

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF
THE CITY OF DOUGLAS**

MISSION STATEMENT

The Industrial Development Authority of the City of Douglas (the “Authority” or “Corporation”) is for the public benefit to promote the development of industry, trade, and commerce all in an effort to diversify the region's economic base and to raise standards of living in the greater Douglas area.

PREAMBLE

These Bylaws are subject to, and governed by, the Arizona Non-Profit Corporation Act, Title 35, Chapter 5, Section 35-701 et seq. (collectively, “Arizona Law”) and the Articles of Incorporation of The Industrial Development Authority of the City of Douglas, Inc. In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions contained in Arizona Law, Arizona Law will be controlling. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of The Industrial Development Authority of the City of Douglas, the Articles of Incorporation will be controlling.

ARTICLE I - PURPOSE

- 1.1 General. The purposes for which The Industrial Development Authority of the City of Douglas are laid out in the Articles of Incorporation.
- 1.2 Powers. The Industrial Development Authority of the City of Douglas is a non-profit corporation and shall have all of the powers, duties, authorizations, and responsibilities as provided in Arizona Law.

ARTICLE II - OFFICERS

- 2.1 Principal Office. The principal office of the corporation shall be located in the City of Douglas, Cochise County, Arizona, specifically at the Douglas City Hall.

ARTICLE III - BOARD OF DIRECTORS

- 3.1 General Powers. The business and affairs of the corporation shall be governed by its Board of Directors (“the Board”), which shall have all of the rights, powers, privileges, and limitations of liability of directors of a nonprofit corporation organized under the Arizona

Non-Profit Corporation Act. The Board shall establish policies and directives governing the business of the corporation and shall delegate to the officers, appointees, or personnel, subject to the provisions of these Bylaws, authority, and responsibility to see that the policies and directives are appropriately followed.

3.2 Number, Tenure, and Qualifications.

- 3.2.1 The affairs of the corporation shall be conducted by a Board of Directors consisting of not less than three (3) or more than nine (9) persons. Each Director shall hold office as specified in the Articles of Incorporation. The terms of all Directors, except for the first directors, shall be six (6) years.
- 3.2.2 Directors must be residents and qualified electors of the City of Douglas, Cochise County, Arizona. No Director shall be an officer or employee of the City of Douglas. Any Director moving their residence outside of the City of Douglas or becoming an employee of the City of Douglas shall be deemed to have resigned.
- 3.2.3 No Director shall have any financial interest in any project or property acquired, constructed, leased, or financed by the Authority or in the lessee or purchaser of such project or property from the Authority.
- 3.2.4 All incoming Directors must participate in an orientation program approved by the Board of Directors.

3.3 Compensation. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors or at any other meeting that the Director may be requested to attend on behalf of the corporation. No Director of the corporation shall serve in any other capacity with the corporation other than as a corporate officer, and no Director shall be compensated for serving as a Director or Officer.

3.4 Board Elections. Directors shall be appointed by the Douglas City Council as per the Articles of Incorporation for the Industrial Development Authority of the City of Douglas.

3.5 Vacancies. In the event that a vacancy occurs in the Board of Directors other than by normal expiration of the terms of a member of the Board of Directors, the vacancy shall be filled by appointment of the City Council. Recommendations for those vacancies and their term of office may be made by the Directors of the Authority to the City Council. The Directors shall recommend to the City Council persons of suitable experience, temperament, and training who are willing to devote time, free of compensation, to the objective of the Authority. An effort shall be made to include as Directors persons with diverse backgrounds, especially with experience in real estate, law, finance, accounting, government, business, or agriculture; provided, however, that nothing herein shall preclude the Board from recommending any person outside the scope of such occupations. Care shall be exercised to recommend persons free from the appearance of any conflict of interest, and no person who is an officer or employee of the City of Douglas shall be

recommended. All recommendations shall be advisory only, as vacancies shall be filled only by appointment of the City Council.

- 3.6 Resignation. Each Board member shall have the right to resign at any time upon written notice thereof to the President or Secretary of the Board. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.
- 3.7 Removal. A director may be removed, with or without cause, at a duly constituted meeting of the Board, by the affirmative vote of a majority of the City Council.
- 3.8 Attendance. An elected Board member who is absent from four (4) consecutive regular or special meetings of the Board or three (3) consecutive unexcused meetings during a one-year (12-month) period, shall be considered to have resigned from the Board and shall immediately return all corporation materials and Board Packet to the President or Secretary of the Board. A record of attendance shall be maintained at every meeting of the Board whether or not a quorum is present.
- 3.9 Quorum. A majority of the number of Directors then serving (as distinguished from the number of Directors authorized by the Bylaws or Articles) shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time; provided further, that the Secretary shall notify any absent members of the time of such adjourned meeting. For purposes of determining a quorum, a Director who recuses themselves from participation for any reason, but who attends the meeting, shall be counted as present.
- 3.10 Voting. No member of the Board of Directors shall be excused from voting except upon matters involving consideration of their official conduct or in such matters involving conflict of interest as set forth in these Bylaws, Articles of Incorporation, and existing laws of this State. Absent a valid disqualification, a member not voting is counted as voting "yes." When a member may not legally vote on the matter, abstention does not count as a vote, but the person abstaining does count towards establishing a quorum at the meeting to allow the transaction of business. Voting by proxy is not allowed.
- 3.11 Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
- 3.12 Presumption of Assent. A Director of the Authority who is present at a meeting at which action is taken on any corporate matter shall be presumed to have assented to the action taken unless:
 - 3.12.1 Such Director objects at the beginning of the meeting (or promptly upon their arrival) to holding or transacting business at the meeting;

- 3.12.2 Such Director's dissent or abstention from the action taken is entered in the minutes of the meeting; or
- 3.12.3 Such Director delivers written notice of such Director's dissent or abstention to the presiding officer of the meeting immediately after the adjournment of the meeting.

ARTICLE IV - MEETINGS

- 4.1 Annual Meetings. The annual meeting of the Board of Directors shall be held on a date and at a time and place established by the Board of Directors. In default of any such action, the annual meeting shall occur on the third (3rd) Tuesday of January of each year.
- 4.2 Regular Meetings. A regular meeting of the Board of Directors shall be held on a regular basis, the place, time, and date to be fixed by the Board of Directors, however in no event less than quarterly.
- 4.3 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President, the Secretary, or any two Directors upon not less than twenty-four (24) hours notice to the public, and every member of the Board. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the City of Douglas as the place for holding any special meeting of the Board of Directors called by them.
- 4.4 Notice. Notice of all Authority meetings shall be given to both the public and to the Directors.
 - 4.4.1 Notice to the public of any meeting shall comply at all times with Arizona's Open Meeting Laws. Notice to the public shall be posted at Douglas City Hall and on the City of Douglas website not less than twenty-four (24) hours prior to the meeting, and the minutes of the meeting should, but are not required to, reflect compliance. Public notice may not be waived.
 - 4.4.2 Notice to the Directors shall also be given not less than twenty-four (24) hours prior to the date and time of the meeting by written notice delivered personally, mailed, faxed, or emailed to each Director, or their agent, at their business or home address, or by telephone twenty-four (24) hours or more prior to such a meeting, only when a corporate officer shall, in that person's sole discretion, deem the meeting to be an "emergency" meeting requiring an expedited form of notice. If notice is given by telephone to the Directors, such notice shall be deemed to be delivered only when the person giving notice contacts the Director personally and prepares an affidavit for filing with the corporate Secretary to that effect. Any Director may waive notice of any meeting. Attendance at a meeting constitutes a waiver of notice of such meeting except when a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at any meeting of the Board of Directors shall be specified in the notice or waiver of notice of such meeting.

4.5 Telephonic Meetings. Directors and duly appointed committee members of the Authority, may participate in and hold a meeting of the Board of Directors or of committees of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except where a Director participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE V - OFFICERS

5.1 Number. The officers of the corporation shall consist of a President, one or more Vice Presidents, a Secretary, and a Treasurer, together with such other officers as the Board of Directors may deem necessary. Any director may hold more than one office, except that of President and Vice-President or that of President and Secretary. The officers of the corporation shall be appointed and removed by the Board of Directors.

5.2 Election. The officers of the corporation to be elected by the Board of Directors shall be elected biennially by the Board of Directors at their annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until a successor shall have been duly elected and shall have qualified, or until the member's death, or until the member shall resign or shall have been removed in the manner hereinafter provided.

5.3. Term of Office. Officers shall be elected for a two-year term. The officers of the Board shall be elected annually by the Board at regular Board meetings as terms expire or vacancies otherwise arise. A vacancy occurring in any office due to death, resignation, removal, disqualification, or any other reason may be filled by the Board for the unexpired portion of the term of office left vacant.

5.4 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by a majority vote of the Board of Directors with or without cause.

5.5 Vacancy. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term as soon as possible, but no longer than the next duly called meeting.

5.6 President.

5.6.1 The President shall be the principal executive officer of the corporation, and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation.

5.6.2 The President unless otherwise determined by the Board of Directors, shall preside at all meetings of the Board of Directors.

5.6.3 Except as provided in these Bylaws, the President, and any other officer authorized by the Board of Directors, may sign on behalf of the corporation bond documents (as that term is hereinafter defined), as well as deeds, mortgages, contracts, or other instruments authorized by the Board of Directors to be executed except in cases in which the signing and execution thereof shall be expressly delegated to the board of directors. Bond documents shall include but not be limited to Bonds, Preliminary Official Statements, Official Statements, Loan Agreements, Bond Purchase Agreement, Trust Indenture, Non-Arbitrage, and other relevant certificates.

5.6.4 In general, The President shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

5.7 Vice President.

5.7.1 In the absence of the President, or death or inability or refusal to act, the Vice President shall perform the duties of the President, including, but not limited to the execution of bond documents for any bond financing approved by the Board of Directors.

5.7.2 The Vice President, when acting on behalf of the President, shall have all the powers of and be subject to all the restrictions upon the President.

5.7.3 The Vice President shall perform such other duties as may be assigned from time to time by the President or the Board of Directors.

5.8 Secretary.

5.8.1 The Secretary shall provide that minutes of the Board of Directors meetings be kept and shall maintain the same in one or more books provided for that purpose. The Board may choose to appoint a designee to record the minutes in accordance with this Section.

5.8.2 The Secretary shall see that all notices are duly given in accordance with the provisions of these bylaws and as required by law; the responsibility and the posting of Notice may be delegated to a non-Board member by the Secretary.

5.8.3 The Secretary shall be the custodian of the corporate records.

5.8.4 In general, the Secretary shall perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

5.8.5 The Secretary shall sign all corporate resolutions and certify the same.

- 5.8.6 The Secretary shall execute such documents including, but not limited to Bond Documents as may be required for any bond financing approved by the Board of Directors.
- 5.8.7 The Secretary shall maintain on file at all times a complete copy of the Articles of Incorporation, Bylaws, and any Policies of the Authority, containing all amendments thereto, and, at the expense of the Authority, forward a copy of the Bylaws and of all documents thereto, to each member of the Board of Directors.
- 5.8.8 In the absence of the President and the Vice-President, the Secretary shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all restrictions upon the President.

5.9 Treasurer.

- 5.9.1 The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws.
- 5.9.2 In general, the Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or Board of Directors.
- 5.9.3 The Treasurer shall conservatively invest the corporation's surplus funds as outlined in the Investment Policy Statement approved by the Board of Directors.
- 5.9.4 The Treasurer shall have access to records of all receipts, disbursements, assets, and liabilities of the organization and shall report to the Board on the condition of such records and the financial condition of the Authority at all regular meetings.

5.10 Salaries. The officers of the corporation shall not be paid any salary.

5.11 Bonds of Officers. The Secretary, Treasurer and any other officer or agent of the Authority charged with responsibility for the custody of any of its funds or property may be required to post a bond in such sum and with such surety, if any, as the Board of Directors in its discretion determines to be appropriate.

ARTICLE VI – COMMITTEES

- 6.1 Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present, may designate one or more committees each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall exercise the authority of the Board of Directors in the management of the corporation. However, the designation of such committees, and

delegation thereto of authority, shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon it or by law and may not delegate to a committee its bonding authority.

- 6.2 **Other Committees.** Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Members of each such committee need not be Directors of the corporation, and the President of the corporation shall appoint the members thereof.
- 6.3 **Chairperson.** Each committee shall appoint a chairperson by majority vote of the committee members. Committee chairpersons must be Directors of the Authority.
- 6.4 **Term of Office.** Each member of a committee shall continue as such for the period of time provided for in the adopting resolution or, if silent, as the President may determine.
- 6.5 **Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.
- 6.6 **Quorum.** Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.
- 6.7 **Rules.** Each committee may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the Board of Directors.

ARTICLE VII - CONSULTANTS, PERSONNEL, APPOINTEES

- 7.1 At the discretion of the Board of Directors, the corporation may engage such individuals and/or entities, either as volunteers, appointees, employees, consultants, or independent contractors at such compensation and upon such terms as the Board of Directors determines from time to time as is necessary or desirable in assisting it to carry out its functions. Examples of paid personnel, without limitations, are attorneys, accountants, executive secretaries, financial advisors, realtors, and brokers. No serving Director shall receive compensation. Directors and Officers shall be subject to Arizona's Conflict of Interest Statutes, as defined in Title 38, Chapter 3, Article 8.

ARTICLE VIII – FINANCIAL TRANSACTIONS

- 8.1 **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any bond financing or contract, or execute and deliver any instrument in the name of, and on behalf of the corporation, and such authority may be general or confined to specific instances.

8.2 Loans and Grants. The Board of Directors may from time to time make loans and award grants for projects which are consistent with its purposes as expressed in its Articles and as permitted by Arizona law. This provision shall be liberally construed in favor of economic development benefitting the residents of the City of Douglas and construed against projects without demonstrable public benefit. No Director or member of a Director's family or entity controlled by either shall be the beneficiary of a loan or grant. The Board may, from time to time, establish loan and grant criteria and application procedures.

8.3 Checks, Drafts, Etcetera. All checks, drafts, or other orders for payment of money, notes, bonds, or other evidences of indebtedness issued in the name of the corporation shall be authorized by the Board of Directors and signed by two officers of the corporation.

8.4 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

8.5 Debts. Except as previously authorized by the Board of Directors, the President shall be limited in authority to contract any indebtedness or expenditure on behalf of the corporation in excess of two thousand five hundred dollars (\$2,500.00) without specific authorization from the Board of Directors, and shall further be prohibited from incurring two thousand five hundred dollars (\$2,500.00).

8.6 Fiscal Year. The fiscal year of the Authority shall be from January 1st to December 31st.

8.7 Audit. The Board of Directors may direct at any time that the corporate books be audited by a firm, competent bookkeeper, or certified public accountant or, as an alternative, may establish an internal Audit Committee selected from its members by the President. The audit shall be conducted at the expense of the Authority if required.

ARTICLE VI - BOND PROJECTS

9.1 Procedures. The Board of Directors shall establish procedures to be followed by an applicant interested in utilizing the corporation's ability to issue revenue bonds. Such procedures shall be established in writing and shall include the amount of the application fee, the documentation necessary for consideration by the corporation, and such other informational requirements that the corporation deems necessary for consideration of the application of any company or industry. Such procedures shall not become part of the bylaws and may be amended from time to time by the Board of Directors.

9.2 Authorized Projects. The corporation shall approve only such projects as are permitted under Arizona and Federal Law.

9.3 Authority Fees. The corporation may charge such fees, including both an application fee and an annual maintenance fee, as it deems reasonable.

9.4 Memorandum of Agreement. The corporation shall require all bonding applicants to execute a Memorandum of Agreement upon the adoption of a resolution providing preliminary approval for the project in a form approved by the corporation. The memorandum shall define in more detail the reciprocal obligations of the applicant and the corporation, provide for indemnification of the corporation, and reimbursement of its fees and expenses.

9.5 Applicant Indemnification. In all bond projects, the corporation, its Board of Directors and advisors, the Douglas City Council, and its staff shall be indemnified by the applicant from incurring fees, expenses, or liability, all in the manner approved by the corporation's legal counsel.

9.6 Payment of Principal and Interest. All principal and interest of the bonds issued by the corporation shall be payable solely out of the revenues, proceeds, and receipts, derived from the corporation's sale of bonds, loan repayments, or lease rentals, or out of the proceeds of bonds issued pursuant to Arizona law, or of any revenues, proceeds, and receipts as shall be specified in the proceedings of the Board of Directors under which the bonds shall be authorized to be issued.

9.7 Non-Liability of the City. The corporation shall require that appropriate bond documents reflect that the City of Douglas shall not be liable for the payment of the principal of or interest of any bonds of the corporation, or for the performance of any pledge, mortgage, obligation, or agreement of any kind undertaken by the corporation or any of its payments or obligations shall be construed to constitute an indebtedness of the City of Douglas within the meaning of any constitutional or statutory provision whatsoever.

9.8 Document Modification. Once the corporation has adopted a final bond resolution (the "bond resolution") approving and authorizing the execution of certain documents to which the corporation is a party ("authority bond documents") the President, or any officer in his absence, with the concurrence of the corporation's legal counsel, may approve language modification in the approved documents to correct errors, improve comprehension, clarify ambiguities, or for any other reason consistent with the bond resolution; provided, however, that if in the opinion of the corporation's legal counsel the proposed modification is in conflict with any material substantive portion of the applicant's presentation or application so as to render the same misleading, or so as to be in conflict with the expressed intent of the corporation, then and in any such event the corporation's legal counsel may require approval of the proposed modification by the Board of Directors of the corporation.

9.9 Affidavit of Disinterest; Conflict. Each Director shall when requested to do so in connection with a bond financing, execute an Affidavit of Disinterest certifying that they have no conflict of interest which would exist if they voted upon the bond financing or, in the alternative, shall execute an affidavit specifying any potential conflict and refrain from participation or voting.

ARTICLE X - SEAL

10.1 Seal. The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation. The President or any other duly authorized officer may execute any agreement, conveyance, or other document without the corporate seal of the Authority unless otherwise required by law.

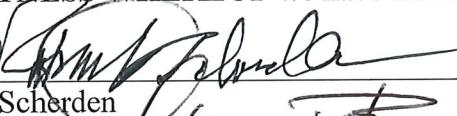
ARTICLE XI - AMENDMENTS TO BYLAWS

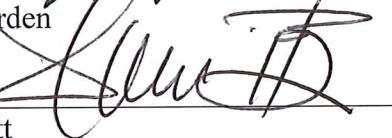
11.1 Amendments. These bylaws may be altered, amended, restated, or repealed by the affirmative vote of two-thirds (2/3) present at any regular or special meeting, provided a quorum as provided in these Bylaws is present, and provided Directors received ten (10) days written notice of such meeting and of the proposed alteration, amendment or repeal.

KNOW ALL PERSONS BY THESE PRESENTS:

We, the undersigned, being all of the members of the Board of Directors of the Industrial Development Authority of the City of Douglas, do hereby assent to the foregoing Bylaws and adopt them as the restated Bylaws of said Authority.

IN WITNESS WHEREOF we have hereunto subscribed our names this 9th day of May 2023.


Patrick Scherden


Vicky Merritt


Florencio Lopez


Hector Quijada


Joey Barreras


Roberto Fernandez


Ida Ann Pedregó