

**TUCSON AIRPORT AUTHORITY | Corporate Governance Council Meeting
July 19, 2021 | 3:00 p.m. | Remote Participation Only**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tucson Airport Authority (TAA) and to the public that the **Corporate Governance Council** will hold a meeting open to the public on **Monday, July 19, 2021, beginning at 3:00 p.m.** The meeting will be held by video and telephonically via the remote participation platform Webex. A link for members of the public to view the meeting will be posted along with the agenda at the web address below.

<https://www.flytucson.com/taa/public-meeting-information/>

The agenda for the meeting is as follows:

CALL TO ORDER | ROLL CALL

- | | | |
|---|---|---------------------------------------|
| <input type="checkbox"/> Michael Duran, Chair | <input type="checkbox"/> Rob Draper | <input type="checkbox"/> Judy Rich |
| <input type="checkbox"/> Todd Jackson, Vice Chair | <input type="checkbox"/> David Hameroff | <input type="checkbox"/> Steve Holmes |
| <input type="checkbox"/> Michael McGrath | <input type="checkbox"/> Larry Lang | <input type="checkbox"/> Lee Lambert |

WELCOME AND INTRODUCTIONS

APPROVAL OF MINUTES

1. Approve the minutes of the Corporate Governance Council meeting held on July 6, 2021.

DISCUSSION ITEM

2. PROPOSED BYLAW AMENDMENTS

The Council may discuss comprehensive amendments to the Bylaws of the Tucson Airport Authority, addressing areas of membership and membership requirements, corporate meetings, Board and Advisory Council provisions, terms of officers, and other related updates.

ACTION ITEM

3. CONSIDER AND RECOMMEND VARIOUS BYLAW AMENDMENTS TO THE BOARD OF DIRECTORS

The Council will consider and may recommend to the Board of Directors various amendments to the Bylaws of the Tucson Airport Authority.

NEXT MEETING

If required, the Council will determine the date, time, and location of the next meeting.

ADJOURN

DRAFT MINUTES

TUCSON AIRPORT AUTHORITY | Corporate Governance Council Meeting July 6, 2021 | 3:00 p.m. | Remote Participation Only

THIS COUNCIL MEETING WAS A REMOTE PARTICIPATION ONLY MEETING. COUNCIL MEMBERS PARTICIPATED VIA WEBEX AND THE PUBLIC WAS PROVIDED WITH A LINK AND PHONE NUMBER/CODE WHICH THEY WERE ABLE TO JOIN THE MEETING VIA WEBEX.

CALL TO ORDER | ROLL CALL

Vice Chair Jackson called the meeting to order at 3:03 p.m.

Members Present: Vice Chair Todd Jackson, Council Member Michael McGrath, Council Member David Hameroff, Council Member Larry Lang, Council Member Steve Holmes, and Council Member Lee Lambert

Members Absent: Chair Michael Duran, Council Member Rob Draper, and Council Member Judy Rich

Others Present: TAA Chairperson Bruce Dusenberry

Staff Present: President/Chief Executive Officer Danette Bewley, VP/General Counsel Christopher Schmaltz, Deputy General Counsel Kim Ryan, and TAA Clerk Byron Jones

WELCOME AND INTRODUCTIONS

Vice Chair Jackson chaired the meeting as Chair Duran was unable to attend.

APPROVAL OF MINUTES

1. Approve the minutes from the Corporate Governance Council meeting held on May 11, 2021.

MOTION BY Council Member McGrath, SECONDED BY Council Member Lang, to APPROVE the minutes of the Corporate Governance Council meeting held on May 11, 2021. The motion carried by the following vote:

Ayes 6 Vice Chair Jackson, Council Member McGrath, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert

Nays 0 None

DISCUSSION ITEM

2. PROPOSED BYLAW AMENDMENTS

VP/General Counsel Christopher Schmaltz explained that the memo summarizing the proposed bylaw changes reflects feedback from members of the Board and the Governance Council. Mr. Schmaltz also said that the memo includes recommended changes to update, clarify, and modernize various provisions of the Bylaws.

DRAFT MINUTES

The Council reviewed and discussed, the following bylaw amendments (referring to the memo presented to the Council as part of the meeting packet):

1. Amend Section 1.3 (relating to corporate seals)

There were no comments from the Council.

2. Amend Membership terms (clarification of when terms begin and end)

Schmaltz explained that no provisions in the Bylaws address when membership terms begin and end. This amendment clarifies what has been the general approach.

There were no comments from the Council.

3. Amend Section 2.1

a. Section 2.1.2(a)(iii) becomes Section 2.1.2(a)(iv)

There were no comments from the Council.

4. Membership eligibility (from May 11, 2021 meeting) (updated per previous meeting discussion)

Schmaltz explained that the proposed amendment contains two substantive changes from the previous meeting. First, the language defines what constitutes a high-level government employee. Because agencies have differing standards for classifying their employees, the Nominating Council would have the authority to determine whether a nominee is a high-level government employee on the advice of the General Counsel. Second, per the Council's direction, language was added to allow individuals affiliated with governmental entities that do not typically have conflicts of interest with the TAA. These include indigenous or tribal nations and public educational institutions.

The discussion of the Council was in support of the proposed changes. Because this issue has a direct effect on the current nominating process, the Council elected to vote on it so a recommendation could be presented to the Board of Directors for its meeting on August 4, 2021. See "Action Items."

5. Amendment Sections 2.1.2.a.i – (relating to Membership conflicts of interest)

Schmaltz explained that Section 2.1.2.a.1 of the Bylaws addresses the responsibilities of membership. The issue of potential conflicts of interest has come up in previous discussions, and it would be beneficial to state that a member may not act in ways that are contrary to the best interests of the TAA. A further update makes it more difficult to remove a member from the organization by requiring a majority of the entire Board of Directors to vote to remove a member. The Bylaws as currently written allow for a member to be removed by a simple majority of directors present.

There were no comments from the Council.

DRAFT MINUTES

6. Amend Section 2.2 – (relating to Member voting)

Schmaltz explained that this is a substantive change to the Bylaws in that it removes the provision that gives one quarter of the votes in an election a veto over a candidate or a nominee. Currently, a candidate or nominee could receive a majority vote, but their election would fail if a potentially small minority voted against them. This became more of a possibility during this past nominating period with the nomination of the Mayor of Tucson. The amendment also updates the language to allow for voting by electronic means as permitted by Arizona law.

COUNCIL DISCUSSION:

- The issues this year involving government officials were an outlier rather than the norm and dealt with the politicization of the TAA.
- There have been few if any controversial candidates over the years.
- Civic, charitable, and philanthropic organizations typically do not elect members by majority vote. If there is sizeable opposition to a proposed member, they are usually not admitted.

7. Amend Section 2.2.1 – (relating to Nominations)

Schmaltz explained that this is a cleanup provision to consolidate all provisions pertaining to member and director nominations.

There were no comments from the Council.

8. Amend Section 2.2.2 – (relating to Nominating Council procedures and authority)

Schmaltz explained that the most substantive change in this amendment is in response to concerns that the Board of Directors has no role in the nominating process. Currently, nominations go directly from the Nominating Council to the full membership for ratification. The new process would require the Nominating Council to submit its recommendations to the Board of Directors, and the Board would consider and vote on a proposed slate of nominees to be acted upon by the full membership.

COUNCIL DISCUSSION:

- Removing nominating authority from the Nominating Council potentially negates the purpose of the Council.
- The Nominating Council has the vital role of vetting the candidates.
- Having the Board of Directors weigh in on the nominations would be a check to ensure controversial or otherwise unqualified candidates are not forwarded to the full membership.

Consideration of this amendment was continued to allow for additional input by Council Members who were not present.

DRAFT MINUTES

ACTION ITEM

3. CONSIDER AND RECOMMEND VARIOUS BYLAW AMENDMENTS TO THE BOARD OF DIRECTORS

MOTION BY Council Member Hameroff, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended to include a new Article 2.1.3 (Proposed Amendment No. 4) to read as follows:

Individuals who are elected officials or high-level employees of any branch or level of government, except for elected officials or employees of indigenous/tribal nations and public educational institutions, are not eligible for TAA Membership. For these bylaws, "high-level" shall mean any position that exercises decision making authority over a significant range of strategic or tactical matters involving that governmental entity or a division/department of that governmental entity. Determinations on whether a person is in such a "high-level" position shall be made by the Nominating Council, on advice from TAA's General Counsel. Any current TAA member, as of the effective date of the bylaws containing this amendment, who is currently an elected official or high-level government employee retains all rights and privileges under these bylaws as a Member of TAA. However, no current Member who is an elected official or high-level government employee is eligible to serve on the TAA Board of Directors.

Any current Member who becomes an elected official or high-level employee defined above after the effective date of the bylaws containing this amendment shall have their Membership suspended for the period they serve as an elected official or high-level government employee. Suspended Members retain all privileges of Emeritus Members under these Bylaws. Any suspended Member must resign from the Board or any Advisory Council on which they currently serve. The term of their Membership shall be tolled until they no longer are an elected official or a high-level government employee. When their period of service as an elected official or high-level employee ends, the Member shall regain all rights and privileges of TAA Member under these bylaws as of that date.

Any suspended Member whose active Membership plus tolling period extends for more than ten (10) years is eligible to apply for Emeritus Member status under Section 2.1.2(b).

For purposes of the numerical limitation of Members provided in Section 2.2.2, suspended Members shall be included in the count of total number of Members.

The motion carried by the following vote:

Ayes 6 Vice Chair Jackson, Council Member McGrath, Council Member Hameroff, Council Member Lang, Council Member Holmes, and Council Member Lambert

Nays 0 None

Council Member McGrath left the meeting at 3:47 p.m.

The meeting adjourned at 3:47 p.m. due to loss of the quorum.

DRAFT MINUTES

Prepared by:

Byron M. Jones, CMC, TAA Clerk

Date: _____

Date: 6/29/2021

To: TAA Corporate Governance Council

From: Danette Bewley, President/CEO; Chris Schmaltz, VP & General Counsel; Kim Ryan, Deputy General Counsel

Re: Proposed Bylaw amendments for consideration by the Corporate Governance Council

This memorandum provides an outline of proposed amendments to the TAA Bylaws based upon input from Board members, TAA Members and the TAA legal team.

Proposed Amendments

1. Amend Section 1.3 (relating to corporate seals)

Delete existing and replace language of Section as follows:

The corporation shall have a corporate seal which shall be of such form as the Board of Directors may determine. The Board shall determine the custody, number and use of the corporate seal. The seal shall have inscribed on it the name of this corporation and the year of the corporation's creation and the words "Corporate Seal, Arizona." The Board of Directors may change the form and inscription of the seal as they deem appropriate.

2. Amend Membership terms (clarification of when terms begin and end)

New Section 2.1.2(a)(iii)

Terms of Members and continuing Members shall begin on the date of the annual meeting at which their membership or continuing membership was approved and end after fifteen (15) years for Members, or five (5) additional years for continuing Members, on the day prior to the date their membership or continuing membership was approved.

3. Amend Section 2.1

- a. Section 2.1.2(a)(iii) becomes Section 2.1.2(a)(iv)

4. Membership eligibility (from May 11, 2021 meeting) (updated per discussion)

New Article 2.1.3:

Individuals who are elected officials or high-level employees of any branch or level of government, except for elected officials or employees of indigenous/tribal nations and public educational institutions, are not eligible for TAA Membership. For these bylaws, “high-level” shall mean any position that exercises decision making authority over a significant range of strategic or tactical matters involving that governmental entity or a division/department of that governmental entity. Determinations on whether a person is in such a “high-level” position shall be made by the Nominating Council, on advice from TAA’s General Counsel. Any current TAA member, as of the effective date of the bylaws containing this amendment, who is currently an elected official or high-level government employee retains all rights and privileges under these bylaws as a Member of TAA. However, no current Member who is an elected official or high-level government employee is eligible to serve on the TAA Board of Directors.

Any current Member who becomes an elected official or high-level employee defined above after the effective date of the bylaws containing this amendment shall have their Membership suspended for the period they serve as an elected official or high-level government employee. Suspended Members retain all privileges of Emeritus Members under these Bylaws. Any suspended Member must resign from the Board or any Advisory Council on which they currently serve. The term of their Membership shall be tolled until they no longer are an elected official or a high-level government employee. When their period of service as an elected official or high-level employee ends, the Member shall regain all rights and privileges of TAA Member under these bylaws as of that date.

Any suspended Member whose active Membership plus tolling period extends for more than ten (10) years is eligible to apply for Emeritus Member status under Section 2.1.2(b).

For purposes of the numerical limitation of Members provided in Section 2.2.2, suspended Members shall be included in the count of total number of Members.

5. Amendment Sections 2.1.2.a.i – (relating to Membership conflicts of interest)

Amend the sub-paragraph by adding the phrase “not act in conflict with the interests of the Authority,” after the phrase “support the interests of the Authority.”

Delete existing and replace the last sentence of the sub-paragraph with the following:

If a Member does not meet these membership requirements, the Board of Directors may, by vote of the majority of the membership of the Board of Directors (e.g., if a Board of 9 total directors, 5 votes are required), terminate such person’s membership in the Tucson Airport Authority.

6. Amend Section 2.2 – (relating to Member voting)

Delete existing and replace language of Section as follows:

The election of new and continuing Members shall be by secret ballot of the existing Members in accordance with Arizona law (in person, by proxy or via remote attendance/electronic voting) at the annual meeting of the Members. A majority of the votes cast are required for approval of the election of new and continuing Members.

7. Amend Section 2.2.1 – (relating to Nominations)

Delete existing and replace language of Section as follows:

If a Member or Emeritus Member of the Authority in good standing desires to nominate for membership in the Authority a qualified person who is not then a Member, to be voted upon pursuant to the provisions of these bylaws, such Member or Emeritus Member shall nominate the person, pursuant to the process established for such nominations by the Nominating Council, no sooner than April 1 and no later than October 1 in the year preceding each regular annual meeting date. Members who desire to be considered for a Director position shall submit their application form and materials to the Nominating Council by October 1 in the year preceding each regular annual meeting date.

8. Amend Section 2.2.2 – (relating to Nominating Council procedures and authority)

Delete existing and replace language of Section as follows:

All nominations for new or continuing Members of the Authority shall follow the process described in Sections 2.2.1 and 2.2.2. The Nominating Council shall review and consider all timely submitted new membership, continuing membership, and Director submittals. By November 30 of each year, the Nominating Council shall act on its recommendations for new members, continuing membership, and Directors to the Board of Directors for the Board's consideration and action.

Nominations for the office of Director may also be submitted by written petitions signed by not less than twenty-one (21) voting Members in good standing; provided each petition includes all information required to be submitted by Members filing a nomination/or their own request for a director position. Such petitions must be submitted to TAA by November 30, for consideration by the Board prior to the next annual meeting.

The Board of Directors shall review the recommendations made by the Nominating Council on nominations for new members, continuing membership, Director nominations (including those submitted by petition) and slate of officers, and may, by majority vote in favor on each nomination, approve a slate of nominees for new members, continuing members, and Directors,

including their proposed terms, to be voted on by the Members at the next annual meeting. The slate of nominees shall be forwarded to the Members in accordance with Section 2.7.1 below.

The maximum number of TAA Members shall be sixty.

9. Delete Section 2.2.3.

10. Amend Section 2.3.1 NOTICE. (relating to Notices for annual meeting)

Delete existing and replace language of Section as follows:

Notice of the date, time and location of the annual meeting shall be provided at least twenty-one (21) days prior to the meeting to each Member and Emeritus Member. Notice may be provided via regular mail or electronically or both, at the addresses of each Member and Emeritus Member in the records of the corporation. Failure of a Member and Emeritus Member to receive a notice, or any irregularity in the sending or receiving of such notice, shall not affect the validity of any annual meeting or of any proceedings or actions taken at any such meeting.

11. Amend Section 2.4 SPECIAL MEETINGS. (relating to procedures to call special meetings of the Members)

Delete existing and replace language of Section as follows:

Special meetings of the Members of the corporation may be held in accordance with Arizona law, including in person, via technological means or a combination thereof. Special meetings may be held when demanded in writing by Members having at least ten percent (10%) of the votes entitled to be cast at such a meeting, when called by the Chair of the Board, or when called by vote of a majority of the members of the Board of Directors. Special meetings shall be valid for all corporate purposes and any action under corporate authority granted to Members under these Bylaws may be taken at such a meeting.

12. Amend Section 2.4.1 (relating to Notices of Special membership meetings)

Delete existing and replace language of Section as follows:

Notice of any special meeting, providing the date, time, manner of holding the meeting, and agenda for the meeting, shall be sent at least twenty-one (21) days prior to the special meeting to each Member via regular mail or electronically or both, at the addresses of each Member in the records of the corporation. Failure of a Member to receive a notice, or any irregularity in the sending or receiving of such notice, shall not affect the validity of any special meeting or of any proceedings or actions taken at any such meeting.

13. Delete Section 2.4.2.

14. Amend Section 2.7.1 (relating to election procedures and materials)

Delete existing and replace language of Section 2.7.1 as follows:

The Board of Directors, at its meeting held under Section 2.2.2 above, shall direct the TAA President/CEO, and her/his designees, to compile election materials for all nominees forwarded to the Members for election at the next annual meeting. The election materials shall include ballots for the election, and all materials submitted by a Member or Emeritus Member as part of the nomination packet, or as may be submitted as part of a Director nominating petition.

The President/CEO shall cause the election materials (including the slate of nominees) to be sent to all Members at least twenty-one (21) days prior to the date of the annual meeting via regular mail or electronically or both, at the addresses of each Member in the records of the corporation. Failure of a Member and Emeritus Member to receive the election materials, or any irregularity in the sending or receiving of such materials, shall not affect the validity of the elections conducted at the annual meeting.

15. Delete Sections 2.7.2, 2.7.3, 2.7.4, and 2.7.5.

16. New Section 2.7.2 language (relating to nominated members unable to serve, prior to annual meeting date)

In the event that any nominee shall be unable to serve if elected by the Members (through death, ineligibility, incapacity, resignation, or similar), at any time between the sending of all election materials to the Members and the date of the annual meeting, upon notice to her/him, the President/CEO shall cause a notice to be sent prior to the annual meeting, as soon as is practicable under the circumstances, to all Members of the ineligibility of the nominee to serve if elected by the Members. Prior to the casting of ballots at the annual meeting, the Chair or Chair's designee shall make a reminder announcement as to the inability of the nominee to serve. The election shall proceed with the ballots as were distributed to the Members.

17. New Section 2.7.3 language (relating to ineligible members who are elected)

If a nominee who is unable to serve is elected by the Members, that election shall be deemed null and void and the position shall be deemed as vacant, except for any nominee to be a new Director. In that case, the position remains unfilled, and may be filled under the normal nomination process set forth in Section 2.2.1 and 2.2.2.

18. Amend Section 2.8 ORDER OF BUSINESS (relating to agenda for annual meeting)

Delete existing and replace language of Section 2.8 as follows:

The order of business for all annual meetings shall include (1) a presentation of all proxies held by Members to the Chair and Secretary for verification; (2) a review of the minutes of the

preceding annual meeting (and any special meeting held since the last annual meeting), and action on them; (3) Reports from officers and councils as the Chair deems necessary or appropriate; (4) Elections and their results, and (5) any other matter provided on the Agenda sent to Members prior to the annual meeting.

19. Amend Section 3.1 ELIGIBILITY, ELECTION, TERM, NUMBER AND QUALIFICATION AND TERM OF OFFICE (relating to composition of Board)

Delete existing and replace language of Section 3.1.1 as follows:

The Board of Directors shall consist of at least seven (7) and no more than eleven (11) members. The Immediate Past Chair remains a Director on the Board for 1 year after her/his term as Chair expires.

20. Amend Section 3.1.2 TERMS (relating to Board terms)

Delete existing and replace language of Section 3.1.2 as follows:

Each Director shall serve for the term, either 1, 2 or 3 years, as provided for in the action that resulted in their election to Director, either by Member ballot or when filling a Board vacancy. A person may be nominated and approved to serve subsequent successive terms; however, no person may serve for more than six (6) consecutive years on the Board, except if the seventh (7th) consecutive year is to serve as Immediate Past Chair on the Board. Terms shall be staggered in a way to preserve experience and institutional knowledge on the Board.

21. Amend Section 3.2 VACANCIES (relating to vacancies on the Board)

Delete existing and replace language of Section 3.2 as follows:

In the case of any vacancy on the Board of Directors caused by death, resignation, disqualification or other reason, the Nominating Council shall recommend one or more nominees to fill the vacancy to the Board of Directors. The remaining Directors may elect a nominee, by majority vote, to fill the vacancy on the Board, to serve only for the period between the election of the nominee to the Board and the next annual meeting.

22. Amend Section 3.3 REGULAR MEETINGS (relating to Board meeting schedule)

Delete existing and replace language of Section 3.3.1 as follows:

After the adjournment of the annual membership meeting, at the same location if in person, the Board of Directors shall hold its first regular meeting of the year. At that meeting, the Board shall elect its officers and establish the schedule for at least 3 additional regular Board meetings for the year. Regular meetings shall be held as scheduled unless cancelled by the Chair by

providing notice to the Board more that twenty-four (24) hours prior to the meeting date and time.

23. Amend Section 3.3.2 (relating Board attendance expectations)

Delete existing and replace language of Section 3.3.2 as follows:

Any Director who is absent without being excused by the Chair of more than fifty percent (50%) of all regular and special board meetings in any calendar year, shall be subject to removal from the Board by a majority vote of the membership of the Board.

24. Amend Section 3.4 (relating to special Board meeting notices)

Delete last sentence of paragraph and replace as follows:

Notice of each special meeting shall be provided to all Directors as required by applicable Arizona law, but in no event shall such notice be less than 24 hours prior to such meeting.

25. Delete Section 3.6 in its entirety.

26. Amend Section 4.1 (relating to Board officers of the non-profit corporation)

Delete existing and replace language of Section 4.1 as follows:

The officers of this corporation shall consist of a Chair, Vice Chair, Secretary and Treasurer. Such officers shall be elected at the first Board meeting held following the annual meeting. The slate of officers to be considered by the Board shall be as approved by the Board under Section 2.2.2 of these Bylaws.

27. Amend Section 4.7 (relating to the terms of office of the Chair and Vice-Chair of the Board)

Delete existing and replace language of Section 4.7 as follows:

The Chair and Vice-Chair shall serve two-year terms. All other officers serve one-year terms. If a Director's term as Chair would extend beyond the Chair's eligibility to serve on the Board under Section 3.1.2 of these bylaws, the term of the Director shall be extended to end at the end of the Director's term as Immediate Past Chair of the Board.

28. Amend Article 5, VACANCIES IN OFFICE (relating to cleanup of superfluous language)

Delete the phrase "*although less than a quorum.*"

29. Amend Article 8, AMENDMENT TO BYLAWS (relating to bylaw amendment process requirements)

Delete final sentence of the paragraph.

Replace with the following:

No bylaw amendment may be acted on by the Board unless it has first been considered by the Corporate Governance Council. The Board of Directors shall, by majority vote, direct the Corporate Governance Council to consider bylaw amendments it deems appropriate and in the best interests of the corporation. If the Corporate Governance Council fails to timely meet to consider a proposed bylaw amendment and make a recommendation to the Board on the proposed bylaw amendment, the Chair may place the proposed bylaw amendment on the Board's agenda for consideration and action.

30. Delete Article 9 in its entirety.

31. Amend existing Article 10 as Article 9, APPOINTMENT OF ADVISORY COUNCILS (relating to the nature, amount and purpose of the advisory councils)

Delete existing and replace language of Section 9.1 as follows:

The TAA Advisory Councils shall include the Corporate Governance Council, the Nominating Council, the Audit Council, and the Financial Council (to include an environmental/sustainability sub-council) and such other councils as the Chair may determine is appropriate. No Council shall have an odd number of members, and shall have more than seven (7) or less than three (3) Members. The Chair shall appoint, with the advice and consent of the Board, Members to each council, and the Chair of each Council. The terms of such appointments shall be two (2) years. The Chair and Vice-Chair of the Board may attend and participate in all Council meetings as non-voting members of a Council.

Delete existing and replace language of Section 9.2 as follows:

Nominating Council. The Nominating Council shall consist of seven Members, who will be appointed for up to two, two-year terms, and may not serve more than 4 consecutive years. The Council Chair shall serve 2 years. The Council roster shall include, 2 former Directors, two current Directors who are not the Chair or Vice-Chair, and 3 Members who have never served as Directors. Nominating Council Members are not eligible to be nominated for a first term on the Board of Directors.

32. Clean up references to corporation officers:

- a. Amend all instances in the bylaws which refer to Chairperson and/or the presiding officer of the Board of Directors and replace with Chair of the Board.

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- b. Amend all instances in the bylaws which refer to Vice Chair and/or the Vice Chair of the Board of Directors and replace with Vice Chair of the Board.
 - c. Amend all instances in the bylaws which reference the chair of an advisory council and replaced with Chair of the Council. References to specific councils will be amended as appropriate (e.g., Chair of the Nominating Council).

33. Rename Article 2 as “Membership.”

34. Insert new Article 3 called “Meetings of the Corporation.”

- a. Move Sections 2.3, 2.4, 2.5., 2.6, and 2.7 to the new Article 3 and number them Sections 3.1, 3.2, 3.3, 3.4, and 3.5.
- b. Move Section 2.8 (ORDER OF BUSINESS) to the new Article 3 and insert as Section 3.1.1.

35. Renumber current Articles 3 through 12 to conform to previous changes, if approved.

Attachments: Current Bylaws

BYLAWS

TUCSON AIRPORT AUTHORITY

Incorporating all amendments through June 2, 2021

ARTICLE 1

TITLE, LOCATION, CORPORATE SEAL

Section 1.1 The title of this corporation shall be "TUCSON AIRPORT AUTHORITY, INC." and may be referred to herein as "Authority."

Section 1.2 The principal office of this corporation shall be in or near the City of Tucson, Arizona, but this corporation may have other offices at such places as the Board of Directors shall designate and the business of this corporation may require.

Section 1.3 The corporation shall have a corporate seal which shall be of such form and devise as the Board of Directors may determine. It shall have inscribed thereon the name of this corporation and the year of its creation and the words "Corporate Seal, Arizona." The Directors may change the form and devise and inscription of the seal at pleasure. The Directors may, if they deem advisable, provide more than one seal press for making imprints of the corporate seal and make suitable regulations and provisions for the custody and use thereof.

ARTICLE 2

MEMBERSHIP AND MEETINGS

Section 2.1 QUALIFICATIONS AND CLASSIFICATION

2.1.1 The membership of this corporation shall be confined to people who live in and maintain their primary residence in the Tucson International Airport air service area, which includes the general Southern Arizona region, who have repeatedly evidenced their interest in the promotion of air transportation and commerce.

2.1.2 The membership shall be divided into two categories to be known as "Members", and "Emeritus Members."

(a) Members.

(i) A Member shall be entitled to vote at any meeting of Members and at any meeting of a council of which he or she is a member. A Member shall be committed to accept Advisory Council appointments; support the interests of the Authority and actively participate in Authority activities; make every reasonable effort to attend Council and Membership meetings; support the Tucson Airport Authority in all reasonable ways requested by the Chairman of the Board, the President/CEO or the Chairman of the Council; and contribute his or her expertise as requested. If a Member

does not meet these participation requirements and, after reasonable attempts have been made to contact the Member, the Board of Directors may, by majority vote, terminate such person's membership in the Tucson Airport Authority.

(ii) Members will serve for an initial fifteen (15) year term. Any Member may apply to continue as a Member for one successive 5-year term by providing notice to the chairperson of the Nominating Council no sooner than April 1 and no later than October 1 in the year preceding the expiration of his or her initial term. Applications for continuing membership shall be considered and voted upon as described in Section 2.2 below.

(iii) Any Member serving on the Board of Directors or an Advisory Council shall have his or her membership term automatically extended (whether the initial term or subsequent term) until completion of his or her service as a Director or Council member.

(b) Emeritus Members.

(i) Members who have completed a minimum of ten (10) years of service may be considered for Emeritus Member status. Emeritus Membership shall be limited to those members who have provided distinguished service to the Authority over a sustained period of time. All applications to be considered for Emeritus Membership must be submitted to the Nominating Council, which will evaluate the application and make an appropriate recommendation to the Board of Directors. Such change in classification requires approval by a majority vote of the Board.

(ii) Emeritus Members will:

(1) be invited to the membership business meetings of the Tucson Airport Authority, but not entitled to vote;

(2) be invited to all Tucson Airport Authority membership social functions;

(3) retain parking privileges at the airport as provided to all TAA members; and

(4) be utilized as invited and, if willing, as consultants to the Tucson Airport Authority on special issues.

(iii) A person who has entered Emeritus Membership classification shall not be counted in the membership limitation provided in Section 2.2.2 hereof.

(iv) Those members designated as "Life Members" as of the date of these Bylaws (November 1, 2017) shall be automatically converted to Emeritus Members without further application or approval. In addition, those members with 15 years or more of service on or prior to January 31, 2018, may apply for Emeritus

status directly to the Board as described in the previous version of these Bylaws, provided that such requests are submitted no later than June 1, 2018.

Section 2.2 The election of new and continuing members shall be by secret ballot of the existing Members present in person or by proxy at the annual meeting of members and no one may be considered elected a member if more than one-quarter of the votes cast are negative.

2.2.1 If a Member or Emeritus Member of the Authority in good standing desires to recommend for membership in the Authority a qualified person who is not then a Member, to be voted upon at the ensuing annual meeting, such Member or Emeritus Member shall present the name of such proposed member to the chairman of the Nominating Council no sooner than April 1 and no later than October 1 in the year preceding each January annual meeting date.

2.2.2 The Nominating Council shall consider all proposed new and continuing members submitted to it by Members in accordance with Section 2.1.2(a)(ii) and Section 2.2.1, and any and all other qualified persons; it shall have the right to reject any or all proposed new or continuing members submitted to it. The Nominating Council shall prepare a written slate of nominees of new and continuing members in the Authority qualified in accordance with the foregoing provisions and such list shall be distributed to the Members along with biographical information regarding each nominee by the same date the list of Director nominations is required to be mailed pursuant to Section 2.7.2 of these Bylaws. The slate of nominees for new and continuing membership shall be voted upon at the annual meeting of Members. The number of nominees submitted at any such meeting, and the number of Members in good standing, shall not exceed 60 in the aggregate. Notwithstanding the foregoing, during a limited transition period, which shall begin in 2017, the total number of Members may temporarily exceed this maximum while reasonable efforts are made to reduce the number of Members to no more than 60. During this transition period, the Nominating Council may continue to make nominations in accordance with this Section, but shall consider the need to reduce the number of Members overall, while continuing to seek out qualified candidates who can best represent and contribute to the ongoing success of TAA.

2.2.3 No nomination for new or continuing Members of the Authority shall be made except by the nominating council and in accordance with the foregoing provisions.

Section 2.3 ANNUAL MEETING. A meeting of the Members of the corporation shall be held annually on the fourth Monday in January of each year or on such other date in January as is established by a vote of the Board of Directors or by the Chairperson, for the purpose of electing Directors and for transaction of such other business as may be brought before the meeting. Such meetings shall be held at the principal office of the corporation or at such other place in Pima County, Arizona, as is reflected in the meeting notice.

2.3.1 NOTICE. Written notice containing the date, time and location of the annual meeting shall be mailed at least ten (10) days prior to the meeting to each Member and each Life Member at his or her address as the same appears in the records of the corporation. Notice may be sent electronically to those members who have provided electronic contact information to the corporation. A failure to mail such notice, or any irregularity in such notice, shall not affect the validity of any annual meeting, or of any proceedings at any such meeting.

Section 2.4 SPECIAL MEETINGS. Special meetings of the Members of the corporation may be held at the principal office of the corporation in the State of Arizona, or at such other place as designated, when demanded in writing by Members having at least ten percent (10%) of the votes entitled to be cast at such meeting, when called by the Chairperson, or when called by vote by a majority of the Board of Directors.

2.4.1 Except as provided in Section 2.7.2 hereof, written notice of such special meeting, stating the day, hour and place thereof, and in general terms the business to be transacted thereat, shall be mailed at least five (5) days prior to the meeting to each Member at his or her address last shown on the records of the corporation. No notice of such meeting shall be required if all Members waive notice, and whenever all Members shall meet in person or by proxy, such meeting shall be valid for all purposes without call or notice and at such meeting any corporate action may be taken.

2.4.2 Special meetings may be held for any purpose stated in the notice thereof, including but not limited to the purpose of electing Directors pursuant to Section 2.7.2 hereof.

Section 2.5 QUORUM. At any meeting of the Members, those present in person or represented by proxy, if in excess of fifty percent (50%) of the total Membership, shall constitute a quorum for all purposes. If at any meeting insufficient Members are present to constitute a quorum, a majority of the Members present in person and by proxy may adjourn from time to time, without notice other than by announcement at the meeting until enough Members in person and by proxy to constitute a quorum shall be present; at such time any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.6 VOTING.

2.6.1 At all meetings of the Members the Members may vote in person or by proxy, and all questions except such questions the manner of deciding which is specially regulated by law or regulation or by contrary provision in these bylaws, shall be determined by a majority vote of the voting Members present in person and by proxy. In the election of Members and of Directors, each voting Member shall be entitled to cast one vote for each position to be filled at the election; not more than one vote may be cast by any Member for any nominee.

Section 2.7 REGULAR ELECTIONS.

2.7.1 In preparation for the regular election of Members and Directors at the annual meeting, the Nominating Council shall meet and determine its nominations for Memberships and its nominations for the office of Director and shall prepare a biography for each nominee. The Nominating Council shall also determine and assign the term for which each Director nominee shall be nominated pursuant to the standards set forth in Section 3.1.2 below. To the extent feasible, based on schedules and availability of members, the Nominating Council meeting shall occur before November 15 and in any case shall occur on or before the last business day of November. Nominations for the office of Director may also be made by written petitions each signed by not less than twenty-one (21) voting Members in good standing; provided that each such petition has attached to it a biography of the nominee; and provided further that such petition is delivered to the Chairman of the Nominating Council not later than December 31. No nominations for the office of Director for election at the annual meeting shall be made except in conformity with this Section 2.7.1 or with Section 2.7.5 below.

2.7.2 The Nominating Council shall be responsible to mail the list of all of its nominees for Membership and all of its nominees for Director, together with the biography of each, to each voting Member in good standing no later than December 15.

2.7.3 The Nominating Council shall present to the annual meeting the names of those whom it nominates for election to Membership, the names of those whom it nominates for election to the Board of Directors and the names of those who have been nominated for Director by petition.

2.7.4 The ballots for Director shall contain the names of the nominees nominated by the Nominating Council and those nominated by petition; biographies of those nominated by petition shall be distributed to each voting Member in good standing who is present.

2.7.5 If a Nominating Council Nominee for Director or a Director whose term will not expire at the next annual meeting is disqualified (through death, incapacity, unwillingness to serve or other inability) at any time between the Nominating Council's mailing and the annual meeting, the Nominating Council shall immediately reconvene and shall select another nominee to be presented to the Membership at the annual meeting. The Nominating Council may meet informally or telephonically for such purpose. If there is sufficient time to prepare one, a biography for such nominee shall be distributed at the annual meeting to each voting member in good standing who is present. Also in such event, the ballot may be modified accordingly at the Annual Meeting using whatever method is practicable under the circumstances.

Section 2.8 ORDER OF BUSINESS. The following shall be the order of business at all annual meetings of the Members:

(a) All persons claiming to hold proxies shall present them to the Chairperson and the secretary for verification.

thereof. (b) Reading of the minutes of the preceding meeting and action

(c) Reports of officers.

(d) Reports of councils.

(e) Election of Members.

(f) Election of directors.

(g) Unfinished business.

(h) New business.

ARTICLE 3

BOARD OF DIRECTORS

Section 3.1 ELIGIBILITY, ELECTION, TERM, NUMBER AND QUALIFICATION AND TERM OF OFFICE.

3.1.1 The Board of Directors shall consist of at least seven (7) and no more than eleven (11) members, including the immediate past Chairperson as described in Section 3.6. All Directors must be Members of this corporation. Except for the immediate past Chairperson described in Section 3.6, and except as provided in Section 3.2 of this Article, Directors shall be elected by the Membership at the annual meeting pursuant to the applicable procedure set forth in Article 2, Section 2.7 hereof.

3.1.2 TERMS. Each elected Director shall serve for the term assigned by the Nominating Council or until his or her successor has been duly elected and qualified. The Nominating Council shall assign a one, two or three year term to each nominee. An individual may be nominated to serve subsequent successive terms, provided that no individual shall be elected to serve a term that would cause that individual to serve on the Board of Directors for more than 6 consecutive years. In assigning terms to nominees, the Nominating Council shall stagger the terms as deemed necessary to establish and maintain both reasonably consistent and regular addition of new directors and sufficient experience and longevity on the Board during any given year.

Section 3.2 VACANCIES. In case of any mid-year vacancies on the Board of Directors caused by death, resignation, disqualification or other cause, the Nominating Council shall suggest one or more nominees to the Board of Directors. The remaining Directors, even though less than a quorum, may elect a Member to serve on the Board of Directors only for the period between the effective date of the vacancy and the next election of Directors by Members, at the annual meeting. In the case of any vacancy that is not filled by vote of the Board of Directors, the vacancy shall be considered a new opening on the Board of Directors which shall be filled pursuant to Section 3.1.1.

Section 3.3 REGULAR MEETINGS.

3.3.1 Immediately after adjournment of the annual membership meeting, the Board of Directors shall hold its first regular meeting of the year at the same location. At such meeting, the new Chairperson shall preside and the Board shall elect its officers and establish the schedule for at least 7 additional regular Board meetings for the year. Regular meetings shall thereafter be held in those months designated in the adopted schedule unless the Chairperson, upon the recommendation of the President/CEO, provides written notice of meeting cancellation to all Directors within 24 hours before the scheduled meeting time. Regular meetings shall be held at the principal office of the corporation, or at such other place in Pima County, Arizona, as is reflected in the meeting notice. Except for the January meeting, regular meetings shall be held on the first Tuesday of the selected months at the hour of 12:05 p.m., or on such other day of the month and such other hour as it may from time to time designate by majority vote of the Board. If the first Tuesday of any month other than January is a legal holiday, the Board shall, by resolution, either waive the regular meeting for that month or require that it be held on another business day in said month. Except in the case of waiver, cancellation or change in scheduled date, no notice shall be required for regular meetings.

3.3.2 Any Director who is absent from more than two (2) regular board meetings per calendar year without being expressly excused by the Chairperson and any Director who is absent from more than 40% of the regular and special board meetings in any calendar year, whether or not excused by the Chairperson, shall be deemed to have resigned his or her office subject to the reasonable discretion of the Chairperson regarding extraordinary circumstances that may justify retention of such director.

Section 3.4 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chairperson or any three (3) Directors. Such meetings shall be held at the time and at any place within Pima County, Arizona, determined by the party or parties calling such meetings. Notice of each special meeting shall be given to all Directors either in electronic or paper writing, by telephone or orally in person at least twenty-four hours prior to such meeting.

Section 3.5 QUORUM. A majority of the voting Members of the Board of Directors then serving shall constitute a quorum.

Section 3.6 EX OFFICIO MEMBER. The immediate past Chairperson of this corporation, if he or she has not been elected as a member of the Board of Directors, shall be entitled, but not required, to attend meetings of the Board of Directors and to participate in all discussions at such meeting, but he or she shall have no vote upon questions coming before the Board.

ARTICLE 4

OFFICERS

Section 4.1 The officers of this corporation shall consist of a Chairperson, Vice Chair, President, a Secretary and a Treasurer, and such other officers as shall from time to time be chosen and appointed from the Board of Directors. Such officers, except the President, shall be elected at the meeting of Directors held immediately following the annual meeting of the Members of the corporation. The Nominating Council shall submit to the Chairperson of the corporation prior to the annual meeting a list of nominees for all offices to be filled by election. Such nominees shall be placed in nomination. Additional nominations may be made by any Director at the organizational meeting of the Board of Directors. The election of officers shall be by a majority vote of Directors present, except as provided in Section 4.7 below.

Section 4.2 The Chairperson shall preside at, and in conjunction with the President/CEO, shall set the agenda for all regular meetings of the directors, members, and executive council; shall appoint members of standing and special councils; and shall represent the interests of the Board of Directors when it is not in session. The Chairperson may also be designated or referred to as the "Chair, Chairman or Chairwoman of the Board" or any other title that accurately reflects such Officer's duties.

Section 4.3 The President shall be the Chief Executive Officer of the corporation and shall be selected by and shall serve at the pleasure of the Board of Directors. The President/CEO shall have responsibility for the overall operation and management of TAA in accordance with its Mission and within the framework of Board adopted objectives and policies. The President/CEO shall have full responsibility for the management and administration of all TAA activities and operations and shall report to the Board on a regular basis. The President/CEO shall have the authority to act on behalf of the Board of Directors and TAA in all respects except as may be specifically limited from time to time by Resolution of the Board of Directors. During recess of the Board and the Executive Council, the President shall work closely with the Chairperson to ensure that the business and affairs of the corporation are conducted within the framework of Board-approved objectives and policies.

Section 4.4 The Vice Chair shall perform such duties as may be assigned to him or her by the Board of Directors. In the case of the death, disability or absence of the Chairperson, the Vice Chair shall perform and be vested with all of the duties and powers of the Chairperson.

Section 4.5 The Secretary shall keep the seal of the corporation and affix the same to all instruments requiring its seal, as may be directed by the Board, the Executive Council, the Chairperson, or the President/CEO. The Secretary shall also review and sign the minutes of meetings of Directors and general membership, shall authorize meeting notices to be issued by the President/CEO as required in these bylaws, and shall perform such other duties as may be required by the Board.

Section 4.6 The Treasurer shall be familiar with the financial affairs of TAA and shall chair the Advisory Council that is responsible for the budget. The financial records will be in the custody of the President/CEO and all records shall be maintained at the corporate office of TAA.

Section 4.7 Officers shall serve one-year terms. The Chairperson shall be limited to a single one-year term except that, in extraordinary circumstances where the continuity of Board leadership would substantially benefit TAA, he or she may be elected to a second consecutive one-year term upon a 2/3 vote of all voting Directors then serving. In the event that a proposed second one-year term of the Chair of the Board would extend beyond the Director's eligibility to serve on the Board as set forth in Section 3.1.2 of these bylaws, the term of the Director of the Board shall be extended to end at the end of the Director's term as Chair of the Board.

ARTICLE 5

VACANCIES IN OFFICE

In the case of the death, disability or resignation of one or more of the officers, the majority of the remaining Directors, although less than a quorum, shall fill the vacancies for the unexpired term. One or more nominees shall be suggested by the Nominating Council to fill each such vacancy.

ARTICLE 6

COMPENSATION OF DIRECTORS, OFFICERS AND MEMBERS

Neither the Directors nor the officers (other than the President/CEO) nor the Members, as such, shall receive any salary or compensation for their services, but by resolution of the Board of Directors may be reimbursed for their actual expenses paid or obligated to be paid in connection with service rendered solely for the benefit of the corporation.

ARTICLE 7

BOOKS, ACCOUNTS AND RECORDS

Section 7.1 This corporation shall keep at its principal office in the State of Arizona records of the meetings of Members and a book showing a true and complete list of all Members, their residences, and books containing a record of the affairs of this corporation.

Section 7.2 The books, accounts and records of this corporation shall be open to the inspection of any member of the Board of Directors at all times in business hours.

Section 7.3 It shall be the duty of the Board of Directors at least once a year and within one hundred twenty (120) days after the close of the fiscal year to cause the books and accounts of the corporation to be examined and audited by a Certified Public

Accountant. Thereafter it shall cause a copy of the report of said accountant, or a summary to be mailed to each of the Members of this corporation as part of the annual report of the operations of Tucson Airport Authority, Inc.

ARTICLE 8

AMENDMENT TO BYLAWS

Subject to notice requirements below, any of these bylaws may be altered, amended or repealed by majority vote of the Board of Directors at any regular meeting; or at any special meeting called for the purpose, when all the Directors are present; or by a majority vote of the Members at any regular meeting; or at any special meeting called for the purpose. Any alteration, amendment or repeal shall be accomplished only after written notice of the sense of the change has been given at least five (5) days prior to the meeting at which the action is taken.

ARTICLE 9

ACTION BY WRITTEN CONSENT

Any action which may be taken at a meeting of the Directors or of a council may be taken without a meeting if all Directors or Council Members, as the case may be, consent thereto in writing. Such consent shall have the same effect as a unanimous vote; provided, however, that the Article shall not apply to any action required by statute to be taken in an open meeting after notice.

ARTICLE 10

APPOINTMENT OF ADVISORY COUNCILS

Section 10.1 Following the annual meeting, the Chairperson shall designate advisory councils which shall be composed of members who shall act in an advisory capacity to the Corporation and its Board of Directors. The advisory councils may also be called "Councils". The Chairperson shall appoint Members to and shall designate a chairperson of each Council. There shall be an Executive Council, Councils relating to audit, budget and finance, nominations, and such other Councils as the Chairperson may deem appropriate. Such appointments shall be subject to approval by the Board of Directors. The Chairperson and the Vice Chair shall be entitled to attend and participate in meetings of all Councils and to receive notice of all such meetings; however, unless expressly designated as a voting member of a particular council, neither shall have a vote at a Council meeting.

Section 10.2 The Nominating Council shall consist of seven active TAA Members who will be appointed for one-year terms and who may not serve for more than 3 consecutive years. The Council Chair shall rotate each year. The Council shall include two former Directors, one of whom shall serve as the Nominating Council Chair, three Members who have never served as Directors and two current voting Directors who are not the Board Chair. To the extent reasonably possible under the circumstances, each year there shall be at least 3 continuing Members. Nominating Council Members are not eligible to be nominated for a first term on the Board of Directors.

ARTICLE 11

EXECUTIVE COUNCIL

The Executive Council will be comprised of the Chairperson, Vice Chair, Secretary, Treasurer and one other board member appointed by the Chairperson. The Executive Council may exercise the full authority of the Board of Directors with respect to setting the compensation and benefits for the President/Chief Executive Officer and with respect to such other matters as are specified by the Board of Directors from time to time.

ARTICLE 12

INDEMNIFICATION

The corporation shall and does hereby indemnify and agree to save harmless each director, officer, employee, agent or member of said corporation, who was or is in the future a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee, agent or member of said corporation, or is or was serving at the request of said corporation in any of said capacities, from any damages, costs, expenses, attorney fees, fines and amounts paid in settlement, actually and reasonably incurred, to the extent that such persons may be indemnified under the applicable provisions of the Arizona Revised Statutes pertaining to nonprofit corporations.

THE FOREGOING was approved and adopted on June 2, 2021.



Bruce Dusenberry, Chairperson
Tucson Airport Authority, Inc.