

**BYLAWS  
OF  
AMERICAN COUNCIL OF ENGINEERING  
COMPANIES OF ARIZONA**

**PREAMBLE**

The following Bylaws shall be subject to, and governed by, the Non-Profit Corporation Act of Arizona and the Articles of Incorporation of American Council of Engineering Companies of Arizona. In the event of a direct conflict between the herein contained provisions of these Bylaws and the mandatory provisions of the Non-Profit Corporation Act of Arizona, said Non-Profit Corporation Act shall be the prevailing controlling law. It shall be the Bylaws which shall be controlling in the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of American Council of Engineering Companies of Arizona.

**ARTICLE 1: NAME**

The legal name of the Non-Profit Corporation/Organization shall be known as the American Council of Engineering Companies of Arizona and shall herein be referred to as "ACEC Arizona."

ACEC Arizona shall serve as the Arizona Member Organization of the American Council of Engineering Companies (ACEC).

**ARTICLE 2: PURPOSE**

The purpose for which the Non-Profit Corporation/Organization is formed is set forth in the attached Articles of Incorporation.

ACEC Arizona is established within the meaning of IRS Publication 557 Section 501(c)(6) Organization of the Internal Revenue Code of 1986, as amended (the "Code") and shall be operated exclusively as a state council representing independent consulting engineering and land surveying firms located in Arizona. The purpose of the council shall be solely those of a business league within the meaning of section 501(c)(6) of the internal revenue code of 1954, as it may be amended from time to time. ACEC Arizona shall provide a single, united voice representing the state's independent consulting engineers and land surveyors in addressing governmental and private agencies, in cooperating with other business and professional organizations, in promoting the ethics and public image of the engineering and surveying profession, in protecting the public health and safety,

and in advancing the private practice of engineering and surveying. ACEC Arizona shall devote time, personnel, money, and other resources principally to those matters of or within the state of Arizona. Recognizing that no state or state organization can exist entirely oblivious to adjacent or national activities, actions, or proposals, ACEC Arizona shall maintain reasonable communications with all such national engineering and surveying organizations as the Board deems appropriate. When requested by any of these national engineering or surveying organizations for actions, opinions, or other responses, ACEC Arizona shall respond on a case-by-case basis.

In addition, ACEC Arizona has been formed for the purpose of performing all things incidental to, or appropriate in, the foregoing specific and primary purposes. However, ACEC Arizona 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 non-profit purposes.

ACEC Arizona shall hold and may exercise all such powers as may be conferred upon any non-profit 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 ACEC Arizona. At no time and in no event shall ACEC Arizona participate in any activities which have not been permitted to be carried out by ACEC Arizona exempt under Section 501(c) of the Internal Revenue Code of 1986 (the "Code"), such as certain political and legislative activities.

### **ARTICLE 3: OFFICES**

The principal office of ACEC Arizona is currently located at 532 W McDowell Rd, Phoenix, Arizona 85003.

ACEC Arizona may have other such offices as the Board of Members may determine or deem necessary, or as the affairs of ACEC Arizona 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**

The properties and assets of ACEC Arizona are irrevocably dedicated to and for non-profit purposes only. No part of the net earnings, properties, or assets of ACEC Arizona, on dissolution or otherwise, shall inure to the benefit of any person or any member, Board Member, or officer of ACEC Arizona. On liquidation or dissolution, all remaining properties and assets of ACEC Arizona shall be distributed and paid over to an organization dedicated to non-profit purposes, which has established its tax-exempt status pursuant to Section 501(c) of the Code.

## **ARTICLE 5: MEMBERSHIP**

A member firm shall be limited to those individual firms, parent firms, branch offices or subsidiaries whose resident principals (proprietors, partners, or officers) furnish independent consulting engineering and/or land surveying services and shall:

1. Maintain and have established an office(s) in the State of Arizona, such as sole proprietorships; ii. partnerships; iii. corporations; or iv. an engineering department, division, or subsidiary of a private, non-engineering company when the parent company is not eligible to be a Member Firm, provided the component offers professional knowledge and professional services to clients other than the parent and provided that component managers are professionally licensed in the State of Arizona. In all cases, member benefits shall accrue only to the component that is accepted for membership. Some examples might include, but not necessarily be limited to, engineering departments/ divisions/ subsidiaries of contractors or of architectural, industrial, accounting, or general management firms. Changing firm circumstances that might render a component no longer eligible for continued membership shall be reported to ACEC Arizona for action by the Board.
2. Have an individual(s) registered professionally in accordance with the laws of the State of Arizona, who shall act for the firm on professional policies and activities;
3. Have high professional repute and ethical standards
4. Practice under an organizational arrangement that does not involve a conflict of interest or that does not subordinate independent professional judgment to other considerations.

**Affiliate Members** provide professional services of a scientific and technical nature that are complementary to the services provided by a Member Firm. Affiliate Members shall be limited to entities that are not eligible to be a Member Firm. Affiliate Members may attend and serve as a sponsor of ACEC Arizona activities and events.

**Preferred Vendors** provide professional consulting services that support the business operations of Member Firms, such as management and marketing consultants, attorneys, accountants, professional liability insurance agents, etc. Preferred Vendors may attend and serve as a sponsor of ACEC Arizona activities and events. Preferred vendors shall be limited to entities that are not eligible for ACEC membership.

Application for membership shall be submitted to the Secretary on a form provided by ACEC Arizona. All applications shall be presented to the Board for final action. The Board shall notify the applicant of the results of the action. If the action is favorable, the firm will become a member effective immediately upon payment of dues.

Any member ceasing to fulfill the necessary requirements for the membership shall be terminated upon Board action. A member firm may be expelled from membership on the

grounds their conduct or policy is detrimental to the purposes of interests of ACEC Arizona or is of such nature as to bring ACEC Arizona into disrepute.

Honorary members shall:

1. Have been engaged as a registered professional engineer or land surveyor with principal occupation as a consulting engineer or land surveyor for a minimum of ten years in the State of Arizona;
2. Be at least fifty years of age;
3. Have a record of outstanding engineering or land surveying accomplishments and ethical practice;
4. Not be employed full time nor have others in his/her employ;
5. Agree to support the purpose, business, and activities of ACEC Arizona
6. Be proposed to the Board by a principal of a member firm who shall furnish a brief biographical sketch and statement of qualifications;
7. Be approved unanimously by the Board.

## **ARTICLE 6: BOARD OF DIRECTORS**

### **General Powers and Responsibilities**

ACEC Arizona 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 non-profit corporation organized under the Non-Profit Corporation Act of Arizona. The Board shall establish policies and directives governing business and programs of ACEC Arizona and shall delegate to the ACEC Arizona staff, subject to the provisions of these Bylaws, authority, and responsibility to see that the policies and directives are appropriately followed.

### **Number and Qualifications**

The Board shall consist of up to 11 members but at least one (1) member. The number of members serving the Board may be increased beyond 11 members by the affirmative vote of a simple majority of the then-serving Board. All member(s) of the Board ("Board Member(s)") shall be a resident of the State of Arizona. The Board shall consist of a Chairman, a Chair-Elect, a Senior Vice-Chair, a Secretary, a Treasurer, the Immediate Past Chair, and five Vice-Chairs. Members of the Board shall represent the broad and diverse makeup of ACEC Arizona's general membership. All shall be employees of member firms.

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 Board Members.

### **Board Compensation**

The Board shall receive no compensation other than for reasonable expenses. However, provided the compensation structure complies with Sections relating to "Contracts

Involving Board Members and/or Officers" as stipulated under these Bylaws, nothing in these Bylaws shall be construed to preclude any Board member from serving ACEC Arizona in any other capacity and receiving compensation for services rendered.

### **Board Elections**

The Governance Committee, if created, shall present nominations for new and renewing Board Members. All officers except the Chair and immediate past chair shall be elected annually as hereinafter set forth for one-year terms. At the end of their one-year term, the chair-elect shall automatically succeed to the office of Chairman, and the Chairman shall automatically become the Immediate Past Chair. Each officer shall hold office until each successor has been duly elected and take office. The Board shall appoint a Board Member to fill any vacancy occurring on the Board during the fiscal year. 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 simple 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.

### **Term of Board**

All appointments to the Board shall be for a term of one (1) year. No person shall serve more than one consecutive term unless a majority of the Board, during a Board meeting at which a quorum is present, votes to appoint a Board Member to 1 additional year. No person shall serve more than 12 consecutive years. After serving the maximum total number of consecutive years on the Board, a Board Member may be eligible for reconsideration as a Board Member after five years have passed since the conclusion of such a Board Member's service

### **Vacancies**

A vacancy on the Board may exist at the occurrence of any of the following conditions:

- a) The death, resignation, or removal of any Board Member, or completion of the term of an individual.
- b) The declaration by resolution of the Board of a vacancy in the office of a Board Member who has been declared of unsound mind by a final order of a 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 Board Member.
- c) Missed three consecutive meetings of the Board and removed per Board Member Attendance paragraph below.
- d) Missed a total of four meetings of the Board during any one calendar year.
- e) An increase in the authorized number of Board Members.

- f) The failure of the Board Members, at any annual or other meetings of the Board at which Board Members are to be elected, to elect the full authorized number of Board Members.

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

### **Resignation**

Each Board Member shall have the right to resign at any time upon written notice thereof to the Chair of the Board, Secretary of the Board, or ACEC Arizona staff. 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. 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 Board Member may resign when ACEC Arizona would then be left without a duly elected Board Member in charge of its affairs.

### **Removal**

A Board Member may be removed, without cause, at any duly constituted meeting of the Board, by the affirmative unanimous vote of then-serving Board Members minus the interested Board Member who is not allowed to vote due to conflict of interest.

The Board, by way of the affirmative vote of a two-thirds majority of the Board Members then currently in office, may remove any Board Member with cause at any regular or special meeting, provided that the Board Member to be removed has been notified in writing in the manner set forth in *Article 6 Board of Directors*, that such action would be considered at the meeting. The interested Member may be allowed to present information at this meeting on this action and may be allowed to vote.

### **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 three regular Board Members may call a special meeting of the Board with notice provided to each Board Member. The notice shall be served upon each Board Member via hand delivery, regular mail, email, fax, or electronic board management software. 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.

### **Minutes**

The Secretary shall be responsible for preparing or delegating the preparation of the minutes of each Board meeting. The recording of the minutes may be delegated to ACEC Arizona staff. It shall be the Secretary's responsibility to review the minutes of each Board meeting and ensure all Board votes or resolutions were accurately recorded. If the Secretary is unavailable, the Chair of the Board shall appoint an individual to act as Secretary at the meeting. The Secretary, or the individual appointed to act as Secretary, shall review the minutes of the meetings, which shall be delivered to ACEC Arizona staff to be maintained. A copy of the minutes shall be delivered to each Board Member via either regular mail, hand-delivered, emailed, faxed, or through electronic board management software within seven business days after the close of each Board meeting.

### **Action by Written Consent**

Any action required by law to be taken at a meeting of the Board, or any action that may be taken at a meeting of the Board, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all Board Members. The number of Board Members in office must constitute a quorum for an action taken by written consent. Such consent shall be maintained by ACEC Arizona and shall have the same force and effect as a vote of the Board taken at an actual meeting. The Board Members' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.

### **Quorum**

At each meeting of the Board, the presence of six (6) persons shall constitute a quorum for the transaction of business. If at any time the Board consists of an even number of Board Members and 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 and present at a meeting in which there is a quorum shall be the act of the Board 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 if during the meeting he or she is present via telephone or web conferencing with the other Board Members participating in the meeting.

### **Voting**

Each Board Member shall only have one vote.

### **Proxy**

Board Members shall be allowed to vote by written proxy.

### **Board Member Attendance**

An elected Board Member who is absent from 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 ACEC Arizona. The Board may deem a Board Member who has missed three consecutive meetings and is not responsive to have resigned from the Board.

## **ARTICLE 7 OFFICERS**

### **Officers and Duties**

The Board shall elect officers of ACEC Arizona as defined in Articles of Incorporation or by Board resolution but in no case less than one officer to prepare minutes of the Board Members' meetings and authenticate the records of ACEC Arizona. The same person may hold any number of offices. In addition to the duties in accordance with this Article, 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 the control of the Board, and they shall perform any other such additional duties which the Board may assign to them at their discretion.

The officers will be selected by the Board at its annual meeting 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 Chair of the Board, President, and/or Secretary of ACEC Arizona, without bias or predisposition to all rights, if any, of ACEC Arizona 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.

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.

### **Chair of the Board**

It shall be the responsibility of the Chair of the Board, when present, to preside over all meetings of the Board and Executive Committee. The Chair of the Board is authorized to execute, in the name of ACEC Arizona, any and all contracts or other documents which may be authorized, either generally or specifically, by the Board to be executed by ACEC Arizona, except when required by law that the President's signature must be provided.

### **Chairman-Elect**



In the absence of the Chair of the Board, or in the event of his/her inability or refusal to act, it shall then be the responsibility of the Chair-Elect to perform all the duties of the Chair of the Board, and in doing so, he/she shall have all authority and powers of and shall be subject to all the restrictions on the Chair of the Board.

### **Secretary**

The Secretary, or his/her designee, shall be the custodian of all records and documents of ACEC Arizona, which are required to be kept at the principal office of ACEC Arizona, and shall act as Secretary at all meetings of the Board, and shall keep, or cause to be kept by a designated person, the minutes of all such meetings on file in hard copy or electronic format. She/he shall attend to the giving and serving of all notices of ACEC Arizona and shall see that the seal of ACEC Arizona, if any, is affixed to all documents, the execution of which on behalf of ACEC Arizona under its seal is duly authorized in accordance with the provisions of these bylaws.

### **Treasurer**

It shall be the responsibility of the Treasurer to review all financial correspondence and accounts of all the properties and business transactions of ACEC Arizona for accuracy as prepared for review by staff and/or the subcontracted CPA, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall review/audit all deposits/withdrawals/transactions of operations of ACEC Arizona, and all money and other valuables as may be designated by the Board. Furthermore, the Treasurer shall disburse, or cause to be disbursed, the funds of ACEC Arizona, as may be ordered by the Board, and shall render to the Chairman of the Board, and Board Members, whenever they request it, an account of all the Treasurer's transactions as Treasurer and of the financial condition of ACEC Arizona.

### **President**

The President is the chief staff officer of ACEC Arizona, engaged by the Executive Committee with Board approval to perform the daily operations of ACEC Arizona, and acts as the spokesperson for ACEC Arizona in day-to-day matters concerning issues with the national, state and local government and its agencies, and with domestic trade associations. The President is empowered by the Board and Executive Committee to act as Chief Executive Officer reporting directly to the Chair of the Board. He or she shall be paid a salary and enjoy fringe benefits in such amounts as shall be determined annually by the Executive Committee; attend all meetings of the Board and Executive Committee as a non-voting member; be an ex officio member of all committees; be responsible for preparing the Annual Report and such other reports as may be prescribed by the Board or Executive Committee; supervise the work of the Secretary and other employees of the Council, have charge of all ACEC Arizona properties; and with the assistance of the Secretary, if a separate individual, conduct and maintain full records of the correspondence of ACEC Arizona.

In the absence of the Secretary, the President shall serve as Secretary.

As a non-voting member of the Executive Committee, the President provides advice on all policy matters that come before ACEC Arizona. As such, the President provides continuity in the implementation of the Strategic Plan and ensures that policy matters and operations remain consistent with the objectives of ACEC Arizona.

## **ARTICLE 8 ACEC NATIONAL DIRECTOR AND ALTERNATE NATIONAL DIRECTOR**

The Chairman and President with Board approval shall appoint an ACEC National Director and Alternate National Director. These appointments shall be made from Board Members whose firms are ACEC members. If these appointments cannot be filled by the Board, Board Members from ACEC member firms shall be appointed, and the ACEC National Director so appointed shall be an ex-officio non-voting member of the Board. The expense of registration, travel, food, and lodging shall be reimbursable for attendance by the National Director and Alternate National Director at no more than two ACEC meetings annually. The National Director position shall be an appointment for a period not to exceed 5 years. The Alternate National Director shall be eligible for the National Director position by appointment after the full or partial term completion of by the National Director.

## **ARTICLE 9 COMMITTEES**

### **Committees**

The Board may, from time to time, and by resolution adopted by a majority of the Board members then in office provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these Bylaws. Each such committee shall consist of at least one (1) Board Member and may also include persons who are not on the Board but whom the Board Members believe to be reliable and competent to serve at the specific committee. However, committees exercising any authority of the Board may not have any non-Board Member 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 simple majority of the Board Members then in office, provided that a quorum is present. The Board 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 Board Members if this were a membership vote.

- b) Fill vacancies on or remove the Board Members or any committee that has the authority of the Board.
- c) Fix compensation of the members 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 that by its express terms is not so amendable or repealable.
- f) Appoint any other committees of the Board 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 ACEC Arizona 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, no committee shall compel ACEC Arizona in a contract or agreement or expend ACEC Arizona funds.

#### **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 9 - Committees of these Bylaws concerning meetings and actions of the board members, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board Members, except that the time for regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to 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 ACEC Arizona records. The Board may adopt rules not consistent with the provisions of these bylaws for the governance of any committee.

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

#### **Executive Committee**

Pursuant to Article 9 - Committees, the Board may appoint an Executive Committee composed of the immediate past Chair of the Board, the Chair of the Board, and the Chair-Elect, and a minimum of one (1) Board Member to serve on the Executive

Committee of the Board. The Executive Committee, unless limited in a resolution of the Board, shall have, and may exercise all the authority of the Board in the management of the business and affairs of ACEC Arizona between meetings of the Board, provided, however, that the Executive Committee shall not have the authority of the Board about those matters enumerated in *Article 9 - Committee of Directors*. The Secretary of ACEC Arizona shall send each Board Member a summary report of the business conducted in any meeting of the Executive Committee.

### **Finance Committee**

Pursuant to Article 9 - Committees, the Board may appoint a Finance Committee composed of a minimum of one (1) Board Member to serve on the Finance Committee of the Board. The Finance Committee, unless limited in a resolution of the Board, shall have and may exercise all the authority of the Board in the creation and preparation of a proposed budget of ACEC Arizona. The proposed budget shall be submitted to the Board no later than one month prior to the end of the fiscal year. The Secretary of ACEC Arizona shall send each Board member a summary report of the business conducted in any meeting of the Finance Committee.

## **ARTICLE 10 – DUES AND ASSESSMENTS**

### **Determination of Annual Dues and Special Assessments**

1. Annual Dues. The method of determining the dues payable by Member Firms and dues caps shall be as established by an affirmative two-thirds vote of the total eligible voting power cast by the Board. ACEC Arizona will maintain records of dues rates and dues caps as set by the Board and shall provide them upon request. Procedures for administering this Article 10 are in the Rules of Policy and Procedure. Member dues are due at the beginning of the fiscal year or upon joining but may be paid in quarterly installments. Member dues are delinquent if not paid within ninety days after the quarterly installment is due. Delinquent member firms shall be denied the right to vote or to have their members hold office until financial obligations are met.

2. Special Assessments. The Board shall be empowered to levy special assessments, in amounts determined by an affirmative two-thirds vote of the total eligible voting power cast. Special assessments shall be levied only on Member Firms. Special assessments shall be payable as directed by the Board. Special assessments are delinquent ninety days after the due date set forth by the Board.

3. Honorary members shall not be subject to dues or assessments.

## **ARTICLE 11 - STANDARD OF CARE**

### **General**

The Board Members shall perform all the duties of a Board Member, including, but not limited to, duties as a member of any committee of the Board on which the Board Member may serve, in such a manner as the Board Member deems to be in the best interest of ACEC Arizona 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 Board Member, a Board Member 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 ACEC Arizona whom the Board Member deems to be reliable and competent in the matters presented.
- b) Counsel, independent accountants, or other persons, as to the matters which the Board Member deems to be within such person's professional or expert competence; or
- c) A committee of the Board upon which the Board Member does not serve, as to matters within its designated authority, which committee the Board Member deems to merit confidence, so long as in any such case, the Board Member 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 11 - Standard of Care, any person who performs the duties of a Board Member in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Board Member, including, without limitation of the following, any actions or omissions which exceed or defeat a public or charitable purpose to which ACEC Arizona, or assets held by it, are dedicated.

### **Loans**

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

## **Conflict of Interest**

The purpose of the Conflict of Interest Policy is to protect ACEC Arizona's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or Board Members, 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 non-profit and charitable corporations/organizations and is not intended as an exclusive statement of responsibilities.

### **Restriction on Interested Board Members**

No persons serving on the Board at any time may be interested persons. An interested person is (1) any person currently being compensated by ACEC Arizona for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Board Member; or (2) any brother, sister, parent, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the interested person.

### **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 Board Members who are considering the proposed transaction or arrangement.

### **Establishing a Conflict of Interest**

After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while the potential conflict of interest is discussed and voted upon. The remaining Board Members shall decide if a conflict of interest exists.

### **Addressing a Conflict of Interest**

In the event that the Board should establish that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

- a) Any interested person may render a request or report at the Board meeting, but upon completion of the said request or report, the individual shall be — excused while the Board discusses the information and/or material presented and then votes on the transaction or arrangement proposed involving the possible conflict of interest.

- b) The Chair of the Board shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board shall determine whether ACEC Arizona 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.
- d) If a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Board Members whether the transaction or arrangement is in the best interest of ACEC Arizona, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination.

### **Violations of Conflict of Interest Policy**

Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the Board shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's explanation, and after making further investigation as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Procedures and Records**

All minutes of the Board Meetings, when applicable to conflict of interest decisions, 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 any actual or possible conflict of interest, the nature of the financial interest, any action is 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.

### **Acknowledgment of Conflict of Interest Policy**

Each Board Member, principal officer, and member of a committee with Board delegated powers shall be required to sign a statement which affirms that 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 the purpose of ACEC Arizona, 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.

### **Violation of Loyalty - Self-Dealing Contracts**

A self-dealing contract is any contract or transaction (a) between ACEC Arizona and one or more of its Board Member(s) or between ACEC Arizona and any corporation, firm, or association in which one or more of the Board Member(s) has a material financial interest ("Interested Board Member"), or (ii) between ACEC Arizona and a corporation, firm, or association of which one or more of its Board Members are Board Members of ACEC Arizona. Said self-dealing shall not be void or voidable because such Board Member(s) of corporation, firm, or association are parties or because the said Board Member(s) are present at the Meeting of the Board 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 Board Members, and the self-dealing contract is approved by the Interested Board Member in good faith [without including the vote of any membership owned by said interested Board Member(s)];
- b) All material facts are fully disclosed to or otherwise known by the Board or committee, and the Board or committee authorizes, approves, or ratifies the self-dealing contract in good faith without counting the vote of the Interested Board Member(s) and the contract is just and reasonable as to ACEC Arizona 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 ACEC Arizona at the time it was authorized, approved, or ratified.



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

### **Indemnification**

To the fullest extent permitted by law, ACEC Arizona shall indemnify its "agents," as described by law, including its Board Members, 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 ACEC Arizona, by reason of the fact that the person is or was a person as described in the Non-Profit 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.

ACEC Arizona shall have the power to purchase and maintain insurance on behalf of any agent of ACEC Arizona, 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 12 EXECUTION OF CORPORATE INSTRUMENTS**

### **Execution of Corporate Instruments**

The Board 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 ACEC Arizona.

Unless otherwise specifically determined by the Board or otherwise required by law, formal contracts of ACEC Arizona, promissory notes, deeds of trust, mortgages, other evidence of indebtedness of ACEC Arizona, other corporate/organization instruments or documents, memberships in other corporations/organizations, and certificates of shares of stock owned by ACEC Arizona shall be executed, signed, and/or endorsed by the ACEC Arizona Staff.

All checks and drafts are drawn on banks or other depositories on funds to the credit of ACEC Arizona, or in special accounts of ACEC Arizona, shall be authorized by the Treasurer or such person or persons as the Board shall authorize to do so.

### **Loans and Contracts**

No loans or advances shall be contracted on behalf of ACEC Arizona, 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. Without the express and specific authorization of the Board, no officer or other agent of ACEC Arizona may enter any contract or execute and deliver any instrument in the name of and on behalf of ACEC Arizona.

## **ARTICLE 13 RECORDS AND REPORTS**

### **Maintenance and Inspection of Articles and Bylaws**

ACEC Arizona shall keep at its principal office the original or a copy of its Articles of Incorporation and bylaws as amended to date, which shall be open to inspection by the Board Members at all reasonable times during office hours.

### **Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns**

ACEC Arizona 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.

### **Maintenance and Inspection of Other Corporate Records**

ACEC Arizona 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 as designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of ACEC Arizona. The minutes shall be kept in written or typed form, and other books and records shall be kept either 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 ACEC Arizona shall turn over to his or her successor or the Chair of the Board or President, in good order, such corporate/organization monies, books, records, minutes, lists, documents, contracts or other property of ACEC Arizona as having been in the custody of such officer, employee, or agent during his or her term of office.

Every Board Member shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of ACEC Arizona and each of its subsidiary corporations/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.

### **Preparation of Annual Financial Statements**

ACEC Arizona shall have annual financial statements prepared by a Certified Public Accountant using generally accepted accounting principles. ACEC Arizona shall make these financial statements available to the Arizona Attorney General and members of the public for inspection no later than 30 days after the close of the fiscal year to which the statements relate.

### **Reports**

The Board shall ensure an annual report is sent to all Board Members within 30 days after the end of the fiscal year of ACEC Arizona, which shall contain the following information:

- a) The assets and liabilities, including trust funds, of this corporation 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 ACEC Arizona for both general and restricted purposes during the fiscal year;
- d) The information required by the Non-Profit 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 accountant or if there is no such report, the certificate of an authorized officer of ACEC Arizona that such statements were prepared without audit from the books and records of ACEC Arizona.

#### **ARTICLE 14 FISCAL YEAR**

The fiscal year for ACEC Arizona shall end on December 31. The Board shall approve the budget for the next fiscal year prior to the beginning of the next fiscal year.

#### **ARTICLE 15 AMENDMENTS AND REVISIONS**

These bylaws may be adopted, amended, or repealed by a simple majority of the Board Members then in office. Such action is authorized only at a duly called and held a meeting of the Board for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations, therefore, is given in accordance with these bylaws.

#### **ARTICLE 16 CORPORATE/ORGANIZATION SEAL**

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

#### **ARTICLE 17 CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Non-Profit 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 a Corporation/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 (a) 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.

**CERTIFICATE OF SECRETARY**

I, Tom Smith, certify that I am the current elected and acting Secretary of ACEC Arizona and the above bylaws are the bylaws of ACEC Arizona as adopted by the Board on May 6, 2021, and that they have not been amended or modified since the above.

***EXECUTED*** on this day of \_\_\_\_\_, in the County of Maricopa in the State of Arizona.

\_\_\_\_\_  
(Duly Elected Secretary)