

**AMENDED AND RESTATED  
BYLAWS  
OF  
ARIZONA ASSOCIATION FOR ECONOMIC DEVELOPMENT**

**ARTICLE I.**

**NAME**

The name of this statewide organization shall be the Arizona Association for Economic Development, hereafter referred to as the "Association."

**ARTICLE II.**

**PURPOSES**

**Section 1. Mission**

The mission of AAED is to serve as Arizona's unified voice advocating for responsible economic development through an effective program of professional education, public policy, and collaboration..

**Section 2. Specific Purpose of Association**

The Association is a voluntary affiliation, providing a medium for pooling of the mutual interests of the professional and economic development personnel within Arizona for the following purposes:

- (a) Education
  - (i) Upgrading the technical knowledge, professional techniques and proficiency of persons in Arizona dedicated to the advancement of economic development;
- (b) Advocacy
  - (i) Advocate for legislative policy that increases Arizona's economic development competitiveness.
- (c) Collaboration
  - (i) Promoting the exchange of ideas, principles, practices and ethics in the fields of economic development in and for Arizona.

- (ii) Supporting, counseling, cooperating and partnering with other organizations in Arizona to improve the business and economic environment of Arizona.

**Section 3. Area of Operation**

The Associations' operational work area is the State of Arizona. The Association serves a membership that is interested in the economic prosperity of Arizona.

**ARTICLE III.**

**MEMBERSHIP**

**Section 1. Availability of Membership**

Any individual or organization is eligible for membership in the Association without regard to race, creed, color, age, sex or national origin, whose profession, background, primary interests and activities are dedicated to economic development on behalf of the State of Arizona, its municipalities, counties and regions.

**Section 2. Membership Application**

Candidates for membership must submit an application and all required fees to the association. All applications will be reviewed and approved by the Membership Committee and submitted to the Board for ratification.

An individual or organization applying for membership in the association shall list on its application the name(s) of its proposed representatives. Once approved, a member organization may appoint new or different representatives as needed. Written notice of such appointments shall be given to the association for review and approval before that representative may be recognized as a member of the association.

**Section 3. Dues**

Dues will be established by the Board of Directors annually for each calendar year of membership. Dues paid to the Association are not subject to a refund. Membership paid by an individual or organization will remain with the individual or organization throughout the dues period, which will be one calendar year. Additional fees may be assessed as determined by the Board of Directors.

**Section 4. Resignation**

A member may resign by giving written notification to the Association. Dues paid to the association are not refundable, as described in Article III, Section 3.

**Section 5. Termination**

Any member whose dues remain unpaid sixty (60) days after the due date may be dropped from membership, provided that written notice of the termination of the membership shall have been given to the member at least fifteen (15) days prior to the expiration of the sixty (60) day period. Extensions may be granted at the discretion of the Board of Directors.

**Section 6. Expulsion**

A member may be suspended or expelled from membership in the Association for conduct unbecoming a member by a majority vote of the Directors present and voting at a regular meeting of the Board of Directors. However, written notice of the proposed action and of the member's right to appear at such meeting in the member's own behalf must be given at least twenty (20) days prior to such meeting. Dues paid to the association are not refundable, as described in Article III, Section 3. Reinstatement of an expelled member shall be at the discretion of the Board of Directors after proper reapplication for membership and payment of dues.

**Section 7. Good Standing**

Prerequisites for maintenance of membership in good standing will be current status of dues.

**ARTICLE IV.**

**BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE**

**Section 1. General Powers**

The governance of the Association shall be vested in the Board of Directors and executed through the adoption of strategic and management policies and the employment of an Executive Director and staff. The Board of Directors may refer any matters to the Executive Committee or to the membership. Roberts Rules of Order, in its then most current version, shall apply to all Board of Directors, Executive Committee and membership meetings.

**Section 2. Qualifications**

With the exception of Advisory Directors, Directors must be in good standing and have been a member of the Association for two (2) years, having served for at least one (1) of those years as an active member of a committee or having previously served as a Board member of the organization.

**Section 3. Board Structure**

The business and affairs of the Association shall be conducted by a Board of Directors consisting of not less than seventeen (17) and not more than twenty-five (25) Directors. The members of the Board of Directors shall have representation from "Rural" and "Metro" Arizona. "Rural" and "Metro" for the purposes of these Bylaws are defined as:

- Metro: Communities with contiguous boundaries within the Phoenix MSA and Tucson MSA.<sup>1</sup>
- Rural: Any Arizona community/county that does not fit the metro definition.<sup>1</sup>

(a) Directors - Fourteen (14) Directors elected by the membership for terms of two (2) years. Of these directors:

(i) Eight (8) shall be elected from and represent Metro Arizona.

(ii) Six (6) shall be elected from and represent Rural Arizona.

Seven (7) of these Directors shall be elected in even numbered years, and the remaining seven (7) shall be elected in odd numbered years, pursuant to Article VI. The seven (7) directors elected each year shall include four (4) Metro directors and three (3) Rural directors. A candidate may qualify to represent a particular geographic area by having their principal place of business located in that area, noting that their principal place of business may also be their residence. Directors may not be elected to more than four (4) consecutive terms.

(b) Officers - The five (5) Officers of the executive committee (President, President-Elect, Vice President, [Secretary](#)/Treasurer and Immediate Past President).

(c) Advisory Directors - Not more than six (6), Advisory Directors appointed from other organizations with which the Association has established strategic partnerships in furtherance of the purposes of the Association, appointed to the Board of Directors for a term of one (1) year, subject to ratification of a majority vote of members of the Association present and voting at the spring meeting. Advisory Directors may not be elected to more than six (6) consecutive terms and shall be non-voting members of the Board. Advisory Directors may not represent a company or organization that is already represented by an elected Director. In the event a Director changes employers and becomes the second representative of a company or organization, the Advisory Director shall be permitted to complete their term.

#### **Section 4. Nominating Committee**

The Nominating Committee shall consist of the current President (who will serve as Committee chair), the Immediate Past President of the Association, the current President-Elect and no less than two (2) remaining Directors with unexpired terms (as selected by the President).

---

<sup>1</sup> A current list identifying Rural and Metro communities will be kept and updated by the AAED Board annually.

## **Section 5. Nomination and Election of Directors**

The procedure for the nomination and election of Directors shall be as follows:

- (a) The Nominating Committee shall solicit nominations for Directors from the membership at least seventy-five (75) days in advance of the spring meeting. The request for nominations shall:
  - (i) contain a summary of the nomination and election process
  - (ii) request a completed application for each person nominated
  - (iii) state the requirement for ten endorsing signatures from members in good standing
  - (iv) state the deadline for the receipt of such nominations.

In the event there is no candidate for a Director's position needed to be filled, the Nominating Committee may select not less than one (1) candidate from the active membership roster for each Director's position needing to be filled.

- (b) All qualified persons nominated through the process described above shall be listed on the ballot as candidates for the positions for which they were nominated.
- (c) The Nominating Committee shall, at least thirty-five (35) days in advance of the spring meeting, distribute ballots to the members. Ballots shall contain the name(s) of the candidate(s) for each position listed in the manner described above, and one (1) additional space per position for purposes of recording a vote in favor of any write-in candidate (who meets the qualifications in Article IV, Section 2) for each position.
- (d) A copy of each candidates application shall be distributed prior to, or concurrently with, the ballots.

## **Section 6. Election by Membership**

Elections shall be held in such a manner so that installation of the Board of Directors of the Association shall be at the spring meeting each year. Except as provided below, the fourteen (14) elected Directors shall be elected by the majority of the membership casting votes for such election.

## **Section 7. Election Results**

Completed ballots bearing any member's vote for the election of Directors must be received in the office of the Association at least fifteen (15) days prior to the spring meeting to be counted. The Nominating Committee, after counting the votes, shall make the election results available at the Association office ten (10) days prior to the spring meeting, and shall present the results formally at the spring meeting.

In the event that two or more candidates have the same number of votes for the final board seat up for election at the voting deadline, the Board will select the winner, by blind draw, at the next scheduled meeting of the Board of Directors.

## **Section 8. Removal of a Director**

A majority of the Directors may remove a Director or Officer at any time, for good cause. "Good cause" shall include, but shall not be limited to, failure to comply with the standards and requirements for membership in the Association, failure to carry out duties and responsibilities as a Director or Officer, willful or wanton misconduct, fraud, or bad faith on the part of the Director or Officer.

As a member of the Board of Directors, each Director shall attend all regularly scheduled meetings, as well as special meetings of the Board of Directors. Failure to attend three (3) consecutive meetings or 75 percent of the regular and special meetings of the Board of Directors in any year shall constitute grounds for removal from office by a 75 percent super majority vote of the seated Board of Directors. Any member in good standing may request a special meeting to review the attendance of a member of the Board of Directors.

## **Section 9. Quorum**

A simple majority of the total members of the seated Board of Directors or of the Executive Committee, respectively, present at a given meeting constitutes a quorum.

## **Section 10. Executive Committee**

The Executive Committee of the Board of Directors shall be comprised of the Officers listed in Article V, Section 1. The Executive Committee shall be responsible for implementing policies by the membership or the Board of Directors to the degree authorized by the Board of Directors.

## **Section 11. Vacancies**

Any vacancy on the Board of Directors or Officers may be filled for the remainder of the unexpired term of the vacating Director or Officer by the affirmative vote of a majority of the Board of Directors from nominees selected by the Executive Committee. Any member appointed to the Board of Directors or as an Officer to fill a vacancy must meet the eligibility requirements for Board of Directors participation set forth in Article IV, Section 2.

## **ARTICLE V.**

### **OFFICERS**

#### **Section 1. Officers**

The Association shall have a President, President-Elect, Vice President, [Secretary](#)/Treasurer and the Immediate Past President (each an "Officer").

#### **Section 2. President**

It shall be the duty of the President to preside at meetings of the membership and the Board of Directors; to perform specific duties which the Board of Directors may decide; and other such duties as may pertain to the office.

#### **Section 3. President-Elect**

It shall be the duty of the President-Elect to act in the absence of the President and to perform such other duties as automatically pertain to such office or as may be designated by the President or the Board of Directors. The President-Elect shall be responsible for serving as the Board Liaison to the Government Affairs Committee and oversee the contracts and agreements relating to legislative matters. He or she will also perform such other duties as may be assigned by the Board, Executive Committee, or President

#### **Section 4. Vice President**

It shall be the duty of the Vice President to act in the absence of the President and President-Elect and to perform such other duties as automatically pertain to such office or as may be designated by the President or the Board of Directors. The Vice President shall also serve as the Board Liaison to the Professional Education Committee and oversee the contracts and agreements relating to the delivery of professional education courses.– He or she will also perform such other duties as may be assigned by the Board, Executive Committee, or President.

#### **Section 5. [Secretary](#)/Treasurer**

It shall be the duty of the [Secretary](#)/Treasurer to oversee the preparation of monthly and annual financial reports to the Board of Directors and periodic financial reports to the membership and to perform such other duties as reasonably pertain to such office or as may be

designated by the President or the Board of Directors. The [Secretary](#)/Treasurer shall serve as Chair of the Finance Committee.

## **Section 6. Immediate Past President**

The Immediate Past President shall serve as the committee chairs group liaison and closely monitor the productivity of and recommend appropriate corrective actions, when necessary, for committees as assigned by the President.

## **Section 7. Election of Officers**

The procedure for election of Officers shall be as follows:

- (a) The Nominating committee shall submit a slate of Officers for election prior to soliciting nominations for Directors as described in Article IV, Section 5. The current President shall preside over the election process.
- (b) To promote continuity in leadership of the Association, once elected as Vice President, an individual will be nominated to the succeeding positions of President-Elect and President. In the event that an individual is not able or willing to continue to the next position, the Nominating Committee shall not be bound by the order of succession. Should the general order of succession not be followed, any individual nominated for any officer position must meet the qualifications as outlined in Article V, Section 7 (d).
- (c) The position of [Secretary](#)/Treasurer may be excluded from the general order of succession and a current Treasurer shall be elected for no more than four (4) consecutive (1) year terms in the same office.
- (d) The qualifications for nominations as [Secretary](#)/Treasurer and Vice President are listed below:
  - (i) ~~The~~ Prior to taking office, the individual must have served ~~on the~~ as an elected member of the Board of Directors for at least two (2) years (one [1] term).
  - (ii) The individual must have attended at least three of the last five Board meetings, including the one at which the election is held.
- (e) Officers shall be elected from the Board of Directors by the affirmative vote of a majority of the Directors and, other than the position of [Secretary](#)/Treasurer, no current Officer shall be elected for a consecutive term in the same office.



## **ARTICLE VI.**

### **MEETINGS**

#### **Section 1. Regular Membership Meetings**

Two annual meetings shall be held each year. A fall meeting shall occur between the months of July and December and a spring meeting shall occur between the months of January and June in each instance at a time and place approved by the Board of Directors. Those members present at a scheduled membership meeting constitute a quorum.

#### **Section 2. Board of Directors and Executive Committee Meetings**

The Board of Directors shall meet at least twice annually and on call of the President. The Executive Committee shall meet on call of the President.

#### **Section 3. Special Membership Meetings**

Special membership meetings may be called by the Board of Directors.

## **ARTICLE VII.**

### **FINANCES**

#### **Section 1. Receipts and Disbursements**

The Executive Director shall be responsible for the proper collection of dues and other monies due the Association. Funds of the Association shall be deposited in any federally insured bank or savings and loan association convenient to the use of the Executive Director.

#### **Section 2. Real Estate, Debts**

The Association shall not engage in the purchase, sale or mortgage of real estate, borrow money or incur debts over and above the purchase of routine office supplies and services without the approval of the Board of Directors.

#### **Section 3. Fiscal Year**

The fiscal year of the Association for all accounting purposes, income tax purposes and all other purposes generally recognized in connection with the meaning of the term "fiscal year" shall commence on July 1 and shall terminate on June 30 of each year.

#### **Section 4. Finance Committee**

The Finance Committee will be comprised of the [Secretary](#)/Treasurer (Chair of the Committee), President, President-Elect, Executive Director (without vote), the Chairs of the two highest revenue generating committees and two (2) members in good standing.

The Finance Committee will develop the annual budget. With the recommendation of the Executive Committee, the annual Budget will be submitted for approval by the Board prior to the start of the fiscal year.

The Finance Committee may request an annual audit or review to be performed by an outside Certified Public Accountant. The results of any audit or review conducted will be presented to the Board at the first board meeting following completion of the audit or review.

### **Section 5. Operating Reserve**

The Association shall maintain cash reserves in an amount as reviewed and approved by the Board of Directors on an annual basis. Use of cash reserves requires a recommendation by the Finance Committee to the Executive Committee and Board approval.

## **ARTICLE VIII.**

### **COMMITTEES**

#### **Section 1. Establish Committees**

The Board of Directors shall authorize and define the power of all committees and also establish additional committees as necessary to implement the decisions of the Board of Directors.

#### **Section 2. Committee Chairs**

The current Committee Chair shall submit for approval to the President either (a) their desire to continue in the role of Committee Chair for an additional term or (b) the name of the current Vice Chair that will assume the role of Chair. In the event that the Current Chair or Vice Chair do not wish to continue in a leadership role, the President, in consultation with the Executive Director, shall appoint a committee chair to serve a one year term with the ability to serve for one (1) additional term by appointment. The Board of Directors shall annually review the committee structure and suggest such changes as are required to advance the Association's work.

#### **Section 3. Committee Vice Chairs**

Each committee chair shall be required to recommend a Vice Chair for approval by the President. The vice chair shall conduct committee meetings and related presentations/functions, in the absence, or at the discretion of, the chair.

#### **Section 4. Board Liaison**

Each committee will have a Presidential appointed board liaison assigned for a one-year term. This liaison will be a conduit for information to flow to and from Committee with the Board of Directors. The liaison should be considered an active member of the committee who will participate in the committee's mission.

## **ARTICLE IX.**

### **AMENDMENTS**

#### **Section 1. Procedure**

The Board of Directors shall have the power to make, amend and repeal the Articles of Incorporation and these Bylaws with a 75 percent super majority vote of the seated Board of Directors at any regular meeting of the Board or at any special meeting called for that purpose provided that a minimum of 30 days prior written notice of the proposed changes has been provided to the membership.

In the event that the motion does not pass with a 75 percent super majority vote of the Board, the amendments shall be placed before the membership for a vote at a scheduled membership meeting. Prior to being placed before the membership for a vote, the Board must recommend approval of the proposed amendments and provide written notice of the proposed action in the notice of the meeting.

#### **Section 2. In Effect**

This document supersedes any previous document.

## **ARTICLE X.**

### **LIABILITY**

#### **Section 1. Limitation of Liability**

No Director of the Association shall be generally liable to the Association or its members for monetary damages for breach of fiduciary duty as a Director; provided however this Article XV shall not eliminate or limit the liability of a Director to the extent provided by applicable law: (i) for any breach of the Director's duty of loyalty to the Association or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law, (iii) for any transaction from which the Director derived an improper, personal benefit, or (iv) for a violation of the Arizona Revised Statutes. The limitation of liability provided herein shall continue after a Director has ceased to occupy such position as to acts or omissions occurring during such Director's term or terms of office and no amendment or repeal of this Article XV shall apply to or have any effect on the liability or alleged liability of any Director of the Association for or with respect to any acts or omissions of such Director occurring prior to such amendment or repeal.

#### **Section 2. Indemnification**

Except as provided in these Bylaws, the Association shall hold harmless and indemnify each of its Directors and employees ("indemnitee") against any and all liability and expenses incurred by indemnitee in connection with any threatened or actual proceeding or legal action resulting from indemnitee's service to the Association or to another entity at Association's

request. The Association will keep current at all times the Directors' and Officers' liability insurance.

### **Section 3. Indemnification Prohibition**

Except insofar as permitted by law, the Association shall not indemnify any indemnitee if indemnification is prohibited by the Arizona Revised Statutes.

### **Section 4. Indemnitee Notice**

Indemnitee shall notify the Association promptly of the threat or commencement of any proceeding or legal action with respect to which indemnitee intends to seek indemnification. The Association shall be entitled to assume indemnitee's defense with counsel reasonably satisfactory to indemnitee, unless indemnitee provides the Association with an opinion of counsel reasonably concluding that there may be a conflict of interest between indemnitee and the Association in the defense of the proceeding or legal action. If the Association assumes the defense, the Association shall not be liable to indemnitee for legal or other expenses subsequently incurred by indemnitee.

### **Section 5. Expenses of Indemnitee**

The Association shall advance automatically expenses, including attorneys' fees, incurred or to be incurred by indemnitee in defending a proceeding or legal action upon receipt of notice and, if required by law, of an undertaking by or on behalf of indemnitee to repay all amounts advanced if it is ultimately determined by final judicial decision (after expiration or exhaustion of any appeal rights) that indemnitee is not entitled to be indemnified for such expenses.

### **Section 6. Settlement**

The Association shall not be obligated to indemnify indemnitee for any amounts incurred in settlement if settlement is made without the Association's prior written consent. The Association shall not enter into any settlement that would impose any penalty or limitation on indemnitee without indemnitee's prior written consent. Neither the Association nor indemnitee will unreasonably withhold consent to any proposed settlement.

### **Section 7. No Repeal**

In order that Directors and employees may rely on the indemnification promised by this Article XV, no repeal or amendment of this Article XV shall reduce the right of indemnitee to payment of expenses or indemnification for acts of indemnitee taken before the date of repeal or amendment.

**ARTICLE XI.**

**EXECUTIVE DIRECTOR**

**Section 1. Employment**

An Executive Director may be employed by the Board of Directors, upon the recommendation of the Executive Committee. The Executive Director shall serve under the direct supervision of the President and will be reviewed by the Executive Committee on an annual basis. In the case of a vacancy in the position, a Search Committee will be formed in accordance with policy established by the Board of Directors.

**Section 2. Duties and Staff**

The Executive Director shall have such rights and duties as described in the job description adopted by the Board of Directors. The Executive Director may employ other staff members or engage independent contractors as authorized by the Board of Directors. The Executive Director shall have the first line of authority over proceedings with committees as assigned by the Board of Directors.

**Section 3. Compensation and Benefits**

The Executive Director and other employees shall receive such compensation and benefits as the Board of Directors may establish from time to time.

**ADOPTION**

The foregoing Amended and Restated Bylaws were adopted at a duly noticed meeting of the members of the Arizona Association for Economic Development on the ~~8th~~24th day of ~~May~~July, 2015.

\_\_\_\_\_  
Secretary/Treasurer

\_\_\_\_\_  
President