

## EIGHTH AMENDED AND RESTATED BYLAWS OF ARIZONA MUNICIPAL RISK RETENTION POOL

The Arizona Municipal Risk Retention Pool ("**Pool**") is an Arizona nonprofit corporation formed pursuant to A.R.S. ' 11-952.01 for the purposes set forth in A.R.S. ' 11-952.01, as may be amended from time to time.

### ARTICLE I OFFICES

Section 1. Principal Offices. The principal office of the Pool shall be at the offices of the Administrator (defined below) in Maricopa County, State of Arizona.

Section 2. Other Offices. The Pool may establish its principal office or other offices at such other places within the State of Arizona as the Board of Trustees of the Pool (the "**Board**") may from time to time determine are necessary for the proper conduct of the Pool's business.

### ARTICLE II ANNUAL MEMBERSHIP MEETINGS

Section 1. Membership. The Pool shall have two classes of members: (a) those cities and towns in the State of Arizona that execute all necessary documents to become and remain members of the Pool and make all payments to the Pool as are required by such documents (the "**Voting Members**"), and (b) those public agencies of the State of Arizona (other than cities or towns) that are permitted to join the Pool by resolution of the Board, that execute all necessary documents to become and remain members of the Pool, and that make all payments to the Pool as are required by such documents (the "**Non-Voting Members**" and collectively, the Voting Members and the Non-Voting Members shall be referred to herein as the "**Members**"). Voting Members must also be members of the League of Arizona Cities and Towns, except that the Board may waive this requirement by a vote of two-thirds (2/3) of the Board members voting at a duly called meeting of the Board.

Section 2. Annual Meetings. An annual meeting of the Members shall be held at the principal place of business of the Pool, or at such other place designated in the notice of annual meeting, on a day designated in the notice of annual meeting. At such meeting, the Board shall be elected in accordance with the requirements of Article III of these Bylaws. At an annual meeting, the Voting Members may transact such business of the Pool as may properly come before them. Notwithstanding the foregoing provision of this Section 2, and notwithstanding Section 7 of this Article II, at the direction of the Board an annual meeting may be conducted only by ballot pursuant to A.R.S. ' 10-3708, as may be amended.

Section 3. Notice of Annual Meeting. Written notice of the annual meeting shall be given to each Member at least ten (10) days (but no more than sixty (60) days before the date of the meeting. The Members entitled to such notice shall be those cities, towns and other public agencies of the State of Arizona that are Members of the Pool on the date such notice is effective pursuant to this section. Such notice shall be deemed effective when the notice is either sent electronically or mailed postage prepaid to the Member's address of record appearing on the books of the Pool.

Section 4. Special Meetings. A special meeting of the Members, for any purpose, unless otherwise prescribed by statute or by the Articles of Incorporation of the Pool, as amended (the “Articles”), may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the Trustees, or at the request in writing signed by Voting Members entitled to cast one-tenth of all the votes of all Voting Members. Such request shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Special Meeting. Written notice of a special meeting of the Members, stating in reasonable detail the time, place and purpose thereof, shall be given to each Member at least ten (10) days (but no more than sixty (60) days before the date fixed for the meeting. The Members entitled to such notice shall be those cities, towns and other public agencies of the State of Arizona that are Members of the Pool on the date such notice is effective pursuant to this section. Such notice shall be deemed effective when the notice is either sent electronically or mailed postage prepaid to the Member's address of record appearing on the books of the Pool.

Section 6. Business Transacted at Special Meeting. Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice.

Section 7. Voting Rights. At all meetings of the Members, each Voting Member shall be entitled to one vote on each matter coming before the Members, and such vote may be exercised in person, by proxy or by ballot. Non-Voting Members shall have no right to vote.

Section 8. Quorum. The presence, either in person, by proxy or by ballot, of the Voting Members holding one-third of the votes entitled to be cast shall constitute a quorum of the Members for all purposes unless the representation of a larger group shall be required by law, by the Articles or by these Bylaws, and in that event representation of the number so required shall constitute a quorum. The act of a majority of the Voting Members present at a meeting at which a quorum is present shall be the act of the membership.

Section 9. Adjournment of Meetings. If the number of Voting Members necessary to constitute a quorum fails to attend in person, by proxy and/or by ballot at the time and place of the meeting, the president or a majority of the Voting Members present in person or by proxy may adjourn the meeting from time to time without notice other than an announcement at the meeting, unless a quorum is present or represented. At any adjourned meeting, at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

### **ARTICLE III BOARD OF TRUSTEES**

Section 1. Number and Qualification. The number of Trustees shall be fixed from time to time by resolution of the Board within the limits prescribed by the Articles, as amended. Each Trustee shall hold office until his or her successor is duly elected and shall qualify, provided that any Trustee may resign at any time upon written notice as provided in Section 8 of this Article III. A Trustee shall resign if he or she no longer meets the qualifications of serving as a Trustee, as set forth in A.R.S. § 11-952.01(H), as may be amended. A Trustee may be removed from the Board, with or without cause, upon the vote of two-thirds of the Trustees then serving on the Board. One person designated by the Executive Director of the League of Arizona Cities and Towns shall automatically be a non-voting special advisor to the Board. The Board may also designate such non-voting special advisors to the Board as the Board deems appropriate.

Section 2. Manner of Election. At least ten (10) days (but no more than sixty (60) days prior to each annual meeting of the Members, the nominating committee of the Board shall submit a list of persons nominated for election as Trustees of the Pool to each Voting Member that (a) is a member of the Pool on the date that notice of the annual meeting is effective pursuant to Article II, Section 3 of these Bylaws, and (b) is in good standing. Only such Voting Members shall be entitled to vote at the annual meeting, which at the direction of the Board may only be by ballot as permitted by Article II, Section 2. Each Voting Member is entitled to one vote for each vacancy on the Board, but no Voting Member may cast more than one vote for the same nominee. For the purposes of this Section 2, a Voting Member in good standing is a city or town that meets the requirements of Article II, Section 1 of these Bylaws and is not suspended from coverage pursuant to the contract to participate in a risk retention pool between the city or town and the Pool.

Section 3. Vacancies. Vacancies among trustee positions on the Board, by death, resignation, removal or otherwise, and newly created positions resulting from any increase in the authorized number of Trustees may be filled by the affirmative vote of two-thirds of the Trustees then in office, though less than a quorum; and the Trustees so chosen shall hold office for the unexpired terms of the Trustees being replaced.

Section 4. Classes of Trustees. The Board shall be classified so that each Trustee shall serve a term of four (4) years, and the Board shall have staggered terms so that the term of approximately one-fourth (1/4) of the entire number of Trustees shall expire annually.

Section 5. Powers. The business of the Pool shall be managed by its Board of Trustees, which may exercise all such powers of the Pool and do all such lawful acts and things as are permitted by statute, by the Articles and by these Bylaws. The Board may, without limitation, do all of the following on behalf of the Pool:

5.1 The Board may cause the Pool to enter into agreements and do all other acts necessary or appropriate to enable additional Members to join the Pool.

5.2 The Board may adopt policies, rules and procedures for the administration and operation of the Pool; provided, however, that such policies, rules and procedures may not be inconsistent with the Articles, these Bylaws or applicable state and federal law and regulations.

5.3 The Board may retain the services of legal counsel, actuaries, auditors, engineers, private consultants, administrators and advisors as the Board deems necessary in order to carry out the business and purposes of the Pool.

5.4 The Board shall authorize the payment of all claims (pursuant to and limited by the Member's Coverage Agreements as defined in Article III, Section 6.1 of these Bylaws, with the Pool) for which a Member incurs liability during the Member's period of membership; provided that the Pool's obligation under this Section 5.4 shall be no greater than that required by A.R.S. § 11-952.01(K), as may be amended from time to time.

5.5 The Board may purchase, lease or rent any real and personal property it deems necessary.

5.6 The Board may enter into a financial services agreement with banks and issue checks in the name of the Pool. The Corporation may invest its monies in equity securities, mutual funds, and investment funds registered with the United States Securities and Exchange

Commission, debt obligations, and any eligible investment permitted by A.R.S. § 35-323, as may be amended.

5.7 The Board may employ or contract for necessary staff to carry out the purposes of the Pool.

5.8 The Board may make, alter or repeal these Bylaws; provided, however, that the Board shall give at least forty-five days' (45) prior written notice to the Members of any such proposed amendment of the Bylaws, and that any such amendment shall be subject to all applicable law.

Section 6. Duties. In accordance with A.R.S. ' 11-952.01(H), as amended, the Board shall:

6.1 Establish terms and conditions of coverage including exclusions of coverage pursuant to coverage agreements approved by the Board ("**Coverage Agreements**").

6.2 Ensure that all claims are paid promptly.

6.3 Take all necessary precautions to safeguard the assets of the Pool.

6.4 Maintain minutes of its meetings.

6.5 Designate an administrator (the "**Administrator**") to carry out the policies established by the Board and to provide day-to-day management of the Pool. The Board shall delineate in the written minutes of its meetings the areas of authority it delegates to the Administrator. The Administrator shall be an ex officio member of all committees of the Board, unless the Board expressly provides otherwise, and shall have the authority to settle claims as may be granted by the Board from time to time.

6.6 File a copy of the Articles of Incorporation, as amended, with the Director of the Arizona Industrial Commission.

Section 7. Prohibitions. In accordance with A.R.S. ' 11-952.01(J), as may be amended from time to time, the Board shall not:

7.1 Extend credit to the Members for payment of a premium, except pursuant to payment plans established by the Board.

7.2 Borrow any monies from the Members or in the name of the Members except in the ordinary course of business.

Section 8. Trustee Resignation. Any Trustee may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall be effective on the date of receipt of such notice or at any later time specified therein.

Section 9. Trustee Reimbursement. By resolution of the Board, a Trustee may be reimbursed for reasonable expenses incurred in attending meetings of the Board and performing other authorized services as a Trustee, provided such expenses are not reimbursed to the Trustee in any other manner.

## **ARTICLE IV MEETINGS OF THE BOARD OF TRUSTEES**

Section 1. Meetings. The Board may hold meetings, both regular and special, within the State of Arizona. All such meetings shall comply with the Arizona open meeting laws, to the extent applicable. Meetings may be held by means of conference telephone or other similar communication equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to such communication shall constitute presence in person at such meeting.

Section 2. Annual Meetings. The annual meeting of the Board shall be held in conjunction with the annual meeting of the Members, or at the Board's election, within sixty (60) days thereafter.

Section 3. Regular Meetings. The Board shall hold at least four (4) regular meetings of the Board per fiscal year. All regular meetings shall be called at the discretion of the Board. Written notice of a regular meeting shall be given to each Trustee at least three (3) days before the date of the meeting. Such notice shall be deemed effective when the same shall be either sent electronically or mailed postage prepaid to the Trustee's address of record appearing on the books of the Pool.

Section 4. Special Meetings. Special meetings of the Board may be called by the president and shall be called by the president or the secretary upon request of two Trustees. Written notice of special meetings of the Board shall be given to each Trustee at least seven (7) days before the date of the meeting. Such notice shall be deemed effective when the same shall be either sent electronically or mailed postage prepaid to the Trustee's address of record appearing on the books of the Pool.

Section 5. Quorum. At all meetings of the Board, a majority of the Trustees then serving shall constitute a quorum for the transaction of business, but in no event may a quorum consist of less than one-third of the number of Trustees fixed pursuant to these Bylaws. The act of a majority of the Trustees present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute, or by the Articles or these Bylaws. In the event a Trustee is unable to attend a Board meeting, the Trustee may, after receiving notice of, but prior to the Board meeting, designate a representative who will act as an observer on the Trustee's behalf at the Board meeting. Such representative shall have no power to vote and shall not be counted for establishing a quorum. If a quorum is not present at any meeting of the Board, the Trustees present may recess the meeting from time to time until a quorum shall be present. At such resumed meeting at which a quorum is eventually present, any business may be transacted which might have been transacted at the meeting originally noticed.

## **ARTICLE V COMMITTEES OF TRUSTEES**

Section 1. Powers. The Board may, by resolution passed by a majority of the Trustees then serving on the Board, designate one or more committees. Each such committee shall consist of at least two (2) Trustees selected by the Board. Such committees shall have such names as may be determined from time to time by resolution of the Board; provided, however, that no such committee may exercise the authority of the Board of Trustees in reference to the following matters: (i) submitting any matter to the Members that requires an act of the membership; (ii) filling vacancies on the Board or any committee of the Board; (iii) adoption, amendment or repeal of these Bylaws; and (iv) fixing compensation of Trustees.

Section 2. Advisory Committees. The Board may, by resolution passed by a majority of the Trustees then serving on the Board, designate one or more advisory committees to the Board. Such committees shall have no authority to act on behalf of the Board. The Board shall designate the members of each advisory committee, and each such committee may be comprised of any number of Trustees or persons who are not Trustees.

Section 3. Meetings. Committees shall comply with Arizona open meeting laws, shall keep regular minutes of their proceedings, and shall report their proceedings to the Board when required.

## **ARTICLE VI NOTICES TO TRUSTEES**

Section 1. Notices. Except as otherwise provided herein, notices to the Trustees may be by telephone, e-mail, facsimile transmission or in writing and delivered personally or mailed to the Trustees at their addresses appearing on the books of the Pool. Notice by mail shall be deemed effective when the same shall be mailed postage prepaid to such addresses. Notice by personal delivery shall be deemed effective upon delivery. In all other cases, notices shall be deemed effective upon transmission.

Section 2. Waiver. Any individual notice required to be given under the provisions of applicable law, the Articles or these Bylaws may be waived in writing either before or after the event requiring such notice, provided such waiver is signed by the person or persons entitled to such notice.

## **ARTICLE VII OFFICERS**

Section 1. Officers. The officers of the Pool shall be chosen by the Board of Trustees and shall be a president, one or more vice presidents, a secretary, a treasurer, and a special non-voting director for purposes of Medicare and Medicaid reporting. Two or more offices may be held by the same person; provided, however, that the same person shall not simultaneously hold the offices of president and secretary.

Section 2. Selection. Not later than sixty (60) days after each annual meeting of the Board of Trustees, the Board of Trustees shall choose a president from among the Trustees, and shall choose one or more vice presidents, a secretary and a treasurer, none of whom need be a member of the Board. In addition, the Board shall choose a special non-voting director for purposes of Medicare and Medicaid reporting.

Section 3. Compensation. The salaries, if any, of all officers and agents of the Pool shall be fixed by the Board of Trustees.

Section 4. Removal and Vacancies. The officers of the Pool shall hold office until their successors are elected. Any officer chosen or appointed by the Board may be removed whenever in the Board's judgment the best interests of the Pool will be served by the removal. Any vacancy occurring in any office of the Pool by death, resignation, removal or otherwise shall be filled by the Board of Trustees.

Section 5. President. The president or (in the absence of the president, a vice-president designated by the president) shall preside over all meetings of the Members and Board of Trustees; and shall sign all contracts and agreements, and all other instruments requiring execution on behalf of the Pool.

Section 6. Vice Presidents. There shall be as many vice presidents as shall be from time to time determined by the Board, and they shall perform such duties as may be from time to time assigned to them. Any one of the vice presidents shall have all the powers and perform all the duties of the president in case of the temporary absence of the president or in case of his temporary inability to act unless otherwise restricted by the Board. In case of the permanent absence or inability of the president to act, the office shall be declared vacant by the Board of Trustees and a successor chosen by the Board.

Section 7. Secretary. The secretary shall see that the minutes of all meetings of Members, of the Board of Trustees and any committees are kept. He shall give or cause to be given required notices of all meetings of the Members and of the Board of Trustees. He shall have charge of all the books and records of the Pool except the books of account and shall in general perform all the duties incident to the office of secretary of a corporation and such other duties as may be assigned to him.

Section 8. Treasurer. The treasurer or the treasurer's designee shall have general custody of all of the funds of the Pool except as may be required by law to be deposited with any state official; he shall see to the deposit of the funds of the Pool in such depositories as the Board of Trustees may designate. Regular books of account shall be kept under his direction and supervision, and he or his designee shall render financial statements to the President, Trustees and Members at proper times. He shall have charge of the preparation and filing of such reports and financial statements and returns as may be required by law. He shall give to the Pool such fidelity bond as may be required, and the premium therefor shall be paid by the Pool as an operating expense.

Section 9. Assistant Secretaries. There may be such number of assistant secretaries as the Board of Trustees may from time to time fix, and such persons shall perform such functions as may be from time to time be assigned to them.

Section 10. Assistant Treasurers. There may be such number of assistant treasurers as the Board of Trustees may from time to time fix and such persons shall perform such functions as may be from time to time be assigned to them.

Section 11. Special Non-Voting Director. The special non-voting director is appointed by the Board solely for the purposes of Medicare and Medicaid reporting and is not a Trustee, shall not have any voting rights at meetings of the Board of Trustees and shall not be counted for quorum purposes.

Section 12. Delegation of Duties. Whenever an officer is absent or whenever for any reason the Board of Trustees may deem it desirable the Board may delegate the powers and duties of an officer to any other officer or officers or to any Trustee or Trustees.

## **ARTICLE VIII INDEMNIFICATION**

Section 1. Power. To the fullest extent permitted by law, Members, trustees, officers, employees or agents of the Pool shall be indemnified by the Pool in accordance with the provisions of Title 10, Chapters 24-40, Arizona Revised Statutes, as the same exists or hereafter may be amended.

## **ARTICLE IX DISSOLUTION**

Section 1. Dissolution of the Pool. Upon dissolution of the Pool, and after making adequate provision for all pending and anticipated claims, the assets of the Pool shall be liquidated, a final accounting shall be made, and the assets thereafter remaining in the Pool shall be distributed among the then-existing members of the Pool in proportion to the contributions made to the Pool by each of the then existing members during the preceding one hundred and twenty (120) months.

## **ARTICLE X GENERAL PROVISIONS**

Section 1. Checks. All checks or demands for money and notes of the Pool shall be signed by such persons as the Board may from time to time designate.

Section 2. Fiscal Year. The fiscal year of the Pool shall be fixed by resolution of the Board.

Section 3. Inspection of Books. The books, records and papers of the Pool shall be available at the principal office of the Pool for inspection at reasonable times by any person as may be permitted by Arizona law. The Articles and Bylaws of the Pool shall likewise be available for inspection by any person at the principal office of the Pool, or at such other location designated by the Board.

Section 4. Interpretations. To the extent permitted by the context in which used, words in the singular number shall include the plural, words in the masculine gender shall include the feminine and neuter and vice versa.

Section 5. Captions. Captions used herein are for convenience only and are not a part of these Bylaws and shall be not deemed to limit or alter any provisions hereof and shall not be deemed relevant in construing these Bylaws.



### **CERTIFICATE**

I, Jean Poe, the duly elected, qualified and acting Secretary of Arizona Municipal Risk Retention pool, an Arizona nonprofit corporation ("**AMRRP**"), do hereby certify that the above and foregoing are the Bylaws of AMRRP, duly adopted by the Board of Trustees at meetings held on August 19, 2014 and November 21, 2014.

I have hereunto executed this Certification effective April 9, 2015.

*Jean Poe*

Jean Poe, Secretary