
**TUCSON AIRPORT AUTHORITY | Corporate Governance Council Meeting
September 28, 2021 | 10:30 a.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 **Tuesday, September 28, 2021, beginning at 10:30 a.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 no less than 24 hours prior to the meeting.

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

The agenda for the meeting is as follows:

1. 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"/> Mike McGrath | <input type="checkbox"/> Larry Lang | <input type="checkbox"/> Lee Lambert |

2. APPROVAL OF MINUTES

- a. **APPROVAL OF MINUTES:** Approve the minutes from the Corporate Governance Council meeting held on July 19, 2021.

3. ACTION ITEMS

- a. **BYLAW AMENDMENT – NOMINATING PROCESS:** The Council will consider and may recommend to the Board of Directors an amendment to the Bylaws of the Tucson Airport Authority pertaining to the new member, continuing member, and director nominating process.
- b. **BYLAW AMENDMENT – TERM OF THE CHAIR OF THE BOARD:** The Council will consider and may recommend to the Board of Directors an amendment to the Bylaws of the Tucson Airport Authority pertaining to the term of the Chair of the Board.

4. NEXT MEETING

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

5. ADJOURN

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TUCSON AIRPORT AUTHORITY | Corporate Governance Council Meeting
July 19, 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

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

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

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

Others Present: TAA Chairperson Bruce Dusenberry

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

WELCOME AND INTRODUCTIONS

Chair Duran welcomed everyone to the meeting.

Vice Chair Jackson and VP/General Counsel Schmaltz summarized the Council's discussion of the proposed bylaw amendments at the meeting on July 6, 2021 as reflected in the minutes.

APPROVAL OF MINUTES

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

MOTION BY Council Member Hameroff, SECONDED BY Vice Chair Jackson, to APPROVE the minutes of the Corporate Governance Council meeting held on July 6, 2021. The motion carried by the following vote:

Ayes 5 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, and Council Member Holmes

Nays 0 None

NOTE: Due to technical issues, Council Member Lambert did not participate in the vote.

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DISCUSSION ITEM

2. PROPOSED BYLAW AMENDMENTS

The Council voted on Proposed Amendment Nos. 1 through 3, No. 5, and No. 7, (as numbered in the memo to the Council presented at the July 6, 2021 meeting) which were reviewed and discussed at the meeting on July 6, 2021.

MOTION BY Vice Chair Jackson, SECONDED BY Council Member Hameroff, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendments Nos. 1 through 3, No. 5, and No. 7, from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

Ayes 5 Chair Duran, Vice Chair Jackson, Council Member Hameroff, Council Member Lang, and Council Member Holmes

Nays 0 None

NOTE: Due to technical issues, Council Member Lambert did not participate in the vote.

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

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

VP/General Counsel Schmaltz: The proposed amendment changes the nomination process by requiring the Nominating Council to submit its recommendations to the Board of Directors for consideration. The Board would vote on whether to forward any or all the nominees for consideration by the full membership.

COUNCIL DISCUSSION:

- The adoption of Amendment No. 4 regarding elected officials and government employees eliminates the need for the Board to review the nominations.
- Removing nominating authority from the Nominating Council potentially negates the purpose of the Council.
- The Board would review the nominations from a fresh perspective, and it could potentially stop a controversial nomination before it goes to the full membership. The Board would accept the Nominating Council's recommendations in most cases.
- The Nominating Council as an advisory body should make recommendations to the Board as the decision-making authority.
- A possible conflict of interest exists by the Board having the authority to reject current members from continuing their membership.

MOTION BY Council Member Lang, SECONDED BY Council Member Holmes, to RECOMMEND to the Board of Directors that it REJECT Proposed Amendment No. 8 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

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Member Lambert

Nays 0 None

9. Delete Section 2.2.3.

VP/General Counsel Schmaltz: The language in this section is redundant to other sections of the Bylaws.

There were no comments from the Council.

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 by adopting Proposed Amendment No. 9 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

Nays 0 None

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

VP/General Counsel Schmaltz: The proposal seeks to simplify the notification requirements for the Annual Meeting by consolidating them to twenty-one days prior to the meeting. This would reduce the staff time required to meet multiple and overlapping deadlines and would allow all the meeting materials to be sent in one mailing.

MOTION BY Council Member Vice Chair Jackson, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 10 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

Nays 0 None

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

VP/General Counsel Schmaltz: The amendment modernizes the language to permit special meetings to occur in person, via technological means, or a combination of both. It does not change substantively how special meetings may be called.

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MOTION BY Council Member Lambert, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 11 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

Nays 0 None

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

VP/General Counsel Schmaltz: Changes the notification requirement from five days prior to the meeting to twenty-one days prior to the meeting to be consistent with the notification requirements in previous sections.

MOTION BY Vice Chair Jackson, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 12 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

Nays 0 None

13. Delete Section 2.4.2

VP/General Counsel Schmaltz: Section 2.4.2 may be removed as the language was consolidated into Section 2.4 (Amendment No. 11).

MOTION BY Vice Chair Jackson, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 13 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

Nays 0 None

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

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

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VP/General Counsel Schmaltz: Updated to conform with the changes adopted by Amendment Nos. 10 through 14. The proposed amendment also assumes the adoption of Amendment No. 8; however, the reference to the Board of Directors may be replaced by the Nominating Council and would require no further substantive changes. The revised procedure streamlines the election process and simplifies the language by consolidating Sections 2.7.1 through 2.7.5 into a single section. Amendment Nos. 14 and 15 are related and may be approved in a single motion.

MOTION BY Council Member Lambert, SECONDED BY Council Member Lang, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 14 and 15 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1, with the reference to the Board of Directors deleted and replaced by the Nominating Council. The motion carried by the following vote:

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

Nays 0 None

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

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

VP/General Counsel Schmaltz: Clarifies the procedure for staff to follow if, during the period after the nominating materials are sent to the Members and prior to the date the Annual Meeting, a nominee is unable to serve due to death, ineligibility, incapacity, resignation, or similar circumstances. Amendment Nos. 16 and 17 are related and may be approved in a single motion.

MOTION BY Council Member Holmes, SECONDED BY Vice Chair Jackson, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 16 and 17 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

Nays 0 None

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

VP/General Counsel Schmaltz: Modernizes and simplifies the language to reflect what is required by state statute.

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MOTION BY Council Member Lang, SECONDED BY Council Member Hameroff, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment No. 18 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

Nays 0 None

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

VP/General Counsel Schmaltz: Simplifies the language with the substantive change that the Immediate Past Chair remains a director with voting privileges rather than a non-voting, ex officio member, for one year after her/his term as chair expires.

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 by adopting Proposed Amendment No. 19 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

Nays 0 None

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

VP/General Counsel Schmaltz: Assumes the adoption of Amendment No. 19 and updates the language to reflect that a director may serve for seven consecutive years if the seventh year is as the Immediate Past Chair.

Council Member Holmes stated that he would need to leave the meeting and requested that the remaining items be presented and voted on in a combined motion.

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

VP/General Counsel Schmaltz: Removes language that is now inconsistent with state statute and clarifies that the nominee filling the vacancy will serve only serve from the date of their election to the next annual meeting.

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

VP/General Counsel Schmaltz: Simplifies the language to reflect modern best practices and reduces the number of required Board meetings from eight to four during the calendar year. It does not preclude the ability to schedule special meetings if required.

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23. Amend Section 3.3.2 (relating Board attendance expectations)

VP/General Counsel Schmaltz: Reflects the change in the minimum number of Board meetings by allowing for the removal of a director if they miss more than fifty percent of the regular and special meetings during the calendar year. It requires affirmative action by a majority of the entire Board.

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

VP/General Counsel Schmaltz: Simplifies the language to state that notices shall be given in compliance with the Open Meeting Law.

25. Delete Section 3.6 in its entirety.

VP/General Counsel Schmaltz: The entire section may be deleted to remove reference to the ex officio member. The Immediate Past Chair remains a voting director per Amendment No. 19.

MOTION BY Council Member Holmes, SECONDED BY Council Member Hameroff, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 20 through 25 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1. The motion carried by the following vote:

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

Nays 0 None

Council Member Holmes left the meeting at 4:10 p.m.

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

VP/General Counsel Schmaltz: Simplifies the language and clarifies the officers of the corporation. Removes the reference to the President/CEO being an officer of the corporation. It assumes adoption of Amendment No. 8; therefore, it will need to be updated depending on whether Amendment No. 8 is adopted by the Board.

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

VP/General Counsel Schmaltz: Changes the terms of the Chair and the Vice Chair from one year to two years. This gives the incumbents additional time to become familiar with their roles in year one and to guide the organization in year two.

COUNCIL DISCUSSION:

- Because an individual who serves as Vice Chair and Chair could occupy those roles for four years, it limits the opportunity for other individuals to serve since the Bylaws limit a director to two, consecutive terms, or six years total.

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

VP/General Counsel Schmaltz: Removes unnecessary language. A public body cannot meet or take action without a quorum being present.

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

VP/General Counsel Schmaltz: Removes confusing language from the section and codifies that bylaw amendments may not be acted on by the Board of Directors unless they are considered first by the Corporate Governance Council. It preserves the right of the Board to take action on an amendment if the Corporate Governance Council fails to consider it.

30. Delete Article 9 in its entirety.

VP/General Counsel Schmaltz: The entire section is inconsistent with state statute and must be deleted. State statute does not permit a public body to act by written consent.

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

VP/General Counsel Schmaltz: Cleans up the paragraph by listing all of the relevant councils and proposes that the Superfund Council becomes a sub-council under the Finance and Risk Management Council. It also sets a minimum and maximum number of council members and extends the terms from one year to two years. Limiting the number of council member simplifies the process of scheduling meetings and ensuring a quorum is met.

COUNCIL DISCUSSION:

- The sentence including, “No council shall have an **odd** number of members...” should be corrected to say: “No council shall have an **even** number of members...”.

32. Clean up references to corporation officers

VP/General Counsel Schmaltz: Modernizes the language and ensures consistent references to officer titles throughout the document.

33. Rename Article 2 as “Membership.”

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

VP/General Counsel Schmaltz: Improves the flow of the Bylaws by separating the sections pertaining to membership and corporation meetings.

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

VP/General Counsel Schmaltz: Purpose is to conform all the changes adopted by the Board of Directors.

MOTION BY Council Member Lang, SECONDED BY Council Member Lambert, to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 26 through 35 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1, with

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modifications to Amendment No. 26 to reflect congruence with the previously approved items, and Amendment No. 31, to reflect the word “even” instead of “odd.”

COUNCIL DISCUSSION:

- Concerned that extending the terms of both the Chair and Vice Chair to two years will limit the number of individuals who are eligible to serve in those roles given the six-year cap on serving as a director.
- Suggested making the terms of the Chair and Vice Chair exempt from the six-year cap. This could result in an individual serving a total of eleven years on the Board, which is lengthy amount of time for such service.
- Previously on a board where the term of the chair was extended to two years, but the term of the vice chair was left at one year. This gave the vice chair the flexibility of deciding whether they wanted to serve as chair without committing an extended term.

The consensus of the Council was to delay consideration of Proposed Amendment No. 27. Staff was requested to draft an alternate amendment taking into to consideration the Council’s discussion and propose revisions to the adopted Amendment No. 20 to reflect the further changes to Proposed Amendment No. 27.

Council Member Lang amended the motion as follows: to RECOMMEND to the Board of Directors that the Bylaws of the Tucson Airport Authority be amended by adopting Proposed Amendment Nos. 26 and 28 through 35 from the staff memo dated June 29, 2021, attached hereto as Exhibit 1, with Amendment No. 31 revised to reflect the word “even” instead of “odd.”

Council Member Lambert seconded the amended motion.

The motion carried by the following vote:

**Ayes 5 Chair Duran, Vice Chair Jackson, Council Member Hameroff,
Council Member Lang, and Council Member Lambert**

Nays 0 None

ACTION ITEM

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

NEXT MEETING

The Council directed TAA Clerk to schedule the next meeting in August so that the additional recommendations may be considered in time to present to the Board of Directors at its meeting in September.

ADJOURN

There being no further business to discuss, Chair Duran adjourned the meeting at 4:42 p.m.

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Prepared by:

Byron M. Jones, CMC, TAA Clerk

Date: _____

Date: September 21, 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

Proposed Amendments

1. Amend Section 2.2.2 – (relating to Nominating Council procedures and authority, and timing of recommendations)

Below are 3 options to address the process for the nomination of new members, continuing members, and Board candidacy:

(A)

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 15 of each year, the Nominating Council shall make 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 15.

The Board of Directors shall review the recommendations made on nominations for new members, continuing membership, Director nominations (including those submitted by petition) and slate of officers, and may, by simple 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.

(B)

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 15 of each year, the Nominating Council shall make 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 15.

The Board of Directors shall review the recommendations on nominations for new members, continuing membership, Director nominations (including those submitted by petition) and slate of officers, and may, by a majority of Board membership, vote to direct reconsideration of any individual member or director nominee back to the Nominating Council. Any nominee not directed for reconsideration by the Board shall be forwarded to the Members in accordance with Section 2.7.1 below.

The Nominating Council, at a special meeting scheduled for this purpose, shall reconsider any nominee the Board so directs, and by simple majority vote, shall act on that nominee's nomination. Any nominee approved by the Nominating Council after reconsideration shall then be forwarded to the Members in accordance with Section 2.7.1 below.

The maximum number of TAA Members shall be sixty.

(C)

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 15 of each year, the Nominating Council shall make 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 15.

The Board of Directors shall review the recommendations on nominations for new members, continuing membership, Director nominations (including those submitted by petition) and slate of officers, and may, by a majority of Board membership, vote to disapprove any proposed nominee. Any nominee not disapproved by the Board shall be forwarded to the Members in accordance with Section 2.7.1 below.

The maximum number of TAA Members shall be sixty.

2. Amend Section 4.7 (relating to the term of office of the Chair of the Board)

Delete existing and replace language of Section 4.7 as follows:

The term of the Chair of the Board shall be two years, which starts on the date of appointment. All other officers serve one-year terms; however, a Director may be appointed to serve as an officer (other than Chair) for multiple 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. However, the maximum time any one person may serve on the Board, in whatever role, shall be 8 years.

Attachments: Current Bylaws

BYLAWS

TUCSON AIRPORT AUTHORITY

Incorporating all amendments through August 4, 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 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.

ARTICLE 2

MEMBERSHIP

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; not act in conflict with the interests of the Authority; 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 Chair of the Board, the President/CEO or the Chair of the Council; and contribute his or her expertise as requested. 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.

(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 Chair 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) 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.

(iv) 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.

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 a 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.

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 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.

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 3.5.1 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.

ARTICLE 3

MEETINGS OF THE CORPORATION

Section 3.1 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 Chair of the Board, 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.

3.1.1 NOTICE. 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.

Section 3.2 SPECIAL MEETINGS. 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.

3.2.1 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.

Section 3.3 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 3.4 VOTING.

3.4.1 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 3.5 REGULAR ELECTIONS.

3.5.1 The Nominating Council, 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.

3.5.2 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 of the Board or the Chair of the Board'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.

3.5.3 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.

Section 3.6 ORDER OF BUSINESS. The order of business for all annual meetings shall include (1) a presentation of all proxies held by Members to the Chair of the Board 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 of the Board 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.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1 ELIGIBILITY, ELECTION, TERM, NUMBER AND QUALIFICATION AND TERM OF OFFICE.

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

4.1.2 TERMS. Each Director shall serve for the term, either one (1), two (2) or three (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 of the Board. Terms shall be staggered in a way to preserve experience and institutional knowledge on the Board.

Section 4.2 VACANCIES. 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.

Section 4.3 REGULAR MEETINGS.

4.3.1 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 three (3) additional regular Board meetings for the year. Regular meetings shall be held as scheduled unless cancelled by the Chair of the Board by providing notice to the Board more than twenty-four (24) hours prior to the meeting date and time.

4.3.2 Any Director who is absent without being excused by the Chair of the Board 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.

Section 4.4 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chair of the Board 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 provided to all Directors as required by applicable Arizona law, but in no event shall such notice be less than twenty-four (24) hours prior to such meeting.

Section 4.5 QUORUM. A majority of the voting Members of the Board of Directors then serving shall constitute a quorum.

ARTICLE 5

OFFICERS

Section 5.1 The officers of this corporation shall consist of a Chair (of the Board), Vice Chair (of the Board), 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 Nominating Council under Section 2.2.2 of these Bylaws.

Section 5.2 The Chair of the Board 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 Chair of the Board 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 5.3 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 Chair of the Board to ensure that the business and affairs of the corporation are conducted within the framework of Board-approved objectives and policies.

Section 5.4 The Vice Chair of the Board 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 Chair of the Board, the Vice Chair of the Board shall perform and be vested with all of the duties and powers of the Chair of the Board.

Section 5.5 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 Chair of the Board, 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 5.6 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 5.7 Officers shall serve one-year terms. The Chair of the Board 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 Chair of the Board shall be extended to end at the end of the Director's term as Chair of the Board.

ARTICLE 6

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 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 7

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 8

BOOKS, ACCOUNTS AND RECORDS

Section 8.1 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 8.2 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 8.3 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 9

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. 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 of the Board may place the proposed bylaw amendment on the Board's agenda for consideration and action.

ARTICLE 10

APPOINTMENT OF ADVISORY COUNCILS

Section 10.1 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 of the Board may determine is appropriate. No Council shall have an even number of members and shall have not more than seven (7) or less than three (3) Members. The Chair of the Board 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 of the Board and Vice Chair of the Board may attend and participate in all Council meetings as non-voting members of a Council.

Section 10.2 NOMINATING COUNCIL. The Nominating Council shall consist of seven Members, who will be appointed for up to two (2), two-year terms, and may not serve more than four (4) consecutive years. The Chair of the Nominating Council shall serve two (2) years. The Council roster shall include, two (2) former Directors, two (2) current Directors who are not the Chair of the Nominating Council or Vice Chair of the Nominating Council, and three (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.

ARTICLE 11

EXECUTIVE COUNCIL

The Executive Council will be comprised of the Chair of the Board, Vice Chair of the Board, Secretary, Treasurer and one other board member appointed by the Chair of the Board. 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 August 4, 2021.



Bruce Dusenberry, Chair of the Board

ATTEST:

Keri Silvyn

Keri Silvyn, Secretary

APPROVED AS TO FORM:

Christopher Schmaltz

Christopher Schmaltz, Vice President and
General Counsel