

BYLAWS OF
TOWN OF GILBERT, ARIZONA
WATER RESOURCES MUNICIPAL PROPERTY CORPORATION

ARTICLE I. CORPORATION, OFFICE AND SEAL

Section 1. The Corporation. The Corporation is a non-profit corporation organized under Title 10, Chapter 22, Arizona Revised Status, as amended.

Section 2. Office. The principal office of the Corporation shall be located at the Town Hall of the Town of Gilbert, Arizona, 50 E. Civic Center Drive, Gilbert, Arizona 85296.

Section 3. Seal. The Corporation shall have a common seal consisting of "TOWN OF GILBERT, ARIZONA WATER RESOURCES MUNICIPAL PROPERTY CORPORATION," and in the center, "An Arizona Nonprofit Corporation, Incorporated, on February 4, 1997."

ARTICLE II. RIGHTS AND LIABILITIES OF DIRECTORS

Section 1. Interest of Directors and Officers. No Director or Officer of the Corporation shall have any right, title or interest in or to any property or assets of the Corporation either prior to, during, or at the time of any liquidation or dissolution of the Corporation.

Section 2. No Liability of Directors and Officers for Debts. The private property of the Directors and Officers of the Corporation shall be exempt from execution or other liability for any debts of the Corporation, and no Director shall be liable or responsible for any debts or liabilities of the Corporation.

ARTICLE III. DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by a board of five (5) Directors which shall exercise full power to conduct, manage and direct the business and affairs of the Corporation.

Section 2. Election and Tenure of Office. The Board of Directors shall be appointed by the governing body of the Town of Gilbert. The initial Board of Directors shall be divided into two (2) groups of Directors, respectively, the first group to serve for three (3) years and the second group to serve for two (2) years. Upon expiration of each initial term, successor Directors shall be appointed to serve for terms of three (3) years. Each Director shall be a resident of the Town of Gilbert.

Section 3. Vacancies. A vacancy in the Board of Directors occurring by reason of death, resignation or removal shall be filled by the governing body of the Town of Gilbert. The failure to fill any vacancy on the Board of Directors shall not operate to reduce the size of the Board of Directors.

Section 4. Removal of Directors. The Board of Directors, or any member thereof, may be removed from office, with or without cause, by the governing body of the Town of Gilbert.

Section 5. Compensation. Neither directors, officers nor close relatives of a Director or an Officer shall receive any salary or other compensation for their services.

ARTICLE IV. MEETINGS OF DIRECTORS

Section 1. Regular Annual Meeting. The regular annual meeting of the Board of Directors shall be held at a date and time designated by the Board of Directors at such place within the Town of Gilbert for the purpose of appointing officers and reviewing reports for the previous fiscal year and for the purpose of transacting such other business as may come before the Board of Directors. Failure to hold the annual meeting shall not work as a forfeiture or dissolution of the Corporation and in the event of such failure, the annual meeting shall be held within a reasonable time thereafter.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any Director or by the Town Manager (or designee), and it shall thereupon be the duty of the Town Manager (or designee) to cause notice of such meeting to be given as provided at Section 3 of this Article. In such event, the Town Manager (or designee) shall fix the time and place for the holding of the meeting.

Section 3. Notice of Directors' Meetings. Written notice of the time and place of each annual meeting and any special or other meeting shall comply with the Arizona open meeting laws and Town Code.

Section 4. Quorum. A majority of the members of the Board of Directors shall constitute a quorum, provided that if less than such majority of the directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time. The act of a majority of the Directors present at the meeting at which a quorum is present shall be the act of the Board of Directors as to all matters.

Section 5. Participation in Meetings. The governing body of the Town of Gilbert shall be entitled to make recommendations to the Board of Directors with respect to any matter at the meeting thereof. Each member of the governing body of the Town of Gilbert and any official or employee of the Town of Gilbert designated by the governing body of the Town of Gilbert or the Town Manager shall have the right to attend any meeting of the Board of Directors with the right of debate, but they shall not be entitled to vote on any matter considered

by the Board of Directors unless, aside from being any of the foregoing with respect to the Town of Gilbert they are a member of the Board of Directors.

ARTICLE V. OFFICERS

Section 1. Number and Qualifications. The Officers of the Corporation shall be a President, a Vice President, a Secretary-Treasurer and such other Officers as may be determined by the Board of Directors from time to time, each of whom shall be a member of the Board of Directors, and they shall perform such duties as may be designated by the Board of Directors.

Section 2. Election and Term of office. The Officers shall be appointed by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each Officer shall hold office until his or her successor shall have been appointed and qualified; provided that neither the President or Vice-President shall serve in their Offices for more than two (2) consecutive years. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term. If an Officer is temporarily unable to perform their duties, the Board of Directors may appoint a Director to fill the duties on a pro tempore basis.

Section 3. President. The President:

a. shall be the principal executive officer of the Corporation, and unless otherwise determined by the members of the Board of Directors, shall preside at all meetings of the Board of Directors;

b. may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, excepting cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and

c. shall in general perform all duties incident to the Office of the President and perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 4. Vice President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be prescribed by the Board of Directors.

Section 5. Secretary-Treasurer. The Secretary-Treasurer shall:

a. see that all notices are duly given in accordance with these Bylaws or as required by law;

- b. in general, perform all duties incident to the Office of Secretary, and such other duties as from time to time may be prescribed by the Board of Directors;
- c. have charge and custody of and be responsible for all funds and securities of the Corporation;
- d. be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all such monies in the name of the Corporation in such depositories as shall be selected by the Board of Directors; and
- e. in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be prescribed by the Board of Directors.

ARTICLE VI. NONPROFIT CORPORATION

The Corporation shall at all times be operated on a non-profit basis, and no part of the income or assets of the Corporation shall be distributed to, or inure to the benefit of, any Director or Officer.

ARTICLE VII. FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of monies, and all notes, bonds or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors and in compliance with the Town of Gilbert's financial procedures and policies.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such depositories as the Board of Directors uses in coordination with the Town of Gilbert.

Section 4. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July of each and every year and shall end on the last day of June the following year.

ARTICLE VIII. MISCELLANEOUS

Section 1. Rules and Regulations. The Board of Directors shall have the power to make and adopt such rules and regulations not inconsistent with Arizona law, Town

Code, the Articles of Incorporation of the Corporation or these Bylaws, as it may deem desirable for the management of the business and affairs of the Corporation.


Section 2. Accounting System and Reports. The Board of Directors shall review and ratify reports maintained by the Town to verify compliance with generally accepted principles of accounting within an appropriate accounting system.

ARTICLE IX. AMENDMENTS

These Bylaws may be altered, amended or replaced by the affirmative vote of a majority of the Board of Directors of the Corporation, at any regular or special meeting, provided however, that no amendment to these Bylaws shall be effective until such amendment shall have been approved by the governing body of the Town of Gilbert in the manner provided in Article XIV of the Articles of Incorporation of the Corporation.

CERTIFICATION

I hereby certify that the foregoing Bylaws were adopted by the Board of Directors of the Corporation at a meeting called for that purpose on the _____ day of _____, 2023.
2/22/2023

DocuSigned by:

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President