

ARTICLES OF ASSOCIATION
of
The Eastern Washington Council of Governments

The undersigned members, acting under provision of the Washington's Joint Governmental Activities Act (Chapter 36.64.080 *et seq* of the Revised Code of Washington) (the "Act"), and resolutions passed by the governing body of each member in accordance with the applicable requirements of law do hereby adopt the following articles:

ARTICLE I
Name and Address

The name of the conference shall be "The Eastern Washington Council of Governments" (hereinafter referred to as the "Council"). The address and registered office of the Council shall be the county offices of the Chair or such other place as the Council may designate in the bylaws.

ARTICLE II
Duration

The Council shall have perpetual existence.

ARTICLE III
Purposes and Powers

Section 1. Purposes. The Council is organized for the purposes specified in the Act.

Section 2. Powers. In furtherance of the foregoing purposes, the Council may receive property by gift or grant, invest and reinvest the same, and apply the income and principal thereof, as the Council may from time to time determine, and engage in any lawful activity that may be necessary, useful or desirable for the furtherance, accomplishment, fostering or attainment of the foregoing purposes, either directly or indirectly and either alone or in conjunction or cooperation with others, whether such others be persons or organizations of any kind or nature, such as corporations, firms, associations, trusts, institutions, foundations, or governmental bureaus, departments, or agencies.

Section 3. General. In general, and subject to such limitations and conditions prescribed by law, or in the Council's articles of association or bylaws, the Council shall have all powers that now or hereafter are conferred by law upon a conference organized under the Act for the purposes set forth above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the Council's purposes.

ARTICLE IV
Limitations

No part of the net earnings or property of the Council shall inure to the benefit of, or be distributable to, any private person, except that the Council is authorized and empowered to pay

reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

ARTICLE V
Member Representatives

The management of the Council shall be vested in member representatives. The number, qualifications, terms of office, manner of election, criteria for removal, time and place of meetings and powers and duties of the member representatives shall be prescribed in the bylaws of the Council.

ARTICLE VI
Positions

The Council shall establish positions for the purpose of delegating certain duties and responsibilities. The number, qualifications, terms of office, manner of election, criteria for removal, time and place of meetings and powers and duties of such positions shall be prescribed in the bylaws of the Council as may be amended from time to time, but shall include at a minimum a Chair, Vice Chair, Secretary and Treasurer. The names and addresses of the persons who are to serve in these positions until qualified successors are elected are:

Name	Address
Merrill J. Ott, Chair	215 S. Oak, #214 Colville, WA 99114
Craig Vejraska, Vice Chair	123 5th Ave. N., Room 150 Okanogan, WA 98840
Mike Blankenship, Secretary	290 East Tessie Ave. Republic, WA 99166
Ted Hopkins, Treasurer	P.O. Box 28 Davenport, WA 99122-0028

ARTICLE VII
Liability Limitations

No member representative of the Council shall be personally liable to the Council for monetary damages for conduct as a member representatives, unless such conduct involves (a) intentional misconduct or a knowing violation of law by the member representative or (b) any transaction from which the member representative will personally receive a benefit in money, property or services to which the member representative is not legally entitled.

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ARTICLE VIII Indemnification

Section 1. Authority to Indemnify. The Council shall have the power to indemnify, including advancing expenses to, any member, member representative, employee, or agent of the Council made or threatened to be made a party to any suit or legal proceeding by reason of participation or employment with the Council, or arising out of his or her activities undertaken on behalf of the

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

This indemnity shall continue after a person has ceased to represent a member or to serve as an employee or agent of the Council and may inure to the benefit of that person's heirs, executors, and administrators.

Section 2. Indemnification Procedures. Indemnification under this article shall only be made after a determination that it is permissible under the circumstances. This determination shall be made:

- (a) By a majority vote of a Council quorum consisting of persons not at the time parties to such proceeding; or
- (b) If such a quorum cannot be obtained, then by a majority vote of a committee of the Council, duly designated to act in the matter by a majority vote of the Council (in which designation member representatives who are parties may participate), consisting solely of three or more member representatives not at the time parties to such proceedings; or
- (c) In a written opinion by legal counsel other than an attorney (or a firm having associated with an attorney) who has been retained by or who has performed services within the past three years for the Council or any party to be indemnified, selected by the Council or a committee thereof by vote as set forth in (a) or (b) of this Section, or if the requisite quorum of the Council cannot be obtained therefor and such committee cannot be established, by a majority vote of the Council (in which selection member representatives who are parties may participate).

Section 3. Reasonableness of Expenses. 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 Section 2(c) of this article for the selection of such counsel.

Section 4. Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the articles of association, bylaws, agreement, vote of members, if any, or disinterested member representatives or otherwise.

Section 5. Insurance, Contracts and Funding. The Council may maintain insurance at its expense to protect itself and any member representative, employee or agent of the Council or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss,

whether or not the Council would have the power to indemnify such persons against such expense, liability or loss under the Washington Business Corporation Act. The Council may, without further action, enter into contracts with any member or member representative of the Council in furtherance of the provisions of this article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this article.

ARTICLE IX Bylaws

The authority to make, alter, amend or repeal bylaws is vested in the Council and may be exercised at any regular or special meeting called for that purpose, so long as they are not inconsistent with the provisions of these articles.

ARTICLE X Allocation of Costs

Members shall contribute to the expense of this association in amounts as established annually by the Council and agreed to by participating members pursuant to the budgetary laws set forth in the Revised Code of Washington.

ARTICLE XI Dissolution

No person shall be entitled to share in the distribution of any property or assets upon dissolution of the Council, or the winding up of its affairs. Upon the winding up or dissolution of the Council, the assets of the Council remaining after payment of, or provision for payment of, all debts and liabilities of the Council, shall be distributed to the members in the manner agreed upon by majority vote of a quorum.

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ARTICLE XII
Adoption

IN WITNESS WHEREOF, by signature of the representatives affixed below and by resolution attached as Appendix A and incorporated herein by this reference, the undersigned members do adopt these articles of association this ____ day of August, 2003. The signatures may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.

Print _____ Sign _____
[County Commissioner, Douglas County]

Print _____ Sign _____
[County Commissioner, Ferry County]

Print _____ Sign _____
[County Commissioner, Grant County]

Print _____ Sign _____
[County Commissioner, Lincoln County]

Print _____ Sign _____
[County Commissioner, Okanogan County]

Print _____ Sign _____
[County Commissioner, Pend Oreille County]

Print _____ Sign _____
[County Commissioner, Stevens County]

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