

**BYLAWS**  
**OF**  
**THE RIVERSIDE NEIGHBORHOOD COUNCIL**

**Adopted March 20, 2000**

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OF  
THE RIVERSIDE NEIGHBORHOOD COUNCIL**  
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**Article I  
Offices**

1.01 Registered office and registered agent. The registered office of the corporation shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Directors ("Board") upon filing of such notices as may be required by law. The registered agent shall have a business office identical with such registered office.

1.02 Other offices. The corporation may have other offices within or outside the State of Washington at such place or places as the Board may from time to time determine.

1.03 Council Boundary. The "Riverside Neighborhood Council Boundaries" (the "Council Boundary") shall be defined as that area within the city limits of Spokane, Washington, and more specifically within the following described area: On the North Side: starting at the center of Boone Ave. from the center of Monroe St. to the center of Division St. On the East Side: The center of Division St. from the center of Boone Ave. to Interstate 90. On the South Side: Interstate 90 from the center of Division St. to the railroad tracks (eastside of Inland Empire Way). On the West Side: Center of Monroe St. from the center of Boone Ave. to the center of Main Ave.; Center of Main Ave. from the center of Monroe St. to the center of Cedar St.; Center of Cedar St. from the center of Main Ave. to the north side of Riverside Ave.; North side of Riverside Ave. from the center of Cedar St. to the Maple/Walnut Access; Maple/Walnut Access from the northside of Riverside Ave. to the southside of the railroad tracks; Southside of the railroad tracks from the Maple/Walnut Access to Interstate 90 (east of Inland Empire Way).

The "Riverside Neighborhood Community Development Boundary" (the "CD Boundary") shall be defined as that area within the city limits of Spokane, Washington,

**Article II  
Members**

2.01 Membership categories/qualifications. The corporation shall have the following categories and qualifications of members:

a. Individual: Individual membership shall be open to anyone who lives or owns property or operates a business in the defined boundaries for the Riverside Neighborhood Council ("Council") and who is at least 16 years of age. An Individual member receives and enjoys all the rights and privileges of membership. There shall be no limit on the number of Individual members.

- b. Associate: An Associate membership shall be open to any person that does not reside or own property in the defined boundary but is desirous of participating in the Council as a non-voting supporter of the Council and its programs. An Associate member may serve on any committee, panel or program but may not hold office and shall have no voting authority. There shall be no limit on the number of Associate members.

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- c. Organizational: An Organizational member shall be any organization, business, church, or social group with an independent identity evidenced by a tax identification number from the Internal Revenue Service or similar evidence of identity and structure, that maintains a place of business or owns property within the defined Council Boundary. Any Organizational member may receive and enjoy all rights and privileges of a member. The Organizational member shall have one vote and such voting authority shall be delegated to such officer or other person of the Organizational member as established by written minutes of the Organization. There shall be no limit on the number of Organizational members.
- d. Honorary: An Individual or Organizational member may be determined to be an Honorary member by the Board and shall receive all rights and privileges of an Individual or Organizational member for a period not to exceed three years. Directors automatically become Honorary members on their election to the Board. Directors shall be granted voting membership rights while serving on the Board.

2.02 Voting qualifications: A member of each membership category described above, who is in good standing as to membership qualifications as described above, and in the case of an Individual member (who is at least 16 years of age) and has attended one (1) meeting within the preceding fiscal six (6) months shall be members of record and entitled to one vote on all matters submitted to a vote of the corporation's members. Any member that misses a meeting within the fiscal six (6) months shall lose their voting rights until said attendance falls within compliance. Memberships shall not be transferable. A member that fails to attend a meeting due to death of a family member, medical or family emergency, or other event beyond the control of the member shall be considered present, for the purposes of maintaining voting qualifications only. Notification of the reason for the absence shall be given to the Rules and Membership Officer either prior to the meeting or no later than 30 days following the meeting in question.

2.03 Loans: No loans shall be made by the corporation to any member.

### **Article III** **Members' Meetings**

3.01 Meeting: Regular council meetings shall be held no less than, but not limited to, once per quarter, barring extenuating circumstances (holidays, weather, unexpected events, etc.) at a time or place to be designated two (2) weeks prior to the meeting by the Executive Board, and shall be stated in the notice of the meeting.

3.02 Annual meeting time: The annual meeting of the members for the transaction of such business as may properly come before the meeting, shall be held during the month of March of each year at an hour set by the Executive Board.

3.03 Annual meeting - order of business: At the annual meeting of members, the order of business shall be as follows:

- a. Calling the meeting to order;
- b. Proof of notice of meeting shall be presented to the membership present which shall consist of the latest mailing list certified as being true and accurate by the President and the Rules and Membership Officer;
- c. Reading of minutes of last meeting;
- d. Reports of officers;
- e. Reports of committees;
- f. Election of officers;
- g. Election of directors and officers; and
- h. Miscellaneous business.

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3.04 Special meetings: Special meetings of the members for any purpose may be called:

- a. By the Chairman of the Board of Directors; or
- b. If at least 25% of all voting members request a special meeting and describe, in writing, the purposes for the meeting.

Only issues identified in the notice of a special meeting may be conducted at that meeting. The Secretary shall issue notice of any special meetings.

3.05 Notice:

a. Notice of the time and place of the annual meeting of members and of regular meetings other than the annual meeting shall be publicized in the neighborhood using whatever reasonable means that are available, for example, but not limited to: Flyers, mailings, newspapers, radio, television, etc. Notices shall be distributed not less than seven (7) days and not more than 30 days, prior to the meeting.

- b. Voting members of record will be notified by mail or telephone of meeting date, places, time and preliminary agenda not less than seven (7) days before the meeting.
- c. Failure to receive a meeting notice does not invalidate the meeting. However, the provisions of this section must be complied with in good faith.

d. In general, the corporation need not provide notice to the members of a recessed meeting if the time, date, and place for reconvening the meeting is announced before the meeting is recessed. However, if the President of a recessed meeting recesses for more than 60 days from the date of the original meeting, notice of the rescheduled meeting shall appear in the next convenient mailing to the general membership.

3.06 Waiver of notice:

a. Written waiver: A member may waive any notice before or after the date and time of the meeting that is the subject of the notice. Except as provided by subsections b. and c., the waiver must be a written "Waiver of Notice", signed by the member entitled to the notice, and delivered to the corporation offices for inclusion in the minutes or filing with the corporate records.

b. Waiver by attendance: A member's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the member, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting.

d. Waiver of objection to a particular matter: A member waives objection to consideration of a particular matter at a meeting that is not within the purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

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3.07 Voting: Each member of record shall possess one (1) vote. Voting on matters before the council shall be by each member in person, by telephone or otherwise, and voting by proxy shall not be allowed. The Secretary, Chairman, or Vice-Chair shall record all votes of record.

3.08 Quorum: A simple majority of the members present, in person or otherwise, and entitled to vote shall be sufficient to constitute a quorum for the transaction of business.

a. Member represented for the entire meeting: Once a member is represented for any purpose at a meeting, other than solely to object to holding the meeting or to transacting business at the meeting, the member is deemed present for the purposes of establishing a quorum for the remainder of the meeting and for any adjournment of that meeting.

3.09 Member's list for meeting:

a. Member's list: After the corporation fixes a date for a member meeting, the secretary shall prepare a list of the names of all members who are entitled to notice of a members' meeting. The member's list shall be maintained by the Rules and Membership Officer in the corporate offices or other place so designated.

b. List available for inspection: The Rules and Membership Officer shall make the member's list available for inspection by any member, beginning ten days prior to the meeting and continuing through the meeting. The list will be available at the corporation's principal office or at a place (identified in the meeting notice if other than the corporate offices) in the city where the meeting will be held. A member may inspect the list during regular business hours and at the member's expense during the period it is available for inspection.

#### Article IV Board of Directors

4.01 Management responsibility: The corporation shall have a Board which shall be responsible for the exercise of all corporate powers and which shall provide advisory input and set policy for the corporation. The Board shall be comprised of individuals known as directors.

4.02 Sub-committees:

a. Creation: The Board may create one or more sub-committees of one or more directors and as many general members as necessary. Each sub-committee must have one or more directors, of which one is the sub-committee



chair. The Board member will be responsible for the minutes of the sub-committee meetings being provided to the Board.

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b. Approval of Sub-Committees: A majority of directors at a meeting must approve of the creation of a sub-committee.

c. Rules governing sub-committees: The rules governing meetings, action without meetings, notice, waiver of notice, and quorum and voting requirements of the Board apply to sub-committees.

d. Powers of sub-committees: Subject to the limitations stated in subsection e. below, the Board shall specify the extent to which each sub-committee may exercise the authority of the Board.

e. Limitations on sub-committee action: A sub-committee may not;

1. Authorize or approve a distribution except according to a general formula or method prescribed by the Board;

2. Approve or propose to member's action that must be approved by the members;

3. Fill vacancies on the Board or on any sub-committee;

4. Amend the Articles;

5. Adopt, amend, or repeal these Bylaws; or

6. Approve a plan of merger not requiring member approval.

f. Minutes: All sub-committees shall keep regular minutes of their meetings, which shall be included in the corporate minute books at the registered office of the corporation.

g. No relief from responsibility: Neither the Board nor any director may be relieved of any responsibility imposed by law, the Articles, or these Bylaws by designating a sub-committee and delegating the Board's or the director's responsibilities to the sub-committee.

#### 4.03 Duties of directors:

a. Due care and loyalty: Each person who is a director shall perform the duties of a director, including any duties the director may have as a member of any sub-committee:

1. In good faith;

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2. In a manner the director reasonably believes to be in the best interest of the corporation; and
3. With the care an ordinary prudent person in a like position would use under similar circumstances.

b. Right to rely on experts: In performing corporate duties, a director may rely on information, opinions, reports, or statements, including financial statements or other financial data prepared or presented by:

1. One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
2. Legal counsel, public accountants, or other persons concerning matters which the director reasonably believes to be within their professional or expert competence; or
3. A sub-committee, the deliberations of which the director reasonably believes merits confidence, concerning matters within the sub-committee's designated authority.

c. Failure to act in good faith: A director fails to act in good faith if the director relies on information provided by the above persons even though the director has knowledge concerning a particular matter that would make reliance on the information unwarranted.

#### 4.04 Number and powers:

a. The management of all of the affairs, property, and interests of the corporation shall be vested in a Board consisting of not less than four persons or more than 17 persons. Directors must be members as defined in Article II. The Board elected at the initial annual meeting of members called after the adoption of these Bylaws shall be divided into four classes (Class A, Class B, Class C, and Class D).

The Class A directors shall consist of the officers of the corporation as defined in Section 4.04 b. There shall be at least one but not more than nine Class A directors. Class A directors shall serve on the Board for as long as they hold the corporate office.

There shall be at least one but not more than three Class B directors. The term of office of Class B directors shall expire at the next annual meeting following the annual meeting at which they are elected.

There shall be at least one but not more than three Class C directors. The term of office of the Class C directors shall expire at the next annual meeting of the Class B directors.

There shall be at least one but not more than two Class D directors. The term of office of the Class D

directors shall expire at the third annual meeting following the annual meeting at which they are elected.

At each annual meeting after the initial annual meeting, directors for Classes B, C, and D shall be elected for a term of three years to succeed the directors whose terms expire at such meeting.

In addition to the powers and authorities expressly conferred upon it by the Articles of Incorporation and Bylaws, the Board may exercise all such powers of the corporation and do all such lawful acts and things as are by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the members of the corporation. The Chairman of the Board of Directors shall serve also as the President of the corporation and the Chairman of the Executive Committee.

b. The composition of the Board shall include the officers of the corporation (President, 1<sup>st</sup>. vice-president, 2<sup>nd</sup>. vice-president, secretary, treasurer, rules and membership officer, and member at large/past president), and five members of the business, social services, development industry, educational, and residential communities within the Council Boundary.

4.05 Change of number: The number of directors may at any time be increased or decreased by amendment of the Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director.

4.06 Vacancies: All vacancies in the Board, whether caused by resignation, death, or otherwise, may be filled by the affirmative vote of a majority of the general membership at any regularly scheduled meeting of the membership.

4.07 Resignation: A director may resign at any time by delivering written notice to the President or the secretary. A resignation shall take effect when notice is delivered, unless the notice specifies a later effective date. The corporation need not accept a resignation for the resignation to be effective. A resignation shall not affect the rights of the corporation under any contract with the resigning director.

4.08 Regular meeting: Regular meetings of the Board may be held at the registered office of the corporation or at such other place or places, either within or without the State of Washington, as the Board may from time to time designate. The annual meeting shall be held during the month of March of each year, at a time and date to be announced in the monthly notices. In addition to the annual meeting, there shall be regular meetings of the Board held, with proper notice, not less frequently than every quarter.

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4.09 Special meetings: Special meetings of the Board may be called at any time by the President or upon written request by any two directors. Such meetings shall be held at the registered office of the corporation or at such other place or places as the Board may from time to time designate.

4.10 Adjourned meetings: A majority of the directors present may vote to adjourn any meeting to another time and place even if the number of directors present or voting does not constitute a quorum. If the meeting is adjourned for more than 30 days, the secretary shall give notice of the time and place of the adjourned meeting to the directors who were not present at the time the meeting was adjourned.

4.11 Notice: Notice of all special meetings of the Board (and of all regular meeting other than the annual meetings to be held at the time and place designated in Section 4.08) shall be given to each director by three day's prior service of the same facsimile, by letter or personally. Such notice need not specify the business to be transacted at, nor the purpose of the meeting.

4.12 Waiver of notice: Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except

where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to giving of notice.

4.13 Quorum:

a. Majority constitutes a quorum: A majority of the Board present at any meeting shall be necessary and sufficient to constitute a quorum for the transaction of business.

b. Action in absence of a quorum: The Board may continue to transact business at a meeting at which a quorum was initially present. In order to take any action at a meeting, at which a quorum is no longer present, the action must be approved by a sufficient percentage of the number of directors required to establish a quorum.

4.14 Registering dissent:

a. Dissent of Directors: A director may abstain or dissent any action taken. A director who is present at a meeting when action is taken is deemed to have assented to the action unless:

1. The director objects at the beginning of the meeting to holding the meeting or to transacting business at the meeting;
2. The director's dissent or abstention from the action is entered in the minutes of the meeting; or

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3. The director delivers written notice of the director's dissent or abstention to the President of the meeting before the Board adjourns the meeting or to the corporation with a reasonable time after the Board adjourns the meeting. "Reasonable Time" shall mean, for this subsection, within 72 hours of the time of adjournment.

4.15 Attendance by communications equipment: The directors may participate in a meeting by means of any communications equipment which enables all persons participating in the meeting to hear each other simultaneously during the meeting. A director who participates by means of communications equipment is deemed to be present in person at the meeting.

4.16 Action of directors without a meeting: The Board may take any lawful action without a meeting if each director delivers a signed consent to the corporation which describes the action to be taken. An action by consent shall have the same effect as an action approved by unanimous vote at a meeting duly held upon proper notice, and may be described as such in any document. All consents shall be inserted into the minute books as if they were the minutes of a Board meeting. An action taken by consent by the Board shall be effective when the last director signs the consent, unless the consent specifies a later effective date.

4.17 President of the meeting: The President, as chosen by a majority vote of the membership at the annual meeting, shall serve as the Chairman of all Board meetings. In the absence of the Chairman, any other person appointed by the Board shall serve as the Chairman of the Board meeting.

4.18 Remuneration: No stated salary shall be paid directors, as such, for their service.

4.19 Loans: the corporation shall make No loans to any director.

4.20 Removal: Any director may be removed at any time, with or without cause, by the affirmative vote of two-thirds of the votes cast by members having voting rights with regard to the election of any director represented in person at a meeting of the members.

Article V  
Executive Board  
Officers

5.01 Designations: The officers of the corporation shall be a President, 1<sup>st</sup>.Vice-president, 2<sup>nd</sup>. Vice-president, secretary, a treasurer, rules and membership officer, and such other officers and assistant officers as the members may determine are necessary or advisable or as the President may recommend (but such officers shall not be members of the Executive Committee). All officers shall be elected by the members at the annual membership meeting for a term of one year. All officers shall serve as members of the Executive Committee ("EC") until

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Their successors are elected and qualify except the president who is elected by the members. No officer may hold more than one office.

a. President: The President shall be a director and shall serve as the Chairman of the Board of Directors. The President shall perform the duties assigned to the President by the Board. The President shall preside at all meetings of the members and at all meetings of the Board. The President may sign deeds, mortgages, bonds, contracts, or other instruments, unless these powers have been expressly delegated by the Board to some other officer or agent of the corporation or are otherwise required by law to be signed or executed by some other officer or in some other manner. The President shall supervise and control the assets, business, and affairs of the corporation. If the President dies or becomes unable to act, or continue to act, the 1<sup>st</sup>. vice president shall perform the duties of the President, except as may be limited by resolution of the Board. The President shall represent the corporation and the neighborhood at all official functions, being ex-officio member of all committees, ordering the expenditure of neighborhood and corporation funds authorized by the membership, and generally conducting the business of the corporation and the neighborhood.

b. 1<sup>st</sup>.Vice-President: The Vice President shall have the powers and perform the duties accorded to the vice-president by the President and the Board, the Articles, or the Bylaws. In the absence or disability of the President, the Vice-President shall perform the duties of the President. When so acting, the vice-president shall have all the powers of, and be subject to the same restrictions as, is the President.

c. Vice-President: The Vice-President shall be the Community Development Neighborhood Coordinator (CDNC) as chosen by the Community Development Department for the City of Spokane. This office is an appointed office to be confirmed by the Board. This office shall serve as a coordinator between the efforts of the corporation and those of affiliate entities such as the city of Spokane and the Community Development Department for the City.

d. Secretary: The secretary shall be a director and shall:

1. Prepare the minutes of meetings of the EC and of the members, keep the minutes in one or more books provided for that purpose, and be responsible for authenticating the records of the corporation;

2. Ensure that all notices are given in accordance with the provisions of these Bylaws and as required by law;

3. Serve as custodian of the corporation records and the corporation seal; and
4. Perform all other duties incident to the office of secretary or assigned by the President or the Board.

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d. Treasurer: The treasurer shall be a director and shall:

1. Take custody of and account for all funds and securities held by the corporation;
2. Receive and give receipts for sums due to the corporation, and deposit those sums in the name of the corporation in banks, trust companies, or other depositories which the President may select in accordance with the provisions of these Bylaws;
3. Perform all other duties incident to the office of treasurer or assigned to the treasurer by the President; and
4. Provide a monthly accounting statement of funds received, disbursed, and balance remaining at the end of each month.

e. Rules and Membership Officer: The Rules and Membership Officer shall be a director and shall:

1. Shall be responsible for maintaining the register of the addresses of each member, director, and officer of the corporation;
2. Shall maintain a record of all meetings of the general membership and voting eligibility by authenticating attendance; and
3. Shall serve as corporate parliamentarian for all meetings of the general membership.

f. Additional duties: other officers and agents: The EC may assign any officer any additional title that the EC deems appropriate. The EC may delegate to any officer or agent the power to appoint assistant officers or agents and to prescribe the terms of office, authorities, and duties of such assistant officers or agents.

g. Authority to enter into contracts and to release checks and drafts: The EC may authorize any officer or agent of the corporation to enter into contracts or to execute and deliver instruments in the name of and on behalf of the corporation. The EC may grant either general or limited authority to its officers and agents to make contracts or execute instruments. The EC shall authorize certain officers or agents of the corporation to sign the corporation's checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation.

5.02 Qualifications: All officers, specifically noted above, are required to be a director.

5.03 Executive Director: The EC may select an executive director who shall be responsible for the administration and conduct of the business and affairs of the corporation pursuant to guidelines established by the EC and the Board. The executive director shall have full authority for direction of the employees of the corporation, if any.

5.04 Delegation: If any officer of the corporation is absent or unable to act and no other person is authorized to act in such officer's place by the provisions of these Bylaws, the EC may from time to time delegate the powers or duties of such officer to any other officer or any director.

5.05 Vacancies: Vacancies in any office arising from any cause may be filled by the EC at any regular or special meeting of the EC.

5.06 **Loans**: the corporation shall make No loan to any officer.

5.07 Term – removal: The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer or agent elected or appointed by the EC may be removed at any time, with or without cause, by the affirmative vote of a majority of the general membership, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

5.08 Standards of conduct for officers:

a. Due care and loyalty: An officer, with discretionary authority, shall discharge the officer's duties under that authority:

1. In good faith;
2. With the care an ordinary prudent person in a like position would exercise under similar circumstances; and
3. In a manner the officer reasonably believes to be in the best interests of the corporation.

b. Right to rely on experts: In performing the officer's duties, the officer may rely on information, opinions, reports, or statements, including financial statements and other financial data prepared or presented by:

1. One or more officers or employees of the corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or
2. Legal counsel, public accountants, or other persons concerning matters the officer reasonably believes to be within their professional or expert competence.

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c. Failure to act in good faith: An officer fails to act in good faith if the officer relies on information provided by the above persons even though the officer has knowledge that makes reliance on the information unwarranted.

5.09 Resignation: An officer may resign at any time by delivering written notice to the President or the secretary. A officer's resignation shall take effect at the time specified in the notice or, if the time is not specified, when the notice is delivered. The corporation need not accept a resignation for the resignation to be effective. A resignation shall not affect the rights of the corporation under any contract with the resigning officer.

5.10 Compensation: The EC shall set the compensation for the agents and employees of the corporation; provided, that no officer shall be compensated for services rendered as an officer to the corporation.

## Article VI Depositories

The moneys of the corporation shall be deposited in the name of the corporation in such bank or banks or trust companies as the EC shall designate, and shall be drawn from such accounts only by check or other order for payment of money signed by such persons, and in such manner, as may be determined by resolution of the EC.

## Article VII Notices

Except as may otherwise be required by law, any notice to any member or director maybe delivered personally or by mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed at the member's or director's last known address in the records of the corporation, postage prepaid.

## Article VIII Seal

The corporate seal of the corporation, if any, shall be in such form and bear such inscription as may be adopted by resolution of the Board, or by usage of the officers on behalf of the corporation.

## Article IX Indemnification

9.01 Indemnification definitions: For purposes of this Article:

- a. "Corporation" includes any domestic predecessor entity of a corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

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- b. "Director" means an individual who is or was a director of the corporation or an individual who, while a director of the corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, employee, or agent of another domestic corporation, partnership, joint venture, trust, or other enterprise. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.

- c. "Expenses" include counsel fees.

- d. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

- e. "Official capacity" means:

- 1. When used with respect to a director, the office of director in the corporation: and,

- 2. When used with respect to an individual other than a director, as contemplated in Section 9.06, the office in the corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the corporation.



"Official capacity" does not include service for any other foreign or Domestic Corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.

f. "Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

g. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

#### 9.02 Indemnification:

a. Right to indemnity: Except as provided in subsection c., the corporation shall indemnify an individual made a party to a proceeding because the individual is or was a director against liability incurred in the proceeding if:

1. The individual acted in good faith: and

2. The individual reasonably believed:

i. In the case of conduct in the individual's official capacity with the corporation, that the individual's conduct was in its best interests: and

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In all other cases, that the individual's conduct was at least not opposed to its best interests: and

3. In the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.

b. Legal proceedings: The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determination that the director did not meet the standard of conduct described in this Section.

c. Limits of indemnity: The corporation shall not indemnify a director under this Section:

1. In connection with a proceeding by or in the right of the corporation in which the director is adjudged liable to the corporation: or,

2. In connection with any other proceeding charging improper personal benefit to the director, whether or not involving action in the director's official capacity, in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.

d. Coverage of reasonable expenses: Indemnification provided under this Section in connection with a proceeding by or in the right of the corporation is limited to reasonable expenses incurred in connection with the proceeding.

#### 9.03 Advances for expenses:

a. Advances: The corporation shall pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:

1. The director furnishes the corporation a written affirmation of the director's good faith belief that the director has met the standard of conduct described in Section 4.03; and

2. The director furnishes the corporation a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct.

b. Director's undertaking: The undertaking required by Section a.2. must be an unlimited general obligation of the director, but need not be secured and may be accepted without reference to financial ability to make repayment if the Board determines that the risk the advance will not be repaid is reasonable under the circumstances.

9.04 Determination and authorization of indemnification:

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a. Determination of proper conduct: The corporation shall not indemnify a director under Section 9.02 unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in Section 9.02.

b. Board determination: The determination shall be made:

1. By majority vote of a quorum of the Board consisting of directors not at the time parties to the proceedings;

2. If a quorum cannot be obtained under Subsection 1., by majority vote of a sub-committee duly designated by the Board (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding;

3. By special legal counsel:

**i.** Selected by the Board or its sub-committee in the manner prescribed in subsection 1. or 2.; or

**ii.** If a quorum of the Board cannot be obtained under subsection 1. And a sub-committee cannot be designated under subsection 2., selected by majority vote of the full Board (in which selection directors who are parties may participate); or

4. By the membership.

c. Authorization of indemnification: Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under subsection b.3. to select counsel.

9.05 Member authorized indemnification and advancement of expenses: If authorized by the Articles of Incorporation, any Bylaws adopted or ratified by the members, or any resolution adopted or ratified, before or after the event, by the members, the corporation shall have power to make or agree to indemnify a director made a party to a proceeding, without regard to the limitations in Sections 9.02, 9.03, and 9.04; provided, that no such indemnity shall indemnify any director from or on account of:

- a. Acts or omissions of the director finally adjudged to be intentional misconduct or a knowing violation of law, or
- b. Any transaction with respect to which it is finally adjudged that such director personally received a benefit in money, property, or services to which the director was not legally entitled.

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9.06 Indemnification of officers employees, and agents: The corporation shall indemnify and advance expenses under Section 9.02 through 9.05 to an officer, employee, or agent of the corporation who is not a director to the same extent as to a director.

9.07 Insurance: The corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another domestic corporation, partnership, joint venture, trust, or other enterprise, against liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a director, officer, employee, or agent, whether or not the corporation would have power to indemnify the individual against the same liability under Section 9.02.

9.08 Report to members: If the corporation indemnifies or advances expenses to a director under Section 9.02, 9.03, or 9.05 in connection with a proceeding by or in the right of the corporation, the corporation shall report the indemnification or advance in writing to the members with or before the notice of the next member's meeting.

## Article X Corporate Records

10.01 Maintenance of corporate records: The corporation shall keep the corporation's minute books and all other official records of all meetings at the homes or offices of the secretary and treasurer, or such other place as designated by the EC. The corporation shall keep all minutes and records in written form, or in a form, which may be easily converted to written form. The corporation shall maintain in its records the following items:

- a. The Articles or Restated Articles and all amendments to the Articles;
- b. The current Bylaws or Restated Bylaws and all amendments to the Bylaws;
- c. The minutes of all members', Board, and sub-committee meetings and records of all actions taken by the members, the Board, or a sub-committee without a meeting;
- d. All financial statements for the past three years;
- e. All written communications made to the members within the last three years;
- f. A register of names and business addresses of each member, director, and officer; and
- g. The last three annual reports, if any.

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10.02 Member's right to inspect and copy records.

a. Inspection of corporate records: A member may inspect and copy, during regular business hours at the corporation's principal office, any of the records of the corporation described in Section 10.01 if the member gives the corporation written notice of the member's demand at least five business days before the date on which the member wishes to inspect and copy the records.

b. Inspection of accounting and members' records: A member may also inspect and copy the accounting records of the corporation and the record of members during regular business hours at a reasonable location specified by the corporation, if the member gives the corporation written notice of the member's demand at least five business days before the date on which the member wishes to inspect and copy the records and:

1. The member's demand is made in good faith and for a proper purpose;

2. The member describes with reasonable particularity the member's purpose and the records the member desires to inspect; and

3. The records are directly connected with the member's purpose.

10.03 SCOPE of inspection right:

a. Member's agent: A member's agent or attorney has the same inspection and copying rights as the member.

b. Copies: A member may obtain copies of the corporation's records made by photographic, xerographic, or other reasonable means, including copies in electronic or other non-written form if the member so requests.

c. Charge for copying: The corporation may charge the member for the reasonable costs of labor and materials used to produce copies of any records provided to the member. The charges may not exceed the estimated cost of producing or reproducing the records.

d. Record of Members: The corporation may comply with a Member's demand to inspect the record of members by providing the member with a list of members that was compiled no earlier than the date of the member's demand.

10.04 Annual report: The corporation shall prepare and file an annual report in the required form with the Secretary of State of Washington. The corporation shall ensure that the information in the annual report is current as of the date the corporation executes the annual report.

Article XI  
Financial Matters

11.01 Books and records of account: The corporation shall maintain correct and complete books, financial statements, and records of account. The corporation shall keep its books and records of account and prepare its financial statements in accordance with generally accepted accounting principles, which shall be applied on a consistent basis from period to period. The books, records of account, and financial statements shall be in written form or in any other form capable of

being converted into written form within a reasonable time.

11.02 Balance sheet and income statement:

a. Annual balance sheet and income statement: The corporation shall prepare annually (1) a balance statement showing in reasonable detail the financial condition of the corporation as of the close of its fiscal year and (2) an income statement showing the results of the corporation's operations during its fiscal year. The corporation shall prepare these statements not later than four months after the close of each fiscal year, and in any case before the annual member's meeting. These statements shall be prepared in accordance with generally accepted accounting principles which shall be applied on a consistent basis from period to period. The President, or the person who prepared the financial statements, shall prepare a certificate to accompany the annual financial reports attesting to the fact that the preparer used generally accepted accounting principles in preparing the financial statements, and describing any respects in which the statements were prepared on a basis of accounting which was not consistent with statements prepared for the preceding year.

b. Copies to members: The corporation shall mail promptly, upon written request, a copy of the most recent balance sheet and income statement to any member. The corporation shall also furnish, upon written request, a statement of the sources and applications of the corporation's flinds and a statement of any changes in the members equity for the most recent fiscal year, if such statements have been prepared for other purposes.

11.03 Deposits: The officers shall cause all flinds of the corporation not otherwise employed to be deposited to the credit of the corporation in such banks, trust companies, or other depositories as the Board or EC may select.

11.04 Loans: The corporation may not borrow money or issue evidences of indebtedness unless the Board authorizes the action.

11.05 Fiscal year: The corporation shall use a calendar year fiscal year unless the Board expressly determines otherwise.

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Article XII  
Amendment of Articles and Bylaws

12.01 Amendment of Articles by the membership: The membership may, by majority vote, amend the Articles:

- a. To delete the names and addresses of the initial directors, the initial registered agent, and the registered office of the corporation;
- b. To change the corporate name; or
- c. To make any other changes expressly permitted by law to be made. All amendments shall be subject to an affirmative vote of a majority of the members.

12.02 Amendment of Bylaws: The membership will not approve any alteration, amendment, or repeal of these Bylaws or the prior Revised Bylaws dated May 08, 1999 unless such alteration, amendment, or repeal shall first have received the approval of two-thirds of the members of record.

12.03 Rules of Order:

- a. Robert's Rules Govern: The rules contained in the most recent edition of Robert's Rules of Order, Revised, shall govern all meetings of members and directors where those rules do not conflict with the Articles or the Bylaws.
- b. President of Meeting: The President of the meeting shall have authority over matters of procedure. The membership shall be able to appeal a procedural ruling by the vote of two-thirds of the membership present voting in the affirmative. The President of the meeting may dispense with the rules of parliamentary procedure for any meeting or any part of a meeting. The President shall clearly state the rules under which any meeting or part of a meeting will be conducted.
- c. Adjournment due to disorder: If disorder should arise which prevents continuation of the legitimate business of any meeting, the President of the meeting may adjourn the meeting. Any meeting so adjourned may be reconvened in accordance with these Bylaws.
- d. Removal of persons not members: The President may require anyone who is not a bona fide member of record to leave any member's meeting.

12.04 Number and gender: When required by the context:

- a. The word "it" will include the plural and the word "its" will include the singular;

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- b. The masculine will include the feminine gender and the neuter, and visa versa; and
- c. The word "person" will include corporation, firm, partnership, or any other form of association.

12.05 Severability: If any provision of these Bylaws or any application of any provision is found to be unenforceable, the remainder of the Bylaws shall be unaffected. If the provision is found to be unenforceable when applied to particular persons or circumstances, the application of the provision to other persons or circumstances shall be unaffected.

12.06 This corporation is organized exclusively for charitable and educational purpose within the meaning of section 501 C - 3 of the Internal Revenue Code.

12.06.1 Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on by corporation exempt from the Federal income tax section 501 C (3) of the Internal Revenue Code of 1986.

**Article XIII  
Authentication**

**The foregoing Bylaws were read, approved, and duly adopted by the Membership on the 20<sup>th</sup> day of March, 2000. The President and secretary were empowered to authenticate these Bylaws by signatures below.**

**Gary L. Pollard: President**