

Washington State Rural Development Council

By-Laws

1. Corporate Name

The name of the Corporation shall be Washington State Rural Development Council with the trade name of Washington State Rural Development Council. The Corporation is authorized to maintain such trade names as the Board of Directors or President shall deem appropriate.

2. Purpose

The primary purpose of Washington State Rural Development Council is to work with rural partners around Washington State to coordinate services to rural communities and promote initiatives that support rural community and economic development and related activities.

3. Incorporator

The authority of the Incorporator shall terminate following the Organizational Meeting of the Initial Board of Directors.

4. Members

There shall be no Shareholders or Members of the Corporation.

5. Directors

a. The affairs of the Corporation shall be managed by a Board consisting of at least 6 Directors.

b. The Annual Meeting of the Directors shall be held in October of each year. At the Annual Meeting, the Directors shall elect the Officers to serve until successors are elected.

c. Special Meetings of the Directors may be called by a resolution of a majority of the Directors or Officers upon notice to the Directors as provided in these By-Laws.

d. Each Director shall have one vote.

e. A Director may be removed by a majority vote of the Directors at any time with or without cause.

f. At any Meeting of the Directors, a majority of the Directors shall constitute a quorum. A quorum shall be required to pass any resolutions of the Directors.

g. The Directors may establish Committees composed of volunteers and/or Directors. A Committee shall have the same authority to act as the Board of Directors if (1) at least one Director serves on the Committee, and (2) the Board passes a Resolution that such Committee shall have the same authority as the Board of Directors in all matters relating to the purpose of the Committee.

6. Officers

a. The day-to-day operations of the Corporation shall be managed by the Officers, which shall consist of a President, one or more Vice Presidents, Secretary and Treasurer and such other Officers as the Directors designate from time to time. One person may hold more than one office except the offices of President and Secretary.

b. The President shall be the chief executive officer of the Corporation and is duly authorized to bind the Corporation on contracts and transactions on behalf of the Corporation without approval of the Directors.

c. The Vice President(s) shall fulfill the role of the President in the President's absence, and shall perform such other duties as the President or Directors assign.

d. The Treasurer shall maintain the financial records of the Corporation and shall issue an Annual Report to the Directors at the Annual Meeting of the Directors. The Treasurer shall ensure that all tax returns are promptly filed with the state and federal taxing authorities.

e. The Secretary shall maintain the corporate records of the Corporation and shall ensure that the Annual Report is filed with the Washington Secretary of State.

f. The Officers shall generally serve for two years, except that the initial Officers may serve for three years so that the election of Officers is staggered, with some Officers being elected in one year, and the remaining Officers being elected in the next year.

g. The Officers shall serve at the pleasure of the Directors and may be removed by a majority vote of the Directors at any time with or without cause.

7. Affiliates

The Directors may establish, amend and revoke requirements for one or more classes of affiliates, who are not Members, including without limitation: fees assessed, tax deductibility, classification name, and any benefits afforded to affiliates. The Directors may select a name for one or more classes of affiliates. Affiliates of one class shall all be afforded the same benefits as those within the class with no preference given to an affiliate in one class over another affiliate of the same class.

8. Notices

a. Whenever Notice is required to be given by these By-Laws or law, such Notice shall be made at least 3 days in advance of the meeting if Notice is provided by email, fax or telephone. Notice provided by mail shall be made 5 days in advance of the meeting. The Notice shall specify the date, time, place and purpose of the meeting.

b. Notice shall be deemed made when emailed, mailed, or faxed to the Directors at their email or mailing address or fax number of record. Notice by telephone shall be deemed sufficient Notice if the person providing Notice personally provides telephonic notice to any Member or Director and notes the date and time of communication in the corporation records.

c. Any Director may waive Notice in writing. A Director's attendance at a meeting shall be deemed to be a waiver of Notice without the necessity of a written Waiver.

9. Meetings

a. At any Annual Meeting, the Directors may transact any business that is lawful and in conformity with these By-Laws.

b. At any Special Meeting of the Directors, only the business purpose specified in the Notice shall be conducted unless all Directors are present or consent in writing to the transaction of the other business.

c. Any Annual or Special Meeting of the Directors may be held in person, by telephone conference call, internet conference, or video conference provided that all Directors are able to hear one another.

d. In lieu of attending any Board of Directors meeting, a majority of the Directors may adopt resolutions and take any legal action by signing a Consent in Lieu of Meeting which sets forth the resolutions adopted and action to be taken.

e. No action or resolution of the Board of Directors adopted at a meeting of the Directions shall be valid unless (1) a quorum exists at such meeting, and (2) a majority of those entitled to vote adopt the action or resolution.

10. Corporate Books and Records

The President shall ensure that the Corporation maintains adequate books and records, which records may be kept and managed by one or more of the Officers, and the same shall be available for inspection by any Member at any reasonable time upon reasonable notice. The Secretary shall make the corporate book of the Corporation available for inspection by any Member at any reasonable time upon reasonable notice.

11. Conflicts of Interest

a. Definitions and Examples. As used in these By-Laws, the term "actual or potential personal or financial interest" means any existing or possible interest which the person now has or may have regarding any business of Washington State Rural Development Council.

b. Requirement to Abstain from Voting. No Director may vote on any matter in which he or she has a personal or financial interest.

c. Requirement to Abstain from Decision Making. No Director may participate in decision making regarding any matter in which he or she has a personal or financial interest and may not attempt to influence any Director.

d. Duty to Disclose. A Director who has any actual or potential personal or financial interest in any matter involving Washington State Rural Development Council has a duty to disclose the actual or potential interest to Washington State Rural Development Council.

e. Violations. If a Director fails to disclose a conflict of interest and/or violates the provisions of this decision making regarding a matter in

violation of this Article, the Directors shall determine whether the outcome would have been different. If so, the Directors shall take appropriate action immediately to remedy the situation, which may include cancelling contracts or scheduling a new vote. The Directors shall fully disclose in Minutes or a Consent the actions taken to remedy the violation of this Article.

12. Contracts, Loans, Checks and Deposits

a. **Contracts.** 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 of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

b. **Loans.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

c. **Bank Accounts.** The Corporation is authorized to maintain one or more bank accounts, including investment accounts as the Board of Directors determines. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by the President or Treasurer of the Corporation for amounts less than \$5,000, and shall be signed by the President and the Treasurer for amounts of \$5,000 or more unless otherwise determined by resolution of the Board of Directors.

d. **Deposits.** All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

13. Indemnification

Washington State Rural Development Council shall indemnify its Directors upon the following terms and conditions:

a. Every Director of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be made a party, or in which he or she may become involved, by reason of his being or having been a Director of the Corporation or is or was serving at the request of the Corporation as a Director of the Corporation, whether or not he or she is a Director at the time such expenses are incurred, except in such cases wherein the Director

is adjudged guilty of or liable for willful misfeasance or malfeasance in the performance of his duties.

b. In the event of a settlement, the foregoing indemnification shall apply only when the Board of Directors approves such settlement.

c. The Corporation shall provide to any person who is or was a Director of the Corporation or is or was serving at the request of the Corporation as a Director of the Corporation, the indemnity against expenses of suit, litigation or other proceedings which is specifically permissible under applicable law.

d. The Board of Directors may, in its discretion, direct the purchase of liability insurance to implement the provisions of this Article.

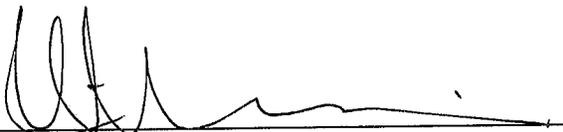
14. Disputes

Any Director may request alternate dispute resolution (mediation, collaboration, or binding arbitration) by submitting a written request to the Secretary stating the names of the parties to the dispute and the nature of the dispute. The parties to the dispute shall select a mediator, collaborative attorneys, or arbitrator and schedule a dispute resolution session within two weeks at the convenience of the parties to the dispute. Any Director may attend and participate in the dispute resolution session.

15. Amendment to By-Laws

These By-Laws may only be amended by a vote of 2/3 of the Directors at any Special or Annual Meeting or by Consent in Lieu of Meeting. Notice of proposed changes to the By-Laws shall be provided in advance of any Special or Annual Meeting at which a vote will be taken to amend the By-Laws.

THE FOREGOING BY-LAWS WERE APPROVED BY RESOLUTION OF THE BOARD OF DIRECTORS DATED NOVEMBER 2, 2015.



Mario Villanueva, Secretary