

**RESTATED BYLAWS
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DOUGLAS
ARTICLE 1. OFFICERS**

The principal office of the corporation in the State of Arizona shall be located in the City of Douglas, specifically at the City Hall of Douglas, Arizona.

ARTICLE 2. BOARD OF DIRECTORS

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

Section 2. Number, Tenure and Qualifications. The number of Directors of the corporation shall be not less than three nor more than nine. Each Director shall hold office as specified in the Articles of Incorporation.

Section 3. Annual Meetings. The annual meeting of the Board of Directors shall be held on a date and at a time and place established by the Board of Directors. In default of any such action, the annual meeting shall occur on the third Wednesday of January of each year.

Section 4. Special Meetings. The Board of Directors may establish a regular meeting schedule. However, absent that, all meetings shall be special meetings. Special meetings of the Board of Directors may be called by or at the request of the President, the Secretary or any two Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the City of Douglas as the place for holding any special meeting of the Board of Directors called by them.

Section 5. Notice. Notice of all corporation meetings shall be given to both the public and to the Directors.

1. Notice to the public shall comply at all times with Arizona's Open Meeting Laws. Notice to the public shall be posted at Douglas City Hall not less than twenty-four hours prior to the meeting, and the minutes of the meeting should, but are not required to, reflect compliance. Public notice may not be waived.
2. Notice to the Directors shall also be given not less than twenty-four hours in advance of the meeting. Notice to the Directors may be by personal delivery, mail, telephone and/or email. Notice to the Directors shall be given by telephone only when a corporate officer shall, in that person's sole discretion, deem the meeting to be an "emergency" meeting requiring an expedited form of notice. If notice is given by telephone to the Directors, such notice shall be deemed to be delivered only when the person giving notice contacts the Director personally and prepares an affidavit for filing with the Corporate Secretary to that effect. Any Director may waive notice of any meeting. Attendance at a meeting constitutes waiver of notice of such meeting except when a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

The business to be transacted at any meeting of the Board of Directors shall be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the number of Directors then serving (as distinguished from the number of Directors authorized by the Bylaws or Articles) shall constitute a quorum for the transaction of

business at any meeting of the Board of Directors. 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. For purposes of determining a quorum, a Director who disqualifies himself from participation for any reason, but who attends the meeting, shall be counted.

Section 7. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Vacancies. When vacancies occur upon the Board, recommendations for those vacancies and their term of office may be made by the Directors to the Douglas City Council. The Directors shall recommend to the City Council persons of suitable experience, with backgrounds in law, finance, government, business or agriculture; provided, however, that nothing herein shall preclude the Board from recommending any person outside the scope of such occupations. The Board shall recommend persons of suitable temperament and training who are willing to devote time, free of compensation, to the objective of the corporation. Care shall be exercised to recommend persons free from the appearance of any conflict of interest, and no person who is an employee of the City of Douglas shall be recommended. All recommendations shall be advisory only, as vacancies may be filled only by the Douglas Mayor and City Council.

Section 9. Compensation. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors or at any other meeting that the Director may be requested to attend for an on behalf of the corporation. No Director of the corporation shall serve in any other capacity with the corporation other than as a corporate officer, and no Director shall be compensated for serving as a Director or officer.

Section 10. Presumption of Assent. A Director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as Secretary of the meeting at the time the action is taken. An exception to this procedure shall exist at any time when the Directors are polled telephonically or when action is taken without a quorum and recorded in the minutes as provided in Section II.6. In either of such instances, the Director shall have the right to signify his dissent in writing after the event. The right to dissent shall not apply to a Director who voted in favor of an action.

ARTICLE 3. OFFICERS

Section 1. Number. The officers of the corporation shall be a President and a Secretary, and such other additional officers (including one or more Vice Presidents, Secretary and Treasurer) as the Directors may from time to time deem necessary, each of whom shall be elected by the Board of Directors or appointed as a recording secretary and ratified by the Directors. Any two offices, except President and Secretary, may be combined.

Section 2. Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at their annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death or until he shall resign or have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interest of the corporation would be served thereby.

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

Section 5. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall be in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the Board of Directors. Both he and any other officer authorized by the Board of Directors may sign on behalf of the corporation bond documents (as that term is hereinafter defined), as well as deeds mortgages, contracts or other instruments. Bond documents shall include but not be limited to Bonds, Preliminary Official Statement, Official Statement, Loan Agreement, Bond Purchase Agreement, Trust Indenture, Non-Arbitrage and other relevant certificates. In general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President. In the absence of the President, or death or inability or refusal to act, the Vice President shall perform the duties of the President, including the execution of bond documents for any bond financing approved by the Board of Directors. The Vice President, when acting on behalf of the President, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

Section 7. Secretary. The Secretary shall:

1. Keep the minutes of the Board of Directors meetings in one or more books provided for that purpose.
2. See that all notices are duly given in accordance with the provisions of these bylaws and as required by law.
3. Be custodian of the corporate records.
4. In general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.
5. Sign all corporate resolutions and certify the same.
6. Sign bond documents as may be required for any bond financing approved by the Board of Directors.

Section 8. Treasurer. The Treasurer may be required to give a bond in a sum to be determined by the Directors for the faithful discharge of his duties, and with surety or sureties as the Board of Directors shall determine; provided, however, the absent a determination by the Board of Directors there shall be no requirement that the Treasurer be bonded. The Treasurer shall:

1. Have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these bylaws.
2. In general, perform all the duties incident to the office of Treasurer and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.
3. Conservatively invest the corporation's surplus funds.

Section 9. Salaries. The officers of the corporation shall not be paid any salary.

ARTICLE 4. PAID PERSONNEL.

At the discretion of the Board of Directors, the corporation may engage such individuals and/or entities, either as employees or independent contractors ("paid personnel") at such compensation and upon such

terms as the Board of Directors determines from time to time as being necessary or desirable in assisting it to carry out its functions. Examples of paid personnel, without limitations, are attorneys, accountants, executive secretaries, financial advisors, realtors and brokers. No serving Director shall be compensated.

ARTICLE 5. CONTRACTS, LOANS, CHECKS AND DEPOSITS.

Section 1. Contracts. The Board of Directors may authorize any officer or officers, to enter into any bond financing or contract and execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans and Grants. The Board of Directors may from time to time make loans and award grants for projects and purposes as are consistent with its purposes as expressed in its Articles and as permitted by Arizona law. This provision shall be liberally construed in favor of economic development benefitting the residents of the City of Douglas, and construed against projects without demonstrable public benefit. No Director or member of a Director's family or entity controlled by either shall be a beneficiary of a loan or grant. The Board may, from time to time, establish loan and grant criteria and application procedures.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be authorized by the Board of Directors and signed by two officers of the corporation.

Section 4. 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, trust companies or other depositories as the Board of Directors may select.

Section 5. Debts. Except as previously authorized by the Board of Directors, the President shall be limited in his authority to contract any indebtedness on behalf of the corporation in excess of _____ dollars (\$_____).

ARTICLE 6. COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation. However, the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon it or him by law, and may not delegate to a committee its bonding authority.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which quorum is present. Members of each such committee need not be Directors of the corporation, and the President of the corporation shall appoint the members thereof.

Section 3. Term of Office. Each member of a committee shall continue as such for the period of time provided for in the adopting resolution or, if silent, as the President may determine.

Section 4. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Section 5. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. Rules. Each committee may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the Board of Directors.

ARTICLE 7. BOND PROJECTS

Section 1. Procedures. The Board of Directors shall establish procedures to be followed by an applicant interested in utilizing the corporation's ability to issue revenue bonds. Such procedures shall be established in writing and shall include the amount of the application fee, the documentation necessary for consideration by the corporation, and such other informational requirements which the corporation deems necessary for consideration of the application of any company or industry. Such procedures shall not become part of the bylaws and may be amended from time to time by the Board of Directors.

Section 2. Authorized Projects. The corporation shall approve only such projects as are permitted under Arizona and Federal law.

Section 3. Authority Fees. The corporation may charge such fees, including both an application fee and annual maintenance fee, as it deems reasonable.

Section 4. Memorandum of Agreement. The corporation shall require all bonding applicants to execute a Memorandum of Agreement upon the adoption of a resolution providing preliminary approval for the project in a form approved by the corporation. The Memorandum shall define in more detail the reciprocal obligations of the applicant and the corporation, provide for indemnification of the corporation, and reimbursement of its fees and expenses.

Section 5. Applicant Indemnification. In all bond projects, the corporation, its Board of Directors and advisors, the Douglas City Council and its staff shall be indemnified by the applicant from incurring fees, expenses or liability, all in a manner approved by the corporation's legal counsel.

Section 6. Payment of Principal and Interest. All principal and interest of the bonds issued by the corporation shall be payable solely out of the revenues, proceeds and receipts derived from the corporation's sale of bonds, loan repayments or lease rentals, or out of the proceeds of bonds issued pursuant to Arizona law, or of any revenues, proceeds and receipts as shall be specified in the proceedings of the Board of Directors under which the bonds shall be authorized to be issued.

Section 7. Non-Liability of the City. The corporation shall require that appropriate bond documents reflect that the City of Douglas shall not be liable for the payment of the principal of or interest on any bonds of the corporation, or for the performance of any pledge, mortgage, obligation or agreement of any kind undertaken by the corporation, and that none of the bonds of the corporation or any of its payments or obligations shall be construed to constitute an indebtedness of the City of Douglas within the meaning of any constitutional or statutory provision whatsoever.

Section 8. Document Modification. Once the corporation has adopted a final bond resolution (the "bond resolution") approving and authorizing the execution of certain documents to which the corporation is a party ("authority bond documents") the President, or any officer in his absence, with the concurrence of the corporation's legal counsel, may approve language modification in the approved documents to correct errors, improve comprehension, clarify ambiguities, or for any other reason consistent with the bond

resolution; provided, however, that if in the opinion of the corporation's legal counsel the proposed modification is in conflict with any material substantive portion of the applicant's presentation or application so as to render the same misleading, or so as to be in conflict with the expressed intent of the corporation, then and in any such event the corporation's legal counsel may require approval of the proposed modification by the Board of Directors of the corporation.

Section 9. Affidavit of Disinterest; Conflict. Each Director shall, when requested to do so in connection with a bond financing, execute an Affidavit of Disinterest certifying that he has no conflict of interest which would exist if he voted upon the bond financing or, in the alternative, shall execute an affidavit specifying any potential conflict and refrain from participation or voting.

ARTICLE 8. AUDIT

The Board of Directors may direct at any time that the corporate books be audited annually by a firm or Certified Public Accountants or, as an alternative, may establish an internal Audit Committee to be selected from its own members by the President.

ARTICLE 9. SEAL

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation.

ARTICLE 10. AMENDMENTS TO BYLAWS

These bylaws may be altered, amended, restated or repealed. Any change and new bylaws may be adopted by a majority of the Directors following ten days written notice the proposed change.

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned, being all of the members of the Board of Directors of the Industrial Development Authority of the City of Douglas, do hereby assent to the foregoing bylaws and adopt them as the restated bylaws of said corporation.