

**REVISED BYLAWS
OF
MOHAVE EDUCATIONAL SERVICES COOPERATIVE, INC.**

**ARTICLE I
OFFICES**

Section 1. Principal Offices: The principal office of the Mohave Educational Services Cooperative (the "Corporation"), shall be at the offices of the Administrator in the City of Kingman, County of Mohave, State of Arizona.

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

**ARTICLE II
MEMBERSHIP**

Section 1. Classes of Membership: The Corporation shall have one class of Members which will include public school districts and governmental public entities that are political subdivisions of Arizona and/or other states for purposes of federal income tax, and nonprofit educational or public health institutions of the State of Arizona and/or other states, to the extent that such entities are political subdivisions for purposes of federal income tax or meet the requirements of § 115 of the Internal Revenue Code, who are a party to a written contract or intergovernmental agreement with the Corporation.

Section 2. Termination of Membership: Either party may terminate membership in the Corporation by giving the other party written notice at least ninety (90) days prior to termination. Termination of membership shall not relieve a Member of its obligation to comply with the terms of any Member purchase order processed by the Corporation prior to termination. A Member may challenge the Corporation's termination of membership in accordance with A.R.S. § 10-3621.

Section 3. Annual Meeting: An annual meeting of the Members shall be held at the principal place of business of the Corporation, 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 elected members of the Board of Trustees shall be announced in accordance with the requirements of Article III of these Bylaws. The members of the Board may transact such business of the Corporation as may properly come before them.

Section 4. Notice of Annual Meeting: Notice of the annual meeting shall be given to each Member at least ten (10) days (but no more than fifty (50) days) before the date of the meeting. Such notice shall be deemed effective as specified in Article VI, Section 1 of these Bylaws.

Section 5. Special Meetings: A special meeting of the Members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation ("Articles"), may be called by the President and shall be called by the President or Vice President upon written request of a majority of the Board. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Notice of Special Meeting: Notice of a special meeting of the Members, stating in reasonable detail the time, place and purpose thereof, shall be given to each Member entitled to vote at least ten (10) days (but no more than fifty (50) days) before the meeting date. Such notice shall be deemed effective as specified in Article VI, Section 1 of these Bylaws.

Section 7. Business Transacted at Special Meeting: Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice.

Section 8. Voting Rights: Members entitled to vote in the Board of Trustees election, or at the annual or any special meeting, are those entities which are (a) members of the Corporation on the date that notice of the Board of Trustees election, or annual or special meeting, is effective pursuant to Article II, Sections 4 and 6, and Article III, Section 3.1, of these Bylaws; and (b) are in good standing at the time of the meeting. For the purposes of this Section 8, a Member in good standing is an entity that meets the requirements of Article II, Section 1 of these Bylaws. In all meetings of the Members, each Member shall be entitled to one vote on each matter coming before the Members, and such vote may be exercised in person or by properly cast ballot. Only persons so authorized in writing by the Member shall vote on any matter.

Section 9. Quorum: The presence, either in person or by properly cast ballot, of the Members holding ten percent (10%) of the vote entitled to be cast shall constitute a quorum of the Members for all purposes unless the representative 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 a quorum of the Members shall be the act of the membership.

Section 10. Adjournment of Meetings: If the number of Members necessary to constitute a quorum fails to attend in person at the time and place of the meeting, the Chairman of the meeting or a majority of the Members present in person may adjourn the meeting from time to time without notice other than an announcement at the meeting unless a quorum shall be present or presented. At any adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally noticed. For the purpose of determining whether a Member is present at a meeting of the Members, a Member will be deemed present if an authorized representative of such Member is in attendance at the meeting.

ARTICLE III 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. Each Trustee shall hold office until his or her successor is duly elected and qualifies, provided that any Trustee may resign at any time upon written notice to the Board, effective upon receipt by the President or the President's designee or at any later time specified in the notice. 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). An exception to the above provision is that a Trustee may continue to serve as a Trustee if the Trustee leaves her/his Member organization in good stead and is leased back as an employee to a Member by a third-party employment agency, also in good stead with MESC, and that relationship is evidenced in writing and included in the Board minutes reflecting appointment of the Trustee. The Board reserves the right to review that Trustee's employment contract and to make periodic inquiries to the third-party agency to determine Trustee's good stead status. A Trustee shall automatically be removed for failure to discharge the duties of office for the period of three (3) consecutive meetings or if a Trustee refuses to resign upon disqualification as set forth in A.R.S. § 11-952.01(H).

Section 2. Initial Board: Selection; Term. An initial nominating committee shall be comprised of a current voting or ex-officio member of the Mohave Executive Board, the current Executive Director, and a third person selected by the Executive Director who shall meet to elect the initial seven-member Board. The original Trustees shall serve staggered terms of duration,

which include three (3) three-year positions, two (2) two-year positions, and two (2) one-year positions. After the expiration of the initial terms, the Board of Trustees shall be elected in the manner set forth in Section 3 below.

Section 3. Manner of Election:

- 3.1 At least ten (10) days (but no more than fifty (50) days) prior to each annual meeting of the Members at which Trustees are to be elected, the nominating committee of the Board shall submit to each Member then in good standing, and entitled to vote, (as defined in Article II, Section 8 hereof) a list of persons nominated for election as Trustees of the Corporation. Members may also vote for eligible write-in candidates. Each Member who is entitled to vote is entitled to one vote for each vacancy on the Board, but no Member may cast more than one vote for the same nominee.
- 3.2 After the expiration of the terms of the initial Board members, the Board of Trustees shall be elected in the manner set forth in Article III, Section 3 of these Bylaws, and shall be classified so that each elected Trustee shall serve a term of three (3) years. The terms of the Trustees shall be staggered so that the term of approximately one-third of the entire number of elected Trustees shall expire annually.
- 3.3 The annual election shall be conducted according to the regulations as prescribed by the Board of Trustees.

Section 4. Vacancies:

- 4.1 Vacancies among elected Trustee positions on the Board, by death, resignation, removal or otherwise, or newly created positions resulting from any increase in the authorized number of elected Trustees, may be filled by a majority of the Trustees then in office, though less than a quorum; and the Trustee(s) so chosen shall hold office until the next annual election or appointment and until his or her successor is duly elected or appointed and qualify, unless sooner displaced.
- 4.2 No reduction of the authorized number of Trustees shall have the effect of removing any Trustee before that Trustee's term of office expires.

Section 5. Powers: The business of the Corporation shall be managed by its Board, which may exercise all such powers of the Corporation 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 the following:

- 5.1 The Board may adopt policies, rules and procedures for the administration and operation of the Corporation; provided, however, that such policies, rules and procedures may not be inconsistent with the Articles, these Bylaws, or applicable state and federal laws and regulations.
- 5.2 The Board may retain the services of legal counsel, actuaries, auditors, engineers, private consultants, administrators and advisors as the Board deems necessary to carry out the business and purposes of the Corporation.
- 5.3 The Board may own, purchase, lease, rent, or sell real and personal property it deems necessary.

- 5.4 The Board may enter into a financial services agreement with banks and issue checks in the name of the Corporation.
- 5.5 The Board may employ necessary staff to carry out the purposes of the Corporation.
- 5.6 The Board may make and alter these Bylaws pertaining to the exercise of its purpose and powers; provided, however, that the Board shall give at least 30 days' prior notice to the Members of any such amendment to the Bylaws, and that any such amendment shall be subject to all applicable laws.

Section 6. Duties: In accordance with A.R.S. § 11-952.01(H), A.R.S. §§ 41-2631 and 41-2632, and A.A.C. R7-2-1001, et seq., as amended, the Board shall:

- 6.1 Establish terms and conditions of procurement services.
- 6.2 Take all necessary precautions to safeguard the assets of the Corporation.
- 6.3 Maintain minutes of its meetings.
- 6.4 Designate an administrator (the "Executive Director") to carry out the policies established by the Board and to provide day-to-day management of the Corporation. The Board shall delineate in the written minutes of its meetings the areas of authority it delegates to the Executive Director. The Executive Director shall be an ex-officio member of all committees of the Board, unless the Board expressly provides otherwise.
- 6.5 Procure goods, services, and construction consistent with Arizona law.

ARTICLE IV MEETINGS OF THE BOARD OF TRUSTEES

Section 1. Meetings: The Board may hold meetings, both regular and special, within and outside of the State of Arizona. All such meetings shall comply with the Arizona open meeting laws. 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 immediately following the annual meeting of the Members.

Section 3. Regular Meetings: The Board shall hold at least four (4) regular meetings per fiscal year. All regular meetings shall be called at times and at locations at the discretion of the Board. 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 as specified in Article VI, Section 1 of these Bylaws.

Section 4. Special Meetings: Special meetings of the Board may be called by the President and shall be called by the President or the Vice President upon request of two members of the Board. Notice of special meetings of the Board shall be given to each Trustee at least three (3) days before the date of the meeting. Such notice shall be deemed effective as specified in Article VI, Section 1 of these Bylaws.

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. Acts 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, 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; provided that, to the extent applicable, the requirements of the Arizona open meeting laws are satisfied.

ARTICLE V COMMITTEE 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 Trustees. 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 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; and (iii) adoption, amendment, or repeal of these Bylaws.

ARTICLE VI NOTICE

Section 1. Notice: Notice to Trustees and/or Members may be by telephone, telegram, electronic mail, facsimile transmission, or in writing and delivered personally or mailed to the Trustees and/or Members at their addresses appearing on the books of the Corporation. Notice by personal delivery shall be deemed effective upon delivery. Notice by mail shall be deemed effective upon mailing, postage prepaid, to such addresses. 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 either before or after the event requiring such notice, provided such waiver is signed by a person or persons authorized to sign such notice on behalf of the member.

ARTICLE VII OFFICERS

Section 1. Officers: The officers of the Corporation shall be chosen by the Board and shall be a president and a vice president. Although not an officer, the Board shall select an Executive Director that will serve at will and at the pleasure of the Board.

Section 2. Selection: At its annual meeting, the Board shall elect a president and a vice president from its Trustees.

Section 3. Compensation: All officers and Trustees of the Corporation shall serve without compensation but may receive reasonable reimbursement for travel, lodging, attending meetings, and performing other authorized services as a Trustee, provided such expenses are not reimbursed to the Trustee in any other manner.

Section 4. Removal and Vacancies: The officers of the Corporation shall hold office until their successors are chosen and qualify; provided that any officer elected or appointed by the Board may be removed, whenever in the Board's judgment the best interests of the Corporation will be served by the removal. However, such removal shall be without prejudice to

the contract rights, if any, of the person removed. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board.

Section 5. President: The president shall preside over all meetings of the Members and the Board; shall sign all contracts and agreements and all other instruments requiring execution on behalf of the Corporation; and shall be chief executive officer of the Corporation, subject to policies established by the Board of Trustees.

Section 6. Vice President: There shall be a vice president who shall perform such duties as may be from time to time assigned by the Board. The vice president shall have all the powers and perform all the duties of the president in case of the president's temporary absence 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 Board shall declare the office vacant and shall choose a successor.

Section 7. Delegation of Duties: The Board shall approve a policy delegating to the Executive Director certain Board powers and duties necessary for the Executive Director to carry out his duties including, but not limited to, hiring, firing, employee discipline, and providing ministerial financial and procurement compliance tasks. Whenever an officer is absent or whenever for any reason the Board may deem it desirable, the Board may delegate the powers and duties of an office to the Executive Director to carry out the business of the Corporation.

ARTICLE VIII INDEMNIFICATION

Section 1. Power: To the fullest extent permitted by law, Members, Trustees, officers, employees, or agents of the Corporation shall be indemnified by the Corporation in accordance with the provisions of A.R.S. §§ 10-3850 through -3858 or Title 10, Chapter 31, Article 5, A.R.S., as each exists and applies or may hereafter be amended.

ARTICLE IX GENERAL PROVISIONS

Section 1. Checks: All checks or demands for money and notes of the Corporation shall be signed by such persons as designated in the policies of the Corporation.

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

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

Section 4. Interepresentations: To the extent permitted by the context in which used, words in the singular number shall include the plural, and any reference to gender, gender choices, etc. shall be interpreted as inclusive and non-biased.

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

ARTICLE X AUDIT

Section 1. Audit: The Corporation shall be audited annually, at its own expense, by a certified public accountant.

Section 2. Distribution of Audit Report: The Corporation shall distribute copies of the audit report as required by rule, regulation, policy, or statute.

ARTICLE XI DISSOLUTION

In the event of dissolution or final liquidation of the Corporation, none of the property of the Corporation nor any proceeds thereof shall be distributed or divided among any of the directors or officers of the Corporation or inure to the benefit of any individual.

After all liabilities and obligations of the Corporation have been paid, satisfied or discharged, or adequate provision made therefore, all remaining property and assets of the Corporation shall be distributed to the Members of the Corporation by averaging the purchases made by each member, up to and including the three years prior to dissolution, to determine their percentage of ownership or final distribution. In the event that only liabilities and obligations remain at the time of dissolution, each Member's liability and obligation shall be limited to compliance with the terms of that Member's purchase order(s) in effect at the time of dissolution, if any.

ARTICLE XII AMENDMENT OF THE BYLAWS

These Bylaws may be altered or repealed by the affirmative vote of a majority of the Trustees then serving on the Board; provided, however, that the Board shall give at least 30 days' prior notice to the Members of any amendment to the Bylaws and such amendment shall be subject to all applicable law; provided further that if, during the 30-day notice period, at least ten (10) percent of the Members' governing bodies pass and submit to the Board written resolutions objecting to a proposed amendment to the Bylaws, and if more than fifty (50) percent of the Members disapprove of that amendment at a special meeting called by the Board within ten (10) but not more than fifty (50) days from such notice, it shall not be enacted. These Bylaws may not be amended insofar as such amendment would be inconsistent with the Articles.

Adopted by the Board of Trustees: November 18, 2004

Revised by the Board of Trustees: September 16, 2005

Revised by the Board of Trustees: April 3, 2008

Revised by the Board of Trustees: December 2, 2022