

AMENDED AND RESTATED BYLAWS
OF
STORMWATER OUTREACH FOR REGIONAL MUNICIPALITIES (STORM)

ARTICLE I

Name

Section 1. Name. The name of this Corporation is “Stormwater Outreach for Regional Municipalities (STORM)” (the “Corporation”).

ARTICLE II

Offices; Registered Agent

Section 1. Principal Office. The Corporation may have such offices, either within or without the State of Arizona, as may be designated from time to time by resolution of the Board of Directors, one of which may be designated as the principal office.

Section 2. Registered Office and Registered Agent. The Corporation shall maintain a registered office and registered agent in the State of Arizona. The registered office may, but need not be, the same as any of its places of business. The identity and address of the registered agent may be changed from time to time by notifying the Arizona Corporation Commission pursuant to the provisions of the Arizona Nonprofit Corporation Act (the "ANCA").

ARTICLE III

Membership

Section 1. Classes of Members. The Corporation shall have one (1) class of voting and one (1) class of non-voting members, designated as follows:

Municipal Members:	Voting
Affiliate Members:	Non-voting

Section 2. Qualification. Members shall have paid, and continue timely to pay, the dues required of them under the particular class of membership which they select. Additional qualifications are as follows:

(a) *Municipal Members.* Municipal members specified in Section 1 of this Article shall at all times be MS4 owners, including both Phase 1 and Phase II permittees and regulated permit holders that would not normally be considered municipal entities or traditional MS4 owners (*i.e.*, Arizona Department of Transportation, Luke Air Force Base, Arizona State University, etc.) and who have been identified by the Arizona Department of Environmental Quality as requiring a municipal stormwater permit under the Arizona Pollutant Discharge Elimination System regulations. Multiple divisions within a municipality can apply for separate

membership in the Corporation; however, only the municipality itself can act as a municipal member. Related divisions or departments can apply for affiliate memberships. Any member delinquent in the payment of dues shall not be entitled to vote.

(b) *Affiliate Members.* Affiliate members specified in Section 1 of this Article shall be other jurisdictions or organizations with a strong interest in the Corporation's mission that the municipal members vote to make affiliate members. Affiliate members are not eligible to vote, but are strongly encouraged to take an active role in monthly meetings, activities, and events sponsored by the Corporation.

Section 3. Dues. The Board of Directors may at any meeting of the Board fix, change, amend or adjust the dues and donations applicable to the classes of members enumerated in these Bylaws, without amending the Bylaws.

Section 4. Termination of Membership.

(a) The failure of a municipal member to pay dues within thirty (30) days after the mailing of a second notice of dues payable, or to meet other qualifications required for membership, may result in the delinquent member's membership being terminated.

(b) In addition, any member may be expelled from membership, for good cause shown, by an affirmative vote of a majority of the directors then in office or by the voting members.

Section 5. Transfer of Membership. A member may not transfer a membership or any right arising from a membership.

Section 6. Privileges of Membership.

(a) *Voting.* The municipal members who have paid the dues required for that class shall have one vote upon each matter submitted to a vote at any meeting of the members of the Corporation, annual or special, and may vote either in person or by proxy. Affiliate members shall not have voting privileges.

(b) *Other Privileges.* Other membership privileges include participation in various activities, programs and publications of the Corporation as may be designated from time to time by the Board of Directors.

Section 7. Membership Year. Annual memberships shall extend for twelve (12) months from July 1, the day that the annual dues are due.

Section 8. Annual Meeting. The annual meeting of members, for the purpose of electing directors and for the transaction of such other business as may come before the meeting, shall be held in the month of June in each year, at such time and place as the Board of Directors may determine. At each annual meeting of members, a report on the activities and financial condition of the Corporation shall be presented.

Section 9. Regular Meetings. Regular meetings of the members shall be held on the fourth Tuesday of each month unless otherwise stated.

Section 10. Special Meetings. Special meetings of the members may be held at any time and place for any purpose or purposes, unless otherwise prescribed by the ANCA, on call of the President or Secretary, and shall be called by the Secretary on written request signed and dated by any twenty percent (20%) of all members of the Corporation entitled to vote describing one or more purposes for which the meeting is to be held.

Section 11. Adjourned Meetings. Unless otherwise provided by the ANCA, if an annual, regular or special meeting of members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment.

Section 12. Notice and Waiver of Notice.

(a) Notice. Notice of any meeting shall be given by oral or written notice delivered to each member in one of the methods described in Article IV hereof not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or other officer or persons calling the meeting to each member of record entitled to vote at such meeting. However, if notice is mailed by other than first class or registered mail, notice must be mailed not less than thirty (30) days before the meeting date. The purpose of and the business to be transacted at any special meeting of the members shall be specified in the notice or waiver of notice of such meeting.

(b) Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of the ANCA or under the provisions of the Articles of Incorporation or Bylaws of the Corporation, a waiver thereof in writing, signed at any time by the person or persons entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 13. Fixing of Record Dates.

(a) Record Date for Notice. The Board of Directors may fix a future date as the record date for determining the members entitled to notice of a members' meeting; provided, however, that the record date is not more than seventy (70) days before the meeting. If no such record date is fixed, members at the close of business on the business day preceding the day on which notice is given are entitled to notice of the meeting. However, if a meeting is held without notice, the determination of who is entitled to waive notice is made as of the close of business on the business day preceding the day on which the meeting is held.

(b) Record Date for Voting. The Board of Directors may fix a future date as the record date for determining the members entitled to vote at a members' meeting. Provided, however, that the record date is not more than seventy (70) days before the action requiring a

determination of the members occurs. If no such record date is fixed, members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

(c) Record Date for Exercise of Other Rights. The Board of Directors may fix a future date as the record date for the purpose of determining the members entitled to exercise any rights in respect of any lawful action. If no such record date is fixed, members at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the 60th day before the date of such other action, whichever is later, are entitled to exercise such rights.

Section 14. Quorum and Manner of Acting. Twenty-five percent (25%) of the voting members of the Corporation, present in person or represented by proxy, shall constitute a quorum for the transaction of business at any meeting of members. The vote of a super-majority (66%) of the members entitled to vote represented at a meeting at which a quorum is present in person or by proxy shall be the act of the members, unless the act of a greater number is required by the ANCA, the Articles of Incorporation or Bylaws of the Corporation. Though less than a quorum of the members is represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice.

Section 15. Conduct of Meetings. The Chair, and in his or her absence, the Vice-Chair, and in their absence any person chosen by the members present shall call the meeting of the members to order and shall act as chair of the meeting, and the Secretary of the Corporation shall act as secretary of all meetings of the members, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting.

Section 16. Proxies. Members may vote by proxy at all meetings of the members provided the proxy is in writing, signed by the member or the member's duly authorized attorney-in-fact, and filed with the Secretary before the meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

Section 17. Voting By Municipal Members. A membership standing in the name of a municipality shall be voted by the chief water quality officer of such municipality, or any other officer or proxy appointed by such chief water quality officer or individual with similar responsibilities.

Section 18. Action By Written Consent of Members. Any action required by the Articles of Incorporation or Bylaws of the Corporation, or any provision of the ANCA, to be taken at a meeting, or any other action which may be taken at a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed and dated by each of the members entitled to vote with respect to the subject matter thereof and in determining whether the required number of members have signed the consent the date the first member signs a consent is the record date for determining members entitled to take action without a meeting.

Section 19. Presumption of Assent. A member of the Corporation who is present at a meeting of the members, or a committee thereof, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such member's dissent shall be

entered in the minutes of the meeting or unless such member shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a member who voted in favor of such action.

ARTICLE III *Board of Directors*

Section 1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Number and Qualifications of Directors.

(a) The number of directors shall be as determined by the Board of Directors from time to time, but in no event more than five (5) and shall serve for the term provided in Section 3 of this Article. No amendment of this section shall reduce the number of directors to less than the number required by the ANCA.

(b) The directors specified in this Section 2 shall at all times be representatives of municipal members of the Corporation.

Section 3. Election and Term.

(a) Method of Election. Succeeding directors of this Corporation shall be elected by the voting members at the annual meeting of the members.

(b) Term of Office. Directors shall hold office from the close of the annual meeting for a term of one year, or until their successors have been elected and qualified.

Section 4. Resignation. A director may resign at any time by filing a written resignation with the Chair, the President or the Secretary of the Corporation.

Section 5. Removal. A director may be removed from office with or without cause by the voting members either at a regular meeting or at any special meeting called for that purpose.

Section 6. Vacancies. In the event a vacancy occurs in the Board of Directors from any cause, including an increase in the number of directors, an interim director shall be elected by the members of this Corporation. An interim director shall serve until a successor is elected upon expiration of the term of office for that director.

Section 7. Annual Meeting. The annual meeting of the Board of Directors shall be held in the month of June in each year, at such time and place as the Board of Directors may determine, for the purpose of transacting such business as may come before the meeting.

Section 8. Regular Meetings. The Board of Directors may provide by resolution for regular or stated meetings of the Board, to be held at a fixed time and place, and upon the passage of any such resolution such meetings shall be held at the stated time and place without other notice than such resolution.

Section 9. Special Meetings. Special meetings of the Board of Directors may be held at any time and place for any purpose or purposes, unless otherwise prescribed by the ANCA, on call of the President, Chair or Secretary, and shall be called by the Secretary on the written request of any twenty (20%) of the directors.

Section 10. Meetings By Telephone or Other Communication Technology.

(a) Any or all directors may participate in a regular or special meeting or in a committee meeting of the Board of Directors by, or conduct the meeting through the use of, telephone or any other means of communication by which either: (i) all participating directors may simultaneously hear each other during the meeting; or (ii) all communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in subsection (a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in subsection (a) is deemed to be present in person at the meeting.

Section 11. Notice and Waiver of Notice.

(a) Notice. Notice of the date, time and place of any annual or special meeting shall be given by oral or written notice delivered personally to each director at least twenty-four (24) hours prior thereto, or by written notice given by other than personal delivery at least forty-eight (48) hours prior thereto. Notice shall be given in one of the methods described in Article IV hereof. The purpose of and the business to be transacted at any special meeting of the Board of Directors need not be specified in the notice or waiver of notice of such meeting.

(b) Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of the ANCA or under the provisions of the Articles of Incorporation or Bylaws of the Corporation, a waiver thereof in writing, signed at any time by the person or persons entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 12. Quorum. Fifty percent (50%) of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 13. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the ANCA, or the Articles of Incorporation or Bylaws of the Corporation.

Section 14. Action by Written Consent of Directors. Any action required by the Articles of Incorporation or Bylaws of the Corporation, or any provision of the ANCA, to be taken at a meeting, or any other action which may be taken at a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the board of directors taken at a meeting.

Section 15. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors, or a committee thereof, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such director's dissent shall be entered in the minutes of the meeting or unless such director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 16. Compensation. Directors of the Corporation shall not receive compensation for serving as directors or for providing other personal services to the Corporation. However, directors may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board of Directors.

Section 17. Committees. The Board by resolution may create committees having such powers as are then permitted by the ANCA and as are specified in the resolution.

Section 18. Conflict of Interest.

(a) Each director shall disclose to the Board of Directors any duality of interest or possible conflict of interest whenever the duality or conflict pertains to a matter being considered by the Board.

(b) Any director having duality of interest or conflict of interest on any matter shall abstain from voting on the matter and shall not be counted in determining the quorum for the vote on the matter. In addition, he or she shall not use his or her personal influence on the matter, but may briefly state his or her position on the matter and may answer pertinent questions from other directors since his or her knowledge may be of great assistance.

(c) The minutes of the meeting involving any such situation shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.

(d) If a director is uncertain as to whether he or she has a duality or conflict of interest which requires abstention, or if a director asserts that another director has such a duality or conflict, the Board, by majority vote of those present other than the director having the

possible conflict, shall decide whether abstention is required. If so, the director will be deemed to have abstained.

(e) No purchase involving any director or any entity of which the director is an officer, director, partner or owner shall be made without prior approval of the Board of Directors.

ARTICLE IV *Methods of Giving Notice*

Notice of any annual, regular or special meeting of members, any annual or special meeting of directors, and any other notice required to be given under these Bylaws or the ANCA may be communicated in person, by telephone, telegraph, teletype, facsimile or other form of wire or wireless communication, including electronic mail, or by mail or private carrier, and, if these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published, or by radio, television or other form of public broadcast communication. Oral notice is effective when communicated. Written notice is effective at the earliest of the following:

- (a) When received.
- (b) Five days after its deposit in the U.S. mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.
- (c) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

ARTICLE V *Officers*

Section 1. Number. The principal officers of the Corporation shall be a Chair and a Vice-Chair, a Secretary, and a Treasurer, each of whom shall be elected by the membership. The Board of Directors may elect such other officers and assistant officers and agents as may be deemed necessary. The same individual may simultaneously hold more than one office. Officers shall be members of the Board of Directors.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the membership at the annual meeting of the municipal members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office from the close of the annual meeting for a term of one year, or until a qualified successor is elected upon expiration of the term of that officer, or until that officer's death, or until that officer shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the membership may be removed by the vote of the members, whenever in the members' judgment the best interests of the Corporation will be served thereby.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the remaining Board of Directors for the unexpired portion of the term.

Section 5. Chair and Vice-Chair of the Board. The Chair of the Board shall call and preside at all meetings of the Board of Directors. The Vice-Chair shall serve in the absence of the Chair or in the event of the Chair's death or inability or refusal to act.

Section 6. The Secretary. The Secretary shall: (a) keep the minutes of the members' and Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by the ANCA; (c) be custodian of the corporate records and of the seal of the Corporation if one is authorized by the Board of Directors, in which case the Secretary shall see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 7. The Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: (a) have the oversight responsibility for all funds and securities of the Corporation, and for moneys due and payable to the Corporation from any source whatsoever, including the deposit of such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; and (b) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 8. Other Assistants and Acting Officers. The Board of Directors shall have the power to appoint any person to act as assistant to any officer, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer so appointed by the Board of Directors shall have the power to perform all the duties of the office to which such person is so appointed to be assistant, or as to which such person is so appointed to act, except as such power may otherwise be defined or restricted by the Board of Directors.

Section 9. Additional Officers. Any additional officer not specified above shall have only such authority, duties and responsibilities as shall be specifically authorized and designated by the vote of the members.

Section 10. Compensation. Officers of the Corporation shall not receive compensation for serving as officers or for providing other personal services to the Corporation. However, officers may receive reimbursement for reasonable expenses incurred in connection with corporate matters, provided that such reimbursement is authorized by the Board of Directors.

ARTICLE VI
Indemnification

Section 1. Mandatory Indemnification. The Corporation shall, to the fullest extent permitted or required by Sections 10-3850 to 10-3858, inclusive, of the ANCA, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and Officers against any and all Liabilities, and advance any and all reasonable Expenses, incurred thereby in any Proceeding to which any Director or Officer is a Party because such Director or Officer is a Director or Officer of the Corporation. The Corporation may indemnify its employees and authorized agents, acting within the scope of their duties as such, to the same extent as Directors or Officers hereunder. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against Liabilities or the advancement of Expenses which such Director or Officer may be entitled under any written agreement, board resolution, vote of the Members, the ANCA or otherwise. All capitalized terms used in this Article VI and not otherwise defined herein shall have the meaning set forth in Section 10-3850 of the ANCA.

Section 2. Private Foundations. Notwithstanding the foregoing, whenever the Corporation is a private foundation as defined in I.R.C. § 509(a), it shall not make any indemnification which would give rise to a penalty excise tax under I.R.C. Chapter 42.

ARTICLE VIII
Fiscal Year

The fiscal year of the Corporation shall end on the last day of June in each year.

ARTICLE IX
Seal

The Board of Directors may provide a corporate seal and prescribe the form thereof.

ARTICLE X
Corporate Acts, Loans, and Deposits

Section 1. Corporate Acts. Each officer shall have authority to sign, execute and acknowledge on behalf of the Corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the Corporation's regular business, or which shall be authorized by resolution of the Board of Directors. Except as otherwise provided by the ANCA or directed by the Board of Directors, the Chair of the Board may authorize in writing any officer or agent of

the Corporation to sign, execute and acknowledge such documents and instruments in his or her place and stead. The Secretary of the Corporation is authorized and empowered to sign in attestation all documents so signed, and to certify and issue copies of any such document and of any resolution adopted by the Board of Directors of the Corporation, provided, however, that an attestation is not required to enable a document to be an act of the Corporation.

Section 2. Loans. No moneys shall be borrowed on behalf of the Corporation and no evidences of such indebtedness shall be issued in its name unless authorized by a resolution of the members. Such authority may be general or confined to specific instances.

Section 3. Deposits. All funds of the Corporation, not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, investment firms or other depositories as the Board of Directors may select.

ARTICLE XI
Amendments

Section 1. By the Directors. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting thereof. However, no Bylaw adopted by the members shall be amended or repealed by the directors unless the Bylaw so adopted by the members shall have conferred such authority upon the directors.

Section 2. By the Members. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the voting members of this Corporation at any regular or special meeting thereof at which a quorum is present by a majority of the number of members at the time of the vote.

Section 3. Implied Amendments. Any action taken or authorized by the Board of Directors or members having voting rights, which would be inconsistent with the Bylaws then in effect but is taken or authorized by affirmative vote of not less than the number of directors or members having voting rights required to amend the Bylaws so that the Bylaws would be consistent with such action, shall be given the same effect as though the Bylaws had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.

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Certified a true and correct copy of the Amended and Restated Bylaws adopted on the _____ day of _____, 2008, by the Board of Directors of STormwater Outreach for Regional Municipalities (STORM).

Traci Varland
Its: Secretary