

**LEWIS COUNTY
PUBLIC FACILITIES DISTRICT**

BYLAWS

(Adopted August 27, 2007)

TABLE OF CONTENTS

Page

ARTICLE I NAME AND SEAL; DEFINITIONS	1
SECTION 1.1. NAME.....	1
SECTION 1.2. SEAL.....	1
SECTION 1.3. DEFINITIONS.....	1
SECTION 1.3 NAME, SEAL, DEFINITIONS, AND FILING OF BYLAWS.....	1
 ARTICLE II OFFICIAL SEAT AND PRINCIPAL OFFICE	1
SECTION 2.1. OFFICIAL SEAT AND PRINCIPAL OFFICE.....	1
 ARTICLE III AUTHORITY AND LIMIT ON LIABILITY	1
SECTION 3.1. AUTHORITY	1
SECTION 3.2. LIMIT ON LIABILITY	1
SECTION 3.3. POWERS, DUTIES, AND LIMITATIONS	1
 ARTICLE IV DURATION	2
 ARTICLE V PURPOSE	2
 ARTICLE VI BOARD OF DIRECTORS	2
SECTION 6.1. BOARD.....	2
SECTION 6.2. COMPOSITION OF THE DISTRICT BOARD.....	2
SECTION 6.3. PRESUMPTION OF ASSENT	2
SECTION 6.4. REMOVAL.....	3
SECTION 6.5. VACANCIES	3
SECTION 6.6. COMPENSATION AND EXPENSES.....	3
SECTION 6.7. TRAVEL REIMBURSEMENT	3
SECTION 6.8. OFFICIAL BONDING.....	3
 ARTICLE VII OFFICERS	3
SECTION 7.1. OFFICERS DESIGNATED	3
SECTION 7.2. ELECTION, QUALIFICATIONS AND TERM OF OFFICE.....	3
SECTION 7.3. POWERS AND DUTIES	4
SECTION 7.4. REMOVAL.....	5
SECTION 7.5. VACANCIES	6
 ARTICLE VIII EXECUTION OF INSTRUMENTS	6
SECTION 8.1. EXECUTION OF INSTRUMENTS	6
 ARTICLE IX RECORDS AND REPORTS	6
SECTION 9.1. RECORDS OF CORPORATE MEETINGS AND DIRECTOR REGISTER.....	6
SECTION 9.2. COPIES OF RECORDS	6
SECTION 9.3. BOOKS OF ACCOUNT	6
SECTION 9.4. MONEY	6
SECTION 9.5. INSPECTION OF BOOKS AND RECORDS	6
 ARTICLE X MEETINGS	7
SECTION 10.1. REGULAR DISTRICT BOARD MEETINGS	7
SECTION 10.2. NOTICE OF DISTRICT BOARD MEETINGS	7

SECTION 10.3. SPECIAL DISTRICT BOARD MEETINGS 7
SECTION 10.4. NOTICE OF SPECIAL DISTRICT BOARD MEETINGS 7
SECTION 10.5. WAIVER OF NOTICE 7
SECTION 10.6. NOTICE TO THE COUNTY 7
SECTION 10.7. MEETING AGENDA 8
SECTION 10.8. MINUTES AND RECORDS 8
SECTION 10.9. QUORUM 8
SECTION 10.10. UNFINISHED BUSINESS 8
SECTION 10.11. MEETINGS OPEN 8
SECTION 10.12. PARTICIPATION IN MEETINGS BY TELEPHONE 8
SECTION 10.13. ORDER OF BUSINESS 8
SECTION 10.14. ROBERT'S RULE 9

ARTICLE XI COMMITTEES 9

SECTION 11.1. ESTABLISHMENT OF COMMITTEES 9
SECTION 11.2. APPOINTMENT AND TERMS OF COMMITTEE DIRECTORS 9
SECTION 11.3. DURATION OF THE COMMITTEE 9
SECTION 11.4. LIMITED POWERS 9

ARTICLE XII DISTRICT BOARD DIRECTOR CONDUCT 10

SECTION 12.1. PUBLIC STATEMENTS 10
SECTION 12.2. SHARING OF INFORMATION 10
SECTION 12.3. CONFLICT OF INTEREST OR APPEARANCE OF FAIRNESS 10
SECTION 12.4. ATTENDANCE 11

ARTICLE XIII POLICIES AND ADMINISTRATIVE PROCEDURES 12

SECTION 13.1. POLICE AND ADMINISTRATIVE PROCEDURES 12

ARTICLE XIV INDEMNIFICATION OF DIRECTORS, EMPLOYEES, AND OFFICERS 12

SECTION 14.1. INDEMNIFICATION OF DIRECTORS, EMPLOYEES, AND OFFICERS 12

ARTICLE XV AMENDMENT OF BYLAWS 12

SECTION 15.1. PROPOSALS TO AMEND BYLAWS 12
SECTION 15.2. DISTRICT BOARD CONSIDERATION OF PROPOSED AMENDMENTS 12
SECTION 15.3. VOTE REQUIRED FOR AMENDMENTS TO BYLAWS 13

ARTICLE XVI DISSOLUTION 13

SECTION 16.1. DISSOLUTION PROCESS 13
SECTION 16.2. TRUSTEESHIP 14

ARTICLE XVII FISCAL YEAR 14

SECTION 17.1. FISCAL YEAR 14

ARTICLE I

NAME, SEAL, DEFINITIONS AND FILING OF BYLAWS

Section 1.1. Name. The official name of this organization is the Lewis County Public Facilities District, and may be referred to in these Bylaws as the "Public Facilities District" or "District" or "PFD."

Section 1.2. Seal. The District's seal, as set forth below, shall be a circle with the name "LEWIS COUNTY PUBLIC FACILITIES DISTRICT" inscribed therein.

Section 1.3. Definitions. All capitalized terms used but not defined herein shall have the same meanings set forth in Resolution No. 07-247 of the Board of County Commissioners of Lewis County, adopted on August 13, 2007 (the "Formation Resolution").

Section 1.4. Filing of Bylaws. The District must file a copy of the current bylaws with the Clerk of the Board of the Lewis County Commissioners.

ARTICLE II

OFFICIAL SEAT AND PRINCIPAL OFFICE

Section 2.1. Official Seat and Principal Office. The official office of the Lewis County Public Facilities District will be located at 351 NW North Street, Chehalis, Washington 98532-1900, c/o Lewis County Treasurer, or at such other place as may be fixed from time to time by the Board of Directors by resolution.

ARTICLE III

AUTHORITY AND LIMIT ON LIABILITY

Section 3.1. Authority. The District is a public facilities district organized pursuant to Chapter 36.100 RCW and the Formation Resolution.

Section 3.2. Limit on Liability. All liabilities incurred by the District shall be satisfied exclusively from the assets, credit, and properties of the District, and no creditor or other person shall have any right of action against or recourse to Lewis County (the "County"), the Board of County Commissioners, to the State of Washington, to any other municipal corporation other than the District, or to any of their respective assets, credit, or services, on account of any debts, obligations, liabilities or act or omissions of the District.

Section 3.3. Powers, Duties, and Limitations. The District shall have and may exercise all lawful powers conferred by State law and the Formation Resolution, including the usual powers of a corporation for public purposes.

ARTICLE IV

DURATION

The duration of the District shall be perpetual until dissolved in accordance with the Formation Resolution and State law.

ARTICLE V

PURPOSE

The purpose of the District is to provide a legal entity under Chapter 36.100 RCW and the Formation Resolution for the purposes of pursuing the acquiring, constructing, owning, operating, maintaining, remodeling, repairing, equipping, reequipping, and/or financing a public facility(ies), with contiguous parking facilities individually or in cooperation with other public facilities or private entities as allowed by law.

ARTICLE VI

BOARD OF DIRECTORS

Section 6.1. Board. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the District shall be managed under the direction of the Board of Directors (the "District Board").

Section 6.2. Composition of the District Board. As provided by law, the District shall be governed by a Board of Directors and the District Board shall be made up of five (5) directors ("Directors"). The appointment of directors shall be as provided by Chapter 36.100 RCW and the Formation Resolution.

Section 6.3. Presumption of Assent. A Director who is present at a meeting of the District Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless:

- (1) The Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding it or transacting business at the meeting;
- (2) The Director's dissent or abstention from the action taken is entered into the minutes of the meeting; or
- (3) The Director delivers written notice of the Director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the District within a reasonable time after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

Section 6.4. Removal. If it is determined by the Lewis County Board of Commissioners (the "County Board") that, for any reason, any, or all of the Directors should be removed from office, the County Board may, if approved by two-thirds vote of the County Board, remove one or more of the Directors from office.

Section 6.5. Vacancies. Vacancies on the District Board shall be filled by appointment by the County Board. A vacancy or vacancies on the District Board shall be deemed to exist in the case of the death, disability, resignation or removal from office of any District Board member as provided herein. Upon such an occurrence, the District Board shall notify the Clerk of the Board of County Commissioners.

Section 6.6. Compensation and Expenses. The District Board may, by resolution, provide for their payment of their business expenses, incurred on behalf of the District, if any, of attendance at each meeting of the District Board as well as for reimbursement of actual and necessary expenses for performing their duties as provided by law. Any compensation received by Directors shall only be pursuant to the authority provided by, and consistent with, Chapter 36.100 RCW.

Section 6.7. Travel Reimbursement. The District Board shall, by resolution, establish the basic requirements governing methods and amounts of reimbursement payable to District officials and employees for travel and other business expense incurred on behalf of the PFD.

Section 6.8 Official Bonds. The Board of Directors of the District may provide for bonds, for directors and officers liability insurance and for errors and/or omissions insurance in such amounts and with such coverages as shall be determined by resolution or motion of the District's Board.

ARTICLE VII

OFFICERS

Section 7.1. Officers Designated. The officers of the District shall be a Chair, Vice Chair, and Secretary, each of whom shall be elected by the District Board. In addition, the Treasurer of the District shall be the Lewis County Treasurer, serving *ex officio* as Treasurer of the District. No person may simultaneously hold more than one office. In addition to the powers and duties specified below, the officers shall have such powers and perform such duties as the District Board may prescribe.

Section 7.2. Nominations and Election of Officers. The District Board shall elect each of the officers (other than the Treasurer) from among its members. The officers shall be elected annually by the District Board at the first regular meeting. Nominations shall be made from the floor. The election shall follow immediately thereafter. A nominee receiving a majority vote of those present shall be declared elected. Upon its organization, the District Board shall elect the first officers of the District Board. Subsequently, officers shall be elected in December of each year, to

serve for the following calendar year. Vacancies in elective officers shall be filled immediately by regular election procedure for the unexpired portion of the term.

Section 7.3. Term of Office. The elected officers shall immediately assume their positions at the conclusion of the elections and shall serve one (1) year, or until a successor is elected.

Section 7.4. Powers and Duties.

a) Chair. The Chair shall be the chief executive officer of the District, and, subject to the direction and control of the District Board, shall have the general supervision and charge over its property, business, and affairs. The Chair shall:

- (1) Preside over all meetings of the District Board and exercise all the powers incident to the office, retaining however, the full right as a Director of the District Board to have a vote recorded on all deliberations of the District Board, to propose motions and to second motions;
- (2) Set agendas;
- (3) Call special meetings of the District Board in accordance with the Bylaws;
- (4) Execute documents and notices relating to procedural affairs;
- (5) Sign and execute, in the name of the District, deeds, mortgages, leases, bonds, contracts and other instruments duly authorized by the District Board, and see to it that all action of the District Board are properly taken; and
- (6) Generally shall perform all duties incident to the office of the Chair and such other duties as may from time to time be assigned to such office by the District Board.

b) Vice Chair. At the request of the Chair or in case of his or her absence or disability, the Vice Chair shall perform all duties of the Chair and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the Chair. In addition, the Vice Chair shall perform such other duties as may from time to time be assigned to that office by the District Board or the Chair. The Vice-Chair shall retain the full right as a Director of the District Board to have a vote recorded in all deliberations of the District Board, to propose and to second motions.

c) Secretary. The Secretary shall:

- (1) Certify and keep (or cause to be kept) at the office of the District, or at such other place as the District Board may order, the original or a copy of the Bylaws, as they may have been amended;

- (2) Keep or cause to be kept at the office of the District, or at such other place as the District Board may order, a book of minutes of all meetings of the District Board, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, and the proceedings thereat;
- (3) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (4) Be custodian of the records and seal of the PFD;
- (5) Exhibit at all reasonable times to any Director, upon request, the Bylaws and minutes of the proceedings of the directors of the PFD; and
- (6) Perform such other duties as are incident to his or her office or as are assigned to him or her by the District Board or by the Chair.

d) Treasurer. Subject to the direction of the District Board and subject to applicable State law, the Lewis County Treasurer shall be the *ex officio* treasurer of the District and shall:

- (1) Receive and have custody of all the funds and securities of the District;
- (2) Keep adequate records and correct amounts of the District's properties and business transactions;
- (3) Render reports on the condition of the finances of the District at such times as may be required, and shall make a full annual financial report to be presented to the District Board as directed by the District Board; and
- (4) Perform all duties of the office of Treasurer, including all duties incident to the office of chief financial officer, and such other duties as may from time to time be assigned to such office by the District Board.

e) Other Officers. In addition to the foregoing officers, the District Board may, from time-to-time, elect such other officers as it may see fit, with such duties as the District Board may deem proper.

Section 7.5. Removal. Upon reasonable prior notice to all Directors of the alleged reasons for dismissal, the District Board by an affirmative vote of the majority of all the Directors may remove any officer from his or her office (but not from his or her membership on the District Board) whenever in its judgment the best interests of the District will be served thereby.

Section 7.6. Vacancies. The District Board shall fill any office that becomes vacant with a successor who shall hold office for the unexpired term and until his or her successor has been duly elected and qualified.

ARTICLE VIII

EXECUTION OF INSTRUMENTS

Section 8.1. Execution of Instruments. The District Board may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or documents, or to sign the corporate name, except where otherwise provided by law, and such execution or signature shall and will be binding upon the District.

ARTICLE IX

RECORDS AND REPORTS

Section 9.1. Records of Corporate Meetings and Director Register. The District shall keep, at its principal office the following: records of all proceedings of the District Board; a record of officers and Directors, including names and addresses; current Bylaws; correct and adequate records of accounts and finances; minutes of the proceedings of the District Board; and any minutes which may be maintained by a committee of the District Board; and such other records as may be maintained by the District Board. Records may be written, or electronic if capable of being converted to writing. The records shall be open for inspection at any reasonable time by any Director and by any member of the public to the extent required under applicable law. The District shall provide no less than 90 days' written notice to the Clerk of the Board of County Commissioners prior to the destruction of any books and records.

Section 9.2. Copies of Records. Any person dealing with the District may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the District Board, when certified by the Chair or Secretary.

Section 9.3. Books of Account. With the assistance of the Treasurer, the District shall keep appropriate and complete books of account. The District's financial records shall be maintained on a calendar year basis.

Section 9.4. Money. All money received by the District for any purpose whatsoever shall be deposited in an account or accounts maintained by the Treasurer. District expenditures shall be made from appropriate accounts, after Board approval, under such procedures as are acceptable to the Board and to the Treasurer. District funds may be combined or commingled with funds held by Lewis County for purposes of management and investment, but shall continue to be accounted for separately.

Section 9.5. Inspection of Books and Records. All books and records provided for by statute shall be open to inspection of the Directors and members of the public from time to time upon reasonable notice.

ARTICLE X

MEETINGS

Section 10.1. Regular District Board Meetings. Regular meetings shall be monthly at such times as the Board may determine by resolution. If a regular meeting falls on a legal holiday, that meeting shall automatically be held on the next day, which is not a holiday, unless the District Board, by formal action sets a special meeting day. A quorum of the District Board may, at any regular meeting, substitute another day for the regular meeting of the following month and shall cause notice to be given thereof in the manner provided for notice of a special meeting. Notwithstanding the foregoing or any of the provisions of Section 10.2 through 10.5, the District shall hold meetings and shall give notice of meetings in accordance with State law, as it may change from time to time.

Section 10.2. Notice of District Board Meetings. Notice of all meetings of the District Board must be consistent with the Open Public Meetings Act under RCW 42.30.

Section 10.3. Special District Board Meetings. Special meetings of the District Board may be held at places and at times when called by a majority of the members of the District Board.

Section 10.4. Notice of Special District Board Meetings. Notice of all special meetings of the District Board shall be given by the Secretary or by the person or persons calling the special meeting by delivering written notice personally, by mail, by fax, or by electronic mail, at least 24 hours prior to the time of the meeting to each Director and to each local newspaper of general circulation and to each local radio or television station that has requested notice as provided in Chapter 42.30 RCW. In addition, the District shall provide notice of special meetings to any individual specifically requesting it in writing.

The time and place of the special meeting and the business to be transacted must be specified in the notice. Final disposition shall not be taken on any other matter at such meetings.

Section 10.5. Waiver of Notice. Written notice may be dispensed with as to any member of the District Board who, at or prior to the time the meeting convenes, files with the Secretary of the District Board a written waiver of notice or who is actually present at the meeting at the time it convenes. Such written notice may also be dispensed with as to special meetings called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, when time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage.

Section 10.6. Notice to the County. Notice of all meetings and minutes of all meetings of the District Board shall be given to the Clerk of the Board of County Commissioners.

Section 10.7. Meeting Agenda. A copy of the agenda for every regular and special meeting of the District shall be provided to each Director at or prior to the date of the meeting at which such agenda is to be considered. The agenda should be provided at least 24 hours in advance of a meeting, provided, failure to do so, shall not affect action taken by the District Board.

Section 10.8. Minutes and Records. A record of proceedings of all official meetings shall be recorded and made a part of a permanent public record. The agenda, with a record of action taken and attendance, shall constitute the record of proceedings. A copy of the record of proceedings taken at any meeting shall be provided to anyone on request. Minutes of meetings of the Board need not record verbatim discussion. The minutes of all District Board meetings shall include, except in cases of unanimity, a record of individual votes on all matters requiring District Board concurrence.

Section 10.9. Quorum. The presence of a simple majority of Directors at a meeting shall constitute a quorum and shall be necessary for the transaction of any business, PROVIDED, a lesser number may adjourn any meeting from time to time until a quorum is obtained, and no further notice thereof need be given. The Directors present at a duly organized meeting may continue to transact business at such meeting and at any adjournment of such meeting, notwithstanding the withdrawal of enough Directors from either meeting to leave less than a quorum.

Section 10.10. Unfinished Business. If, for any reason, the business to be considered at a regular or special meeting cannot then be completed, the District Board may at such meeting recess and designate the time to reconvene and consider uncompleted matters, provided that such action shall be publicly announced at the meeting, and notice thereof shall be immediately posted in a conspicuous place at the meeting site or at any other designated official office of the District. Provided further that if such reconvened meeting is not held on a regular meeting day, notice thereof shall be given in the manner provided for notice of a special meeting.

Section 10.11. Meetings Open. All meetings of the District Board shall be open and the public shall be permitted to attend, PROVIDED, the District Board may meet, deliberate, and take action in an Executive Session as authorized by State law.

Section 10.12. Participation in Meetings by Telephone. Directors of the District Board, or directors of a committee of Directors may participate in their respective meetings by means of a conference telephone or similar communications equipment by means of which all person participating in the meeting, including members of the general public, can hear each other at the same time. Participation in a meeting by conference telephone shall constitute presence in person at such meeting.

Section 10.13. Order of Business. The regular order of business at meetings of the District shall be:

- (1) Call to Order

- (2) Approval or Corrections of the Previous Regular or Special Meeting Minutes
- (3) Announcements
- (4) Oral and Written Communications from the Audience
- (5) Agenda Review and Action on Agenda Items
- (6) Old Business
- (7) New Business
- (8) Reports from Directors and Committees
- (9) Adjournment

Nothing herein shall prevent the Chair or the Directors from adjusting the order of business.

Section 10.14. Robert's Rule. Upon the request of any Director, any meeting of the District Board or any District committee shall be conducted in accordance with Robert's Rules of Order. Meetings shall also be held in accordance with applicable State Statute.

ARTICLE XI

COMMITTEES

Section 11.1. Establishment of Committees. The District Board may, from time to time, establish a committee to carry out certain specific duties or functions as the District Board deems advisable. The District Board may appoint or recommend any of its Directors to outside committees. The designation of any such committee and the delegation thereto of authority shall not operate to relieve any Director of any responsibility imposed by law. The District Board may also establish *ad hoc* committees or task forces, including members of the public, to assist the District Board on specific matters.

Section 11.2. Appointment and Terms of Committee Directors. The District Board shall appoint the Directors of each committee, not to exceed three (3) Directors, and shall name the chair of each committee.

Section 11.3. Duration of the Committee. The committee shall complete its assigned tasks expeditiously and report its findings to the entire District Board. The duration of any committee shall be at the discretion of the District Board.

Section 11.4. Limited Powers. No standing or special committee shall have the power to commit the District to any action without approval by the District Board.

ARTICLE XII

DISTRICT BOARD DIRECTOR CONDUCT

Section 12.1. Public Statements. While any Director has a right to express personal views and opinions pursuant to constitutional guarantees of freedom of speech, statements purporting to represent the view or pronouncements of the District Board or the District or committees thereof shall not be made in advance of the District Board's final determination of the matter, except as directed or authorized by a majority of the entire District Board at any special or regular meeting or public hearing. The District Board may appoint one of its Directors to issue such statements as the District Board deems necessary. This shall not prejudice the right of any dissenting directors to express their minority position.

Section 12.2. Sharing of Information. It is in the public interest that, to the greatest extent possible, all Directors of the District Board should be aware of and act upon the information that is available to other Directors. Therefore, all Directors are encouraged to place upon the record of the District, the substance of information concerning all matters that come before the District Board for action.

Section 12.3. Conflict of Interest or Appearance of Fairness. A Board member or employee of the District may not participate in Board decisions if that person or a member of that person's immediate family has a financial interest in the issue being decided unless it is a remote financial interest and participation is approved hereunder.

A Board member or employee may participate in a decision if that person or a member of that person's immediate family has only a remote financial interest, the fact and extent of the interest is disclosed to the Board in a public meeting and is noted in the minutes of the Board before any participation by the member in the decision, and thereafter in a public meeting the Board by vote authorizes or approves the participation. If the person whose participation is under consideration is a Board member, that person may not vote under this subsection. For purposes of this subsection, "remote financial interest" means:

- i) that of a non-salaried officer or director of a nonprofit corporation;
- ii) that of an employee or agent of a contracting party where the compensation of the employee or agent consists entirely of fixed wages or salary and the contract is awarded by bid or other competitive process;
- iii) that of a landlord or tenant of a contracting party, except in cases where the property subject to the lease or sublease is owned or managed by the public corporation;
- iv) that of a holder of less than one (1) percent of the shares of the corporation or cooperative that is the contracting party; or

v) that of an owner of a savings and loan or bank savings or share account or credit union deposit account if the interest represented by the account is less than two percent (2%) of the total deposits held by the institution.

A Board member or employee is not considered to be financially interested in a decision when the decision could not affect that person in a manner different from its effect on the public.

No Board member or employee of the District shall accept, directly or indirectly, any gift, favor, loan, retainer, entertainment or other thing of monetary value from any person, firm or corporation having dealings with the District when such acceptance would conflict with the performance of a Board member or employee's official duties. A conflict, or possibility of conflict, shall be deemed to exist where a reasonable and prudent person would believe that it was given for the purpose of obtaining special considerations or influence; provided that application of this provision shall take into consideration the established customs and practices of the District.

The Board may adopt additional conflict of interest and ethical rules it considers appropriate.

For purposes of this section, "participate in a decision" includes all discussions, deliberations, preliminary negotiations, and votes.

For purposes of this section, "immediate family" means:

- i) a spouse;
- ii) any dependent parent, parent-in-law, child, son-in-law, or daughter-in-law; and
- iii) any parent, parent-in-law, child, sibling, uncle, aunt, cousin, niece or nephew residing in the household of the corporate official or employee.

Section 12.4. Attendance. Regular attendance of scheduled regular or special meetings is important and critical to the operation of the District. Each Director is responsible for notifying the District Board when a scheduling conflict arises that prevents them from attending a scheduled meeting. In the event that a Director cannot actively participate in any scheduled meetings, the Director should consult with at least two (2) Directors to determine if their absence can be accommodated. Upon missing three (3) consecutive meetings and upon recommendation by a majority of the District Board to the Board of County Commissioners of Lewis County, the Board of County Commissioners of Lewis County may remove that Director.

Section 12.5. Conduct of Business. The Chair of the District Board shall direct the conduct of meetings. A Director should seek recognition of the Chair before speaking.

ARTICLE XIII

POLICIES AND ADMINISTRATIVE PROCEDURES

Section 13.1. Policies and Administrative Procedures. The District Board may, from time to time, formulate and adopt written statements of policy under which the District shall function.

ARTICLE XIV

INDEMNIFICATION OF DIRECTORS, EMPLOYEES, AND OFFICERS

Section 14.1. Indemnification of Directors, Employees, and Officers. To the extent permitted by law, the District shall protect, defend, hold harmless and indemnify any person who becomes a director of the District Board, or employee of the District, and is a party, or is threatened to be made a party, to a proceeding, by reason related to that person's conduct as a director, an officer or employee of the District, against judgment, fines, penalties, settlements and reasonable expenses (including attorneys' fees), incurred by him or her in connection with such proceeding, if such person acted in good faith and reasonably believed his or her conduct to be in the District's best interests; and if, in the case of any criminal proceedings, he or she had no reasonable cause to believe his or her conduct was unlawful. The indemnification protection provided herein shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract or by vote of the District Board. The District Board may purchase and maintain appropriate insurance for any person to the extent provided by applicable law. The District may grant a request by such person that the attorney of the District's choosing be authorized to defend said claim, suit or proceeding; and the costs of defense, attorneys' fees, and any obligations for payment arising from such action may be paid from the District's funds.

ARTICLE XV

AMENDMENT OF BYLAWS

Section 15.1. Proposals to Amend Bylaws. Proposals to amend the Bylaws shall be presented in a format that strikes over material to be deleted and underlines new material. Any District Board member may introduce a proposed amendment to the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting of which 30 days' advance notice has been given. Notice of proposed Bylaws must also be given to the Board of County Commissioners at least 30 days in advance of the regular or special meeting where they will be introduced.

Section 15.2. District Board Consideration of Proposed Amendments. If notice of a proposed amendment to Bylaws, and information including the text of the proposed amendment and a statement of its purpose and effect, is provided to members of the District Board 30 days prior to any regular District Board meeting or any special meeting of which 30 days' advance notice has been given, then the District Board may vote on

the proposed amendment at the same meeting as the one at which the amendment is introduced. If such notice and information is not so provided, the District Board may not vote on the proposed amendment until the next regular District Board meeting or special meeting of which 30 days' advance notice has been given and at least 15 days prior to which meeting such notice and information is provided to District Board members. Germane amendments to the proposed amendment within the scope of the original amendment will be permitted at the meeting at which the vote is taken.

Section 15.3. Vote Required for Amendments to Bylaws. Resolutions of the District Board approving proposed amendments to the Bylaws require an affirmative vote of a majority of the District Board members then in office. Additionally, proposed amendments to Article II - Purpose shall require the approval of the Board.

ARTICLE XVI

DISSOLUTION

Section 16.1. Dissolution Process.

A. If the District Board makes an affirmative finding that dissolution is necessary or appropriate because the purposes of District may not be fulfilled for any reason, the District Board may adopt a resolution requesting the Board of County Commissioners to dissolve the District.

B. Upon adoption of a motion by the Board of County Commissioners requesting the following information, or upon adoption by the District Board of a resolution requesting its own dissolution, the District shall file a dissolution statement with the Clerk of the Board of County Commissioners setting forth:

1. The name and principal office of the District;
2. The debts, obligations and liabilities of the District, including conditions of grants and donations, and the property and assets available to satisfy the same; the provisions to be made for satisfaction of outstanding liabilities and performance of executory contracts; and the estimated time for completion of its dissolution;
3. Any pending litigation or contingent liabilities;
4. The District Board resolution requesting such dissolution and the date(s) and proceedings leading toward its adoption, whenever the dissolution be voluntary; and
5. A list of persons to be notified upon completion of dissolution.

Section 16.2. Trusteeship.

A. In the event of the insolvency or pending dissolution of the District, the Superior Court of Lewis County shall have jurisdiction and authority to appoint trustees or receivers of corporate property and assets and supervise such trusteeship or receivership. Jurisdiction over dissolution arises in the event the dissolution ordinance enacted by the Board of County Commissioners requests Superior Court trusteeship.

B. The trustees appointed by the Superior Court shall take such actions as necessary during the trusteeship to achieve the object thereof as reasonable. The trustees shall have the power and authority to reorganize the District and recommend amendment of its Bylaws; suspend and/or remove District officials, and manage the assets and affairs of the District; and exercise any and all District powers as necessary or appropriate to fulfill outstanding agreements, to restore the capability of the District, to perform the functions and activities for which it is chartered, to reinstate its credit or credibility with its creditors or obligees, and, if so authorized by the Superior Court, to oversee its dissolution and appropriate subsequent transactions.

ARTICLE XVII

FISCAL YEAR

Section 17.1. Fiscal Year. The Fiscal Year of the District shall begin January 1 and end December 31 of each year, except the first fiscal year, which shall run from August 13, 2007 to December 31, 2007.

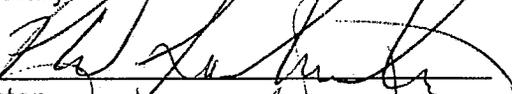
APPROVED this 27th day of August, 2007.



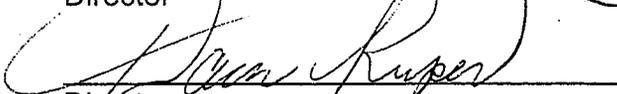
Chair



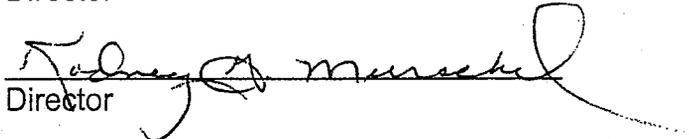
Secretary



Director



Director



Director

