

ORDINANCE NO. 676

An ORDINANCE of the City Council of the City of Lacey, Washington authorizing and providing for the establishment, organization and operation of a public corporation to implement Chapter 39.84 RCW, approving a charter for such corporation, specifying the powers, authority and limitations of the public corporation and providing for control and supervision of the public corporation by the City.

WHEREAS, the legislature of the State of Washington has provided for the creation of public corporations by cities of the State of Washington, pursuant to Chapter 300, Laws of Washington, 1981 (Reg. Sess.), codified as Chapter 39.84 RCW (the "Act") for the purpose of facilitating economic development and employment opportunities in the State of Washington through financing by such public corporations of the project costs of industrial development facilities; and

WHEREAS, the City of Lacey, Washington (the "City") desires to avail itself of the authority contained in the Act, by creating a public corporation for the purposes as stated therein; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The City does hereby create a public corporation to carry out the objects and purposes of Chapter 300, Laws of Washington, 1981 (Reg. Sess.) codified as Chapter 39.84 RCW as that law may from time to time hereinafter be amended (the "Act"). Such objects and purposes are independent upon and shall not be limited or restricted by reference to or inference from the terms

of any other section of this Ordinance unless, and only to the extent, specifically set forth herein.

Section 2. The name of the public corporation shall be "The Industrial Development Corporation of the City of Lacey" (the "Corporation").

Section 3. The Corporation shall have all the powers and be subject to all of the limitations and provisions contained in the Act.

Section 4. A charter (the "Charter") shall be issued to the Corporation by this Council which shall grant to the Corporation authority to act pursuant to the Act. A copy of the initial Charter to be issued is attached to this Ordinance as Exhibit A. This Charter may be amended from time to time by the City Council.

Section 5. The Board of Directors of the Corporation shall be composed of the members of the City Council of the City as constituted from time to time. A majority of the members of the Board of Directors shall constitute a quorum.

Section 6. The affairs of the Corporation shall be conducted and carried out by the Board of Directors. The Board shall elect among its own members a president, a vice-president, and a secretary. The Board of Directors shall adopt rules and regulations governing the conduct of the Corporation.

Members of the Board of Directors shall serve with such compensation and reimbursement of expenses as may be provided in the rules and regulations to be adopted by the Board of Directors.

Section 7. No director, officer, agent or employee of the Corporation shall have directly or indirectly any financial interest in any property to be included in or any contract for property, service or materials to be furnished or used in connection with any industrial development facility financed through the Corporation.

Section 8. The Corporation shall have all the powers granted by the Act and shall be subject to all limitations on such powers provided in the Act. Such powers and limitations shall include, but not be limited to, the following:

1. To construct and maintain one or more industrial development facilities;
2. To lease to a lessee all or any part of any industrial development facility for such rentals and upon such terms and conditions, including options to purchase, as its Board of Directors considers advisable and not in conflict with the Act;
3. To sell by installment contract or otherwise and convey all or any part of any industrial development facility for such purchase price and upon such terms and conditions as its Board of Directors considers advisable and which are not in conflict with the Act;
4. To make secured loans for the purpose of providing temporary or permanent financing or refinancing of all or part of the project cost of any industrial development facility, including the refunding of any outstanding obligations, mortgages, or advances issued, made, or given by any person for the project costs; and to charge and collect interest on the loans for the loan payments upon such terms and conditions as its Board of Directors considers advisable and which are not in conflict with the Act;
5. To issue revenue bonds for the purpose of financing all or part of the project cost of any industrial development facility and to secure the payment of the revenue bonds as provided in the Act;

6. As security for the payment of the principal of and interest on any revenue bonds issued and any agreements made in connection therewith, to mortgage, pledge, or otherwise encumber any or all of its industrial development facilities or any part or parts thereof, whether then owned or thereafter acquired, and to assign any lease or mortgage and repledge any security conveyed to the Corporation, to secure any loan made by the Corporation and to pledge the revenues and receipts therefrom;
7. To sue and be sued, complain, and defend in its corporate name;
8. To make contracts and to execute all instruments necessary or convenient for the carrying out of its business;
9. To have a corporate seal and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;
10. Subject to the limitations of section 6 of the Act, (RCW 39.84.060) to borrow money, accept grants from, or contract with any local, state, or federal governmental agency or with any financial, public, or private corporation;
11. To make and alter bylaws (rules and regulations) not inconsistent with the Charter for the administration and regulation of the affairs of the Corporation;
12. To collect fees or charges from users or prospective users of industrial development facilities to recover actual or anticipated administrative costs; and
13. To execute financing documents incidental to the powers enumerated in this subsection.

Section 9. The Corporation created by this Ordinance may not operate any industrial development facility as a business other than as lessor, seller, or lender. The purchase and holding of mortgages, deeds of trust, or other security interests and contracting for any servicing thereof is not considered the operation of an industrial development facility.

Section 10. The Corporation created by this Ordinance may not exercise any of the powers authorized in this section or issue any revenue bonds with respect to any industrial development facility unless the industrial development facility is located wholly within the boundaries of the City or unless the industrial development facility comprises energy facilities or solid waste disposal facilities which provide energy for or dispose of solid waste from the City or the residents thereof.

Section 11. The City may not give or lend any money or property nor exercise its power of eminent domain in aid of the Corporation. This provision shall not preclude the City from dealing with the Corporation on an arm's-length basis.

Section 12. The Corporation may not issue revenue obligations except upon approval of the City.

Section 13. Every person who was or is a party to, or is threatened to be made a party to, or is involved in, any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as its representative in any other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the law of the State of Washington from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement), reasonably incurred or suffered by him in connection

therewith. Such rights of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers, or representatives may have or hereafter acquire, and without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, provision of law, or otherwise, as well as their rights under this article. The Board of Directors may adopt rules and regulations (bylaws) from time to time with respect to indemnification to provide at all times the fullest indemnification permitted by the law of the State of Washington, and may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or its representative in any other enterprise, against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

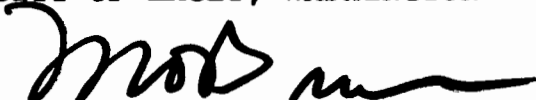
Section 14. Any net earnings of the Corporation beyond those necessary for retirement of indebtedness incurred by it shall inure to the City and not for the benefit of any other person. Alteration of the Charter of or dissolution of or audits of the Corporation shall be as provided by the Act and by subsequent ordinances of the City. Upon dissolution of the Corporation title to all property owned by the Corporation shall vest in the City.

Section 15. This ordinance shall be liberally construed to effect its purposes.


Section 16. This ordinance shall take effect five days from and after its final passage and publication as required by law.

PASSED by the City Council of the City of Lacey at a regular meeting thereof held this 12th day of May, 1982.

CITY OF LACEY, WASHINGTON


MAYOR

ATTEST:


CITY DIRECTOR OF ADMINISTRATION
AND FINANCE

APPROVED AS TO FORM:


CITY ATTORNEY

PASSED: May 12, 1983

PUBLISHED: May 17, 1983

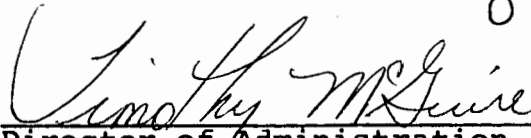
CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Director of Administration and Finance of the City of Lacey, Washington, and keeper of the records of the Council of the City (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached Ordinance 676 (herein called the "Ordinance") is a true and correct copy of an ordinance of the City as finally passed at a meeting of the Council held on the 12th day of May, 1983, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City this 12th day of May, 1983.



Director of Administration
and Finance

[SEAL]

CHARTER OF
THE INDUSTRIAL DEVELOPMENT CORPORATION
OF THE CITY OF LACEY, WASHINGTON

ARTICLE I

NAME, SEAL AND DEFINITIONS

The name of this public corporation shall be The Industrial Development Corporation of the City of Lacey (hereinafter the "Corporation"). The corporate seal, as set forth below, shall be a circle with the name "The Industrial Development Corporation of the City of Lacey" inscribed therein. As used in this Charter, unless otherwise required by context:

"Act" means Chapter 300, Laws of Washington, 1981, (codified as Chapter 39.84 RCW), as the same may be, from time to time, amended;

"City" means the City of Lacey, Washington;

"Corporation" means The Industrial Development Corporation of the City of Lacey; and

"industrial development facilities" means the same as such term means for the purpose of the Act.

"Ordinance" means Ordinance 676 of the City passed on the 12th day of May, 1982.

ARTICLE II

AUTHORITY FOR THE CREATION OF THE CORPORATION

The Corporation is a public corporation organized pursuant to the Act and the Ordinance.

ARTICLE III

DURATION OF THE CORPORATION

Unless modified by state law or by an ordinance of the City, the duration of the Corporation shall be perpetual.

ARTICLE IV

PURPOSES OF THE CORPORATION

The purpose of the Corporation is to function as a public corporation pursuant to the provisions of the Act and the Ordinance to issue tax exempt nonrecourse revenue bonds to finance industrial development facilities within the corporate boundaries of the City.

The financing of industrial development within the corporate boundaries of the City is for the purpose of promoting higher employment; encouraging the development of new jobs; maintaining and supplementing the capital investments in industry that currently exist within the State of Washington; encouraging future employment by ensuring future capital investment; attracting environmentally sound industry within the corporate boundaries of the City and to the State of Washington; protecting and enhancing the quality of natural resources and the environment; and promoting the production and conservation of energy.

The objects and purposes specified in the foregoing clauses shall, except as otherwise expressed, be in no way limited or restricted by reference to, or inference from the terms of any other clause in this Charter but the objects and purposes speci-

fied in each of the foregoing clauses shall be regarded as independent objects and purposes.

ARTICLE V

POWERS OF THE CORPORATION

The Corporation shall have all the powers granted to public corporations by the Act and by the Ordinance. Such powers include, but are not limited to, the following:

- (a) To construct and maintain one or more industrial development facilities;
- (b) To lease to a lessee all or any part of any industrial development facility for such rentals and upon such terms and conditions, including options to purchase, as its Board of Directors considers advisable and not in conflict with the Act;
- (c) To sell by installment contract or otherwise and convey all or any part of any industrial development facility for such purchase price and upon such terms and conditions as its Board of Directors considers advisable which are not in conflict with the Act;
- (d) To make secured loans for the purpose of providing temporary or permanent financing of all or part of the project cost of any industrial development facility, including the refunding of any outstanding obligations, mortgages, or advances issued, made, or given by any person for the project costs; and to charge and collect interest on the loans for the loan payments upon such terms and conditions as its Board of Directors considers advisable which are not in conflict with the Act;
- (e) To issue revenue bonds for the purpose of financing all or part of the project cost of any industrial development facility and to secure the payment of the revenue bonds as provided in the Act;
- (f) As security for the payment of the principal of and interest on any revenue bonds issued and any agreements made in connection therewith, to mortgage, pledge, or otherwise encumber any or all of its industrial development facilities or any part or parts thereof, whether then owned or thereafter acquired, and to assign any mortgage or lease and repledge any security conveyed to the Corporation, to secure any loan made by the Corpo-

ration and to pledge the revenues and receipts therefrom;

- (g) To sue and be sued, complain, and defend in its corporate name;
- (h) To make contracts and to execute all instruments necessary or convenient for the carrying out of its business;
- (i) To have a corporate seal and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;
- (j) Subject to the limitations of section 6 of the Act (RCW 39.84.060), to borrow money, accept grants from, or contract with any local, state, or federal governmental agency or with any financial, public, or private corporation;
- (k) To make and alter bylaws not inconsistent with this Charter for the administration and regulation of the affairs of the Corporation;
- (l) To collect fees or charges from users or prospective users of industrial development facilities to recover actual or anticipated administrative costs;
- (m) To execute financing documents incidental to the powers enumerated in this subsection; and
- (n) To have any and all other powers granted to public corporations under the Act.

The Corporation may not operate any industrial development facility as a business other than as lessor, seller, or lender. The purchase and holding of mortgages, deeds of trust, or other security interests and contracting for any servicing thereof is not considered the operation of an industrial development facility.

The Corporation may not exercise any of the powers authorized in this Article or issue any revenue bonds with respect to any industrial development facility unless the industrial development facility is located wholly within the boundaries of the City or

unless the industrial development facility comprises energy facilities or solid waste disposal facilities which provide energy for or dispose of solid waste from the City or the residents thereof.

ARTICLE VI

LIMITATIONS ON THE CORPORATION

1. No part of the net earnings of the Corporation beyond those necessary to retire indebtedness shall inure to the benefit of, or be distributable to, anyone other than the City. Upon dissolution of the Corporation, title to all property owned by the Corporation shall vest in the City.

2. The City may not give or lend any money or property in aid of the Corporation. This provision shall not preclude the City from dealing with the Corporation on an arm's-length basis.

3. The Corporation may not issue revenue obligations except upon the approval of the City and upon the approval of Thurston County.

4. No revenue bonds may be issued by the Corporation unless the Board of Directors makes a finding that in its opinion the interest paid on the bonds will be exempt from income taxation by the federal government.

5. Revenue bonds issued by this corporation shall not be considered to constitute a debt of the State of Washington, of the City, or of any other municipal corporation, quasi-municipal corporation, subdivision or agency of the state or to have pledged any or all of the faith and credit of any of those entities.

6. Revenue bonds issued by the Corporation shall be payable solely from the revenues derived as a result of the industrial development facilities funded by the revenue bonds, including, without limitation, amounts received under the terms of any financing document or by reason of any additional security furnished by the user of the industrial development facility in connection with the financing thereof, and money and other property received from private sources.

7. Each revenue bond issued by the Corporation shall contain on its face statements to the effect that:

- (a) Neither the State of Washington nor the City of Lacey, Washington, or any other municipal corporation, quasi-municipal corporation, subdivision or agency of the State is obligated to pay the principal or the interest thereon;
- (b) No tax funds or governmental revenue may be used to pay the principal or interest thereon; and
- (c) Neither any or all of the faith and credit nor the taxing power of the State of Washington, the City of Lacey, Washington, or any other municipal corporation, quasi-municipal corporation, subdivision, or agency thereof is pledged to the payment of the principal of or the interest on the revenue bond.

8. Revenue bonds issued pursuant to this Charter, the Ordinance and the Act shall bear the seal of the Corporation, which may either be physically impressed thereon or printed as a facsimile thereof, and the signature of the president of the Board of Directors, or in his absence and in his stead, the vice-president, and the signature of the secretary of the Board of Directors. The signatures may be either manual or facsimile, or a combination thereof.

9. The Corporation may incur only those financial obligations which will be paid from revenues received pursuant to financing documents, from fees or charges paid by users or prospective users of the industrial development facilities funded by the revenue bonds, or from the proceeds of revenue bonds.

10. If required by the Act, the Corporation, prior to the issuance of any revenue bonds, shall submit a copy of the Ordinance and Charter, a description of the industrial development facility proposed to be undertaken, and the basis for its qualification as an industrial development facility to the Department of Commerce and Economic Development of the State of Washington for approval pursuant to the Act.

11. The Corporation has no power of eminent domain nor any power to levy taxes or special assessments.

12. The Corporation has no authority to incur or create any liability that permits recourse by any contracting party or member of the public to any assets, services, resources or credit of the City.

ARTICLE VII

ORGANIZATION OF THE CORPORATION

1. Management of the affairs of the Corporation shall reside in the Board of Directors. The Board of Directors shall be composed of the members from time to time of the City Council.

2. The members of the Board of Directors shall constitute themselves by the election of a president, vice-president and a secretary. The president shall be the agent of the Corporation

for service of process. The Board of Directors shall oversee the activities of the Corporation, establish or implement policy, participate in corporate activity as necessary and have stewardship for management in determination of all corporate affairs.

3. A majority of the Board of Directors shall constitute a quorum for transacting business.

ARTICLE VIII

RIGHTS AND LIABILITIES OF DIRECTORS

1. No director, officer, agent, or employee of the Corporation may have a direct or indirect financial interest in any property, services or materials to be furnished or used in connection with any industrial development facility financed through the Corporation.

2. Every person who was or is a party to, or is threatened to be made a party to, or is involved in, any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as its representative in any other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Washington from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amount paid or to be paid in settlement), reasonably incurred or suffered by him in connection therewith. Such rights of indemnification shall be a contract

right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers, or representatives may have or hereafter acquire, and without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any agreement, provision of law, or otherwise, as well as their rights under this article. The Board of Directors may adopt bylaws from time to time with respect to indemnification to provide at all times the fullest indemnification permitted by the law of the State of Washington, and may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as its representative in any partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

ARTICLE VIII

RULES AND REGULATIONS

The Board of Directors shall adopt rules and regulations (bylaws) to provide such rules for governing the Corporation and its activities as are not inconsistent with the Ordinance this Charter, and the Act. Adoption of the rules and regulations and any amendments thereto require a majority vote of the Board of Directors. The Board of Directors may provide in the rules and

regulations for all matters relating to the governance of the Corporation, including but not limited to matters referred to elsewhere in the Charter for inclusion therein, and for the following:

1. The existence of committees and duties of any such committee;
2. Regular and special meetings of the Board of Directors, and whether or not such meetings or reports thereof shall be open to the public;
3. Retention of staff or personnel and how the relationship of the Corporation with the City shall be managed; and
4. Such other matters as may become necessary or important to the proper functioning of the Corporation.

ARTICLE IX

AMENDMENTS TO CHARTER AND RULES AND REGULATIONS

1. This Charter may be amended by ordinances of the City.
2. Rules and regulations may be amended by a majority of the Board of Directors.

ARTICLE X

COMMENCEMENT OF THE CORPORATION

The Corporation shall commence its existence effective on filing this Charter with the Clerk of the City. A true and complete copy of this Charter, certified by the Clerk of the City as being on file with the City and having been duly issued by the

BYLAWS OF
THE INDUSTRIAL DEVELOPMENT CORPORATION
OF THE CITY OF LACEY

ARTICLE 1

PUBLIC CORPORATION

The Industrial Development Corporation of the City of Lacey (the "Corporation") is a public corporation created pursuant to Chapter 300, Laws of Washington 1981 (Reg. Sess.), codified as Chapter 39.84 RCW and Ordinance No. ___ of the City of Lacey, Washington, passed _____, 1982 (the "Ordinance"). These Bylaws are subject to any limitations contained therein or in the Charter issued to this Corporation by the City of Lacey, Washington. All authority that would otherwise be reposed in stockholders or members shall be exercised by the Board of Directors of the Corporation except as otherwise provided.

ARTICLE 2

RIGHTS AND LIABILITIES OF DIRECTORS

Section A. Interest of Directors. No director of the Corporation shall have any right, title or interest in or to any income, property or assets of the Corporation either prior to or at the time of any liquidation or dissolution of the Corporation; all such properties and assets shall at the time of any liquidation or dissolution be transferred to the City of Lacey, Washington, as provided in the Charter of the Corporation.

Section B. Nonliability of Directors for Debts. The private property of the directors shall be exempt from execution or other liability from any debts of the Corporation and no director shall be liable or responsible for any debts or liabilities of the Corporation.

ARTICLE 3

DIRECTORS

Section A. General Powers. The business and affairs of the Corporation shall be managed by a board of _____ directors who shall exercise all of the powers of the Corporation.

Section B. Appointment, Approval and Tenure of Office. The initial directors designated and appointed by the Charter of the Corporation shall be the currently constituted City Council of the City of Lacey, Washington. Their names and respective terms of office shall be set opposite their names below:

| <u>Name</u> | <u>Term of Office</u> |
|-----------------|-----------------------|
| Richard Bever | 1/80 - 1/84 |
| Kay Boyd | 1/82 - 1/86 |
| William A. Bush | 1/82 - 1/86 |
| Mark O. Brown | 1/80 - 1/84 |
| Dennis Ingham | 1/80 - 1/84 |
| Thomas Heald | 1/82 - 1/86 |
| Jerry Gray | 1/82 - 1/86 |

The terms of office of the directors initially appointed shall commence on the date of the initial meeting of directors, and each such director shall serve until that person's term of office as a member of the City Council of the City of Lacey shall

expire, or until such director shall otherwise resign in favor of a successor to such office.

Upon the expiration of the respective terms of each of the directors initially appointed, the term of each subsequent director shall be the term of office of that person as a council member of the City Council of the City of Lacey, Washington.

Section C. Vacancies. A vacancy created by death or resignation of a member of the City Council of the City must be filled by a person who is appointed to or elected to such City Council.

Section D. Compensation. Directors and officers shall be entitled to out-of-pocket costs and compensation for their services for projects carried out by the Corporation, but only from fees and charges related to such projects. The City of Lacey, Washington, shall not pay any compensation or out-of-pocket costs to the directors for such services.

ARTICLE 4

MEETINGS OF DIRECTORS

Section A. Regular Meetings. Regular meetings of the Board of Directors shall be held annually on the same date as the first regular meeting of the City Council each January for the purpose of transacting such business as may come before the meeting. The annual meeting shall be at the City Hall of the City immediately following such regular meeting of the City Council. At its annual meeting the Board shall constitute itself and elect officers.

Section B. Special Meetings. Special meetings of the Board of Directors may be called by the President or by a director, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the director calling the meeting shall fix the time and place for the holding of the meeting.

Section C. Notice of Directors' Meetings. Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director personally or by mail, by or at the direction of the Secretary, the President or the director calling the meeting. If personally delivered, it shall be delivered not less than twenty-four hours previous to the special meeting. If mailed, such notice shall be posted not less than 72 hours prior to such special meeting and shall be deemed to be delivered when posted in the United States mail addressed to the director at his address as it appears on the records of the Corporation, with postage thereon prepaid. Additional notices of any special meeting shall also be given, if necessary, to comply with the Open Public Meeting Act (Chapter 42.30 RCW).

Section D. Waiver of Notice. Any director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting by such director, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

Section E. Quorum. A majority of the then members of the Board of Directors shall constitute a quorum, provided that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided, further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

ARTICLE 5

OFFICERS

Section A. Number and Qualifications. The officers of the Corporation shall be a President, a Vice President and a Secretary, and such other officers as may be determined by the Board of Directors from time to time to perform such duties as may be designated by the Board of Directors.

Section B. Election and Term of Office. The officers shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not to 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 elected or appointed. The vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

Section C. President. The President:

1. Shall be the principal executive officer of the Corporation and, unless otherwise determined by the members of the Board of Directors, shall preside at all meetings of the Board of Directors;

2. May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by the Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and

3. Shall in general perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section D. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section E. Secretary. The Secretary shall:

1. Keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose;

2. See that all notices are duly given in accordance with these Bylaws or as required by law;

3. Be custodian of the corporate records and of the seal of the Corporation, and affix the seal of the Corporation to documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws;

4. Keep a register of the names and post office addresses of all directors;

5. Keep general charge of the books of the Corporation;

6. Keep on file at all times a complete copy of the Charter of the Corporation, the Ordinance of the City of Lacey, Washington creating the Corporation, and Bylaws of the Corporation containing all amendments thereto (which copy shall always be open to the inspection of any director), and at the expense of the Corporation, forward a copy of the Bylaws and of all amendments thereto to each director; and

7. In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him by the Board of Directors.

ARTICLE 6

FINANCIAL TRANSACTIONS

Section A. Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or

officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section B. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of moneys, and all notes, bonds or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation and in such manner as shall from time to time be determined by ordinance of the Board of Directors.

Section C. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks as the Board of Directors may select.

Section D. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January of each and every year except that the first fiscal year of the Corporation may begin on the date of its organization and shall end on the last day of December of that year.

ARTICLE 7

MISCELLANEOUS

Section A. Rules and Regulations. The Board of Directors shall have the power to make and adopt such rules and regulations not inconsistent with law, the Charter of the Corporation or these

Bylaws, as it may deem desirable for the management of the business and affairs of the Corporation.

Section B. Accounting System and Reports. The Board of Directors shall cause to be established and maintained, in accordance with generally accepted principles of accounting, an appropriate accounting system.

ARTICLE 8

AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of two-thirds of the directors then in office, at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal; provided, that any amendment to these Bylaws must be approved by the City Council of the City of Lacey, Washington.

ARTICLE 9

INDEMNIFICATION OF DIRECTORS AND OFFICERS

1. As used in this section:

(a) "director" means any person who is or was a director of the Corporation and any person who, while a director of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan.

(b) "expenses" includes attorneys' fees.

(c) "official capacity" means: (i) when used with respect to a director, the office of director in the Corporation, and (ii) when used with respect to a person other than a director as contemplated in subsection (10) of this section, the elective or appointive office in the Corporation held by the officer or the employment or agency relationship undertaken by the employee or agent in behalf of the Corporation, but in each case does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, other enterprise, or employee benefit plan.

(d) "party" includes a person who was, is, or is threatened to be, made a named defendant or respondent in a proceeding.

(e) "proceeding" means any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative.

2. The Corporation shall have the power to indemnify any person made a party to any proceeding (other than a proceeding referred to in subsection (3) of this section) by reason of the fact that he is or was a director against judgments, penalties, fines, settlements and reasonable expenses actually incurred by him in connection with such proceeding if:

(a) He conducted himself in good faith, and: (i) in the case of conduct in his own official capacity with the Corporation, he reasonably believed his conduct to be in the Corporation's best

interests, or (ii) in all other cases, he reasonably believed his conduct to be at least not opposed to the Corporation's best interests; and

(b) In the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, be determinative that the person did not meet the requisite standard of conduct set forth in this subsection.

3. The Corporation shall have the power to indemnify any person made a party to any proceeding by or in the right of the Corporation by reason of the fact that he is or was a director against reasonable expenses actually incurred by him in connection with such proceeding if he conducted himself in good faith, and:

(a) In the case of conduct in his official capacity with the Corporation, he reasonably believed his conduct to be in its best interest; or

(b) In all other cases, he reasonably believed his conduct to be at least not opposed to its best interests; provided, that no indemnification shall be made pursuant to this subsection in respect to any proceeding in which such person shall have been adjudged to be liable to the Corporation.

4. A director shall not be indemnified under subsection (2) or (3) of this section in respect of any proceeding charging improper personal benefit to him, whether or not involving action

in his official capacity, in which he shall have been adjudged to be liable on the basis that personal benefit was improperly received by him.

5. Unless otherwise limited by the Charter:

(a) A director who has been wholly successful, on the merits or otherwise, in the defense of any proceeding referred to in subsection (2) or (3) of this section shall be indemnified against reasonable expenses incurred by him in connection with the proceeding; and

(b) A court of appropriate jurisdiction, upon application of a director and such notice as the court shall require, shall have authority to order indemnification in the following circumstances:

(i) If the court determines a director is entitled to reimbursement under (a) of this subsection, the court shall order indemnification, in which case the director shall be entitled to recover the expenses of securing such reimbursement; or

(ii) If the court determines that the director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the standards of conduct set forth in subsection (2) or (3) of this section or has been adjudged liable under subsection (4) of this section, the court may order such indemnification as the court shall deem proper, except that indemnification with respect to any proceeding referred to in subsection (3) of this section and with respect to any proceeding in which liability shall have been adjudged pursu-

ant to subsection (4) of this section shall be limited to expenses.

A court of appropriate jurisdiction may be the same court in which the proceeding involving the director's liability took place.

6. No indemnification under subsection (2) or (3) of this section shall be made by the Corporation unless authorized in the specific case after a determination that indemnification of the director is permissible in the circumstances because he has met the standard of conduct set forth in the applicable subsection. Such determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to such proceedings; or

(b) If such a quorum cannot be obtained, then by a majority vote of a committee of the board, duly designated to act in the matter by a majority vote of the full board (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to such proceeding; or

(c) In a written opinion by legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services within the past three years for the Corporation or any party to be indemnified, selected by the Board of Directors or a committee thereof by vote as set forth in (a) or (b) of this subsection, or if the requisite

quorum of the full board cannot be obtained therefor and such committee cannot be established, by a majority vote of the full board (in which selection directors who are parties may participate).

Authorization of indemnification and determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by such legal counsel, authorization of indemnification and determination as to reasonableness of expenses shall be made in a manner specified in (c) of this subsection for the selection of such counsel.

7. Reasonable expenses incurred by a director who is party to a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of such a proceeding:

(a) After a determination, made in the manner specified by subsection (6) of this section, that the information then known to those making the determination (without undertaking further investigation for purposes thereof) does not establish that indemnification would not be permissible under subsection (2) or (3) of this section; and

(b) upon receipt of the Corporation of:

(i) A written affirmation by the director of his good faith belief that he has met the standard of conduct necessary for indemnification by the Corporation as authorized in this section; and

(ii) A written undertaking by or on behalf of the director to repay such amount if it shall ultimately be determined that he has not met such standard of conduct.

The undertaking required by (b)(ii) of this subsection shall be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make the repayment. Payments under this subsection may be authorized in the manner specified in subsection (6) of this section.

8. No provision for the Corporation to indemnify a director who is made a party to a proceeding, whether contained in the Charter, the Bylaws, a resolution of shareholders or directors, an agreement, or otherwise (except as contemplated by subsection (10) of this section), shall be valid unless consistent with this section, or, to the extent that indemnity hereunder is limited by the Charter, consistent therewith. Nothing contained in this section shall limit the Corporation's ability to reimburse expenses incurred by a director in connection with his appearance as a witness in a proceeding at a time when he has not been made a named defendant or respondent in the proceeding.

9. Unless otherwise limited by the Charter:

(a) an officer of the Corporation shall be indemnified as and to the extent provided in subsection (5) of this section for a director and shall be entitled to seek indemnification pursuant to subsection (5) of this section to the same extent as a director;

(b) the Corporation shall have the power to provide indemnification including advances of expenses, to an officer, employee, or agent of the Corporation to the same extent that it may indemnify directors pursuant to this section except that subsection (11) of this section shall not apply to any person other than a director; and

(c) the Corporation, in addition, shall have the power to indemnify an officer who is not a director, as well as employees and agents of the Corporation who are not directors, to such further extent, consistent with law, as may be provided by its Charter, Bylaws, general or specific action of its Board of Directors, or contract.

10. the Corporation shall have power to purchase and maintain insurance on behalf of any person who is, or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as an officer, employee or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this section.

11. Any indemnification of a director in accordance with this section, including any payment or reimbursement of expenses, shall be reported to the directors with the notice of the next meeting or prior thereto in a written report containing a brief

description of the proceedings involving the director being indemnified and the nature and extent of such indemnification.

The foregoing Bylaws were adopted by resolution of the Board of Directors on _____, 19__.

President

ATTEST:

Secretary