deliver instruments, on behalf of the Authority ("Contract Authority"). Except as otherwise provided by the Act, applicable law, and Authority policies, the Board may authorize, by resolution or other writing, specific officers to exercise the Board's Contract Authority, and such authorization may be general or confined to specific circumstances. Each officer so authorized may delegate such authorization but only if and to the extent that such delegation is set forth in a document signed by such officer and filed with the Chairperson. The Chief Executive Officer may also delegate his or her Contract Authority but only to the extent the Chief Executive Officer so designates in a document signed by the Chief Executive Officer and filed with the Chairperson. Any authorization or delegation under this section may be withdrawn at any time by the Board or officer, as applicable, by filing a writing with the Chairperson and giving notice to the person to whom the authorization was previously granted.

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<sup>7</sup> See A.R.S. § 41-1502; 38-292.

<sup>8</sup> A.R.S. § 41-1503(C).

**SECTION FIVE  
COMMITTEES OF THE BOARD OF DIRECTORS**

5.1 Committees. The Board establishes the following committees of the Board:

a. *Executive Committee.* The executive committee will consist of the Chairperson, Co-Chairperson, the Chief Executive Officer and additional voting members of the Board elected by the Board.<sup>9</sup> The Chairperson shall be the chairperson of the Executive Committee. To the extent provided by the Board in a resolution, the Executive Committee shall have and may exercise all the authority of the Board, provided, however, that the Executive Committee shall not have the authority of the Board in the following matters: (a) the filling of vacancies on the Board or on any committee; (b) the amendment or repeal of these bylaws; (c) the removal of any member of the Board; or (d) the adoption, amendment repeal of any ACA policies.

b. *Other Board Committees.* Standing and other committees and subcommittees of the Board may be created or disbanded from time to time by the Chairperson as dictated by the needs of the Board in the judgment of the Chairperson.<sup>10</sup>

5.2 Meetings of the Committees. All committee meetings of the Board shall be held on such date and at such time and place as may be fixed from time to time by the chairperson of that committee. Any meeting of a committee, except as provided in A.R.S. § 41-1502(I), is subject to the notice provisions of, and must be open to the public in accordance with, A.R.S. §§38-431 *et seq.* The committee chairperson shall set the agenda for each committee meeting and shall preside at such meeting. At each committee meeting, members shall be given the opportunity to identify items they wish to have placed on future agendas.

5.3 Telephonic Communication. Unless otherwise prohibited by statute or resolution of the Board, meetings of the committees may be held by means of a conference telephone call or similar communications equipment arrangement that allows all persons participating in the meeting to hear each other. Participation by means of communications equipment shall constitute presence in person at the meeting. Any member participating telephonically shall identify himself or herself whenever he or she makes a comment.

5.4 Tenure of Committee Members. Except in the case of resignation, disqualification, expiration of term, removal or the inability to serve for any reason, each member of any committee shall hold office until his or her successor is elected and qualified.

**SECTION SIX  
INDEMNIFICATION OF DIRECTORS,  
OFFICERS, EMPLOYEES AND AGENTS**

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<sup>9</sup> A.R.S. § 41-1502(D).

<sup>10</sup> *Id.*

Each of the Authority's directors, officers, employees and agents (each an "**Indemnitee**") are entitled to indemnification to the extent provided by, and subject to, applicable law. An Indemnitee shall notify the Authority promptly of the threat or commencement of any proceeding or legal action with respect to which the Indemnitee intends to seek indemnification. The Authority's procedure for handling an event of indemnification shall be as set forth by the State or Arizona Department of Administration.

**SECTION SEVEN  
REPEAL, ALTERATION OR AMENDMENT**

These bylaws may be repealed, altered or amended, or substitute bylaws may be adopted, only by vote of a majority of the Board.

**CERTIFICATE OF ADOPTION**

The undersigned Chairperson of the Authority does hereby certify that the Board of Directors of the Arizona Commerce Authority adopted the foregoing bylaws pursuant to a motion of the Board of Directors dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_