

ORDINANCE NO. 241

AN ORDINANCE OF THE TOWN OF HAMILTON, WASHINGTON, CREATING THE HAMILTON PUBLIC DEVELOPMENT AUTHORITY; AUTHORIZING A CHARTER AND BYLAWS THEREFORE; ESTABLISHING A BOARD OF DIRECTORS TO GOVERN THE AFFAIRS OF SAID PUBLIC DEVELOPMENT AUTHORITY, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

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(This Table of Contents is not a part of this Ordinance and is only for convenience of reference)

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ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF HAMILTON, WASHINGTON, CREATING THE HAMILTON PUBLIC DEVELOPMENT AUTHORITY; AUTHORIZING AN AUTHORITY CHARTER AND BYLAWS; ESTABLISHING A BOARD OF DIRECTORS TO GOVERN THE AFFAIRS OF THE AUTHORITY, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HAMILTON, WASHINGTON, as follows:

WHEREAS, the Town of Hamilton, Washington (the "Town"), is a municipal corporation organized and existing under the Constitution and laws of the State of Washington;

WHEREAS, the Town is authorized by RCW 35.21.730 to create public authorities to (i) administer and execute federal grants of programs, (ii) receive and administer private funds, goods or services for any lawful public purpose, and (iii) perform any lawful public purpose or public function;

WHEREAS, the Town is authorized by RCW 35.27.010 to purchase, lease, receive, hold, and enjoy real and personal property and control, lease, sublease, convey, or otherwise dispose of the same for the common benefit;

WHEREAS, the Town is located almost entirely within the floodway of the Skagit River and is subject to recurring floods;

WHEREAS, the recurring floods and associated buy-outs have caused the Town to decline economically, such that many residents cannot afford to relocate and Town facilities and infrastructure are deteriorating;

WHEREAS, flood assistance and other grant funding may be available to help relocate the Town, and a transfer of development rights could allow for the relocation of residences, Town facilities and infrastructure to land outside of the floodway; and

WHEREAS, the Town Council ("Council") hereby finds that the creation of a public authority to assist in moving Town facilities and infrastructure and residences out of the floodway, both from within Town limits and in unincorporated Skagit County, and facilitating economic development projects and social service functions, will assist the Town in its ability to improve the general living and economic conditions for the common benefit; and

WHEREAS, the Council hereby further finds that recurring floods have damaged infrastructure and economies in portions of eastern Skagit County, and that the creation of a public authority which could contract with other municipalities and agencies for economic

development, the provision of social services, flood damage mitigation, and other related projects, would assist the Town in addressing flood damage within its own limits through cooperation in larger projects of common regional benefit;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF HAMILTON as follows:

SECTION 1. DEFINITIONS

As used in this Ordinance, the following terms have the meanings provided in this Section 1. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural number and vice versa unless the context shall otherwise indicate.

“Authority” shall mean the Hamilton Public Development Authority, created by Section 2 of this Ordinance.

“Town Council” shall mean the Town’s legislative authority.

“Board of Directors” shall mean the governing body of the Authority.

“Bonds” shall mean any bonds, promissory notes, interim certificates, debentures, certificates of indebtedness or other obligations issued by the Authority pursuant to its Charter.

“Bylaws” shall mean the rules for the regulation or management of the affairs of the Authority adopted by this Ordinance, and all subsequent amendments thereto.

“Charter” shall mean the articles of organization of the Authority adopted by this Ordinance, and all subsequent amendments thereto.

“Clerk” shall mean the Town Clerk, and all persons authorized to act on his or her behalf in such capacity.

“Town” shall mean the Town of Hamilton, Washington, a municipal corporation duly organized and existing under the Constitution and laws of the State.

“Director” shall mean a member of the Board of Directors.

“Clerk/Treasurer” shall mean the Clerk/Treasurer of the Town.

“Immediate Family” shall mean (1) the spouse of an official or employee of the Authority, (2) any dependent parent, parent-in-law, child, son-in-law, or daughter-in-law of an official or employee of the Authority; and (3) any parent, parent-in-law, child, son-in-law, daughter-in-law, sibling, uncle, aunt, cousin, niece or nephew residing in the household of an official or employee of the Authority.

“State” shall mean the State of Washington

“Voting Membership” shall mean the total number of voting positions on the Board of Directors authorized by the Charter, whether filled or vacant.

SECTION 2. AUTHORITY CREATED

A public authority to be known as the “Hamilton Public Development Authority” (the “Authority”), is hereby created for the exclusive purpose of undertaking, assisting with and otherwise facilitating the following activities, all as authorized by RCW 35.21.730 through 35.21.757, for the purpose of improving the general living and economic conditions within the

Town of Hamilton:

- (a) entering into contracts and partnerships with private entities for relocating the Town of Hamilton out of the floodway to a new Town site;
- (b) administering a transfer of development rights program for relocating residential development from flood-prone portions of eastern Skagit County to a receiving zone in the new Town site;
- (c) applying for and administering federal, state and county and private grant programs, and receiving and administering federal, state, county and other public funds relating to these purposes;
- (d) providing low-income housing assistance to facilitate the relocation of the Town and the transfer of residents or development rights from flood-prone portions of Eastern Skagit County to the new Town site;
- (e) coordinating community services related to flood mitigation in the Town and elsewhere in Eastern Skagit County, including short and mid-range flood mitigation, relief and assistance;
- (f) providing a vehicle for economic development and redevelopment in the Town and Eastern Skagit County to mitigate flood damage;
- (g) constructing a service center for public and non-profit social and governmental services;
- (h) providing for assistance in creating commercial and/or industrial properties in the relocated Town site; and
- (i) providing and implementing such other municipal services and functions as the Town may direct relating to the relocation of the Town.

SECTION 3. TOWN LIABILITY LIMITED.

The Authority is an independent legal entity exclusively responsible for its own debts, obligations and liabilities. All liabilities incurred by the Authority shall be satisfied exclusively from the assets and credit of the Authority; no creditor or other person shall have any recourse to the assets, credits, or services of the Town on account of any debts, obligations (including Bonds) liabilities, acts or omissions of the Authority.

SECTION 4. GENERAL POWERS.

Except as otherwise limited by the Constitution of the State, State law, this Ordinance and the Charter, the Authority shall have and may exercise all lawful powers necessary or convenient to effect the purposes for which the Authority is organized, including the power to:

- (a) acquire, own and sell real and personal property;
- (b) contract for any corporate purpose with the United States of America, a state, and any political subdivision or agency of either, and with individuals, associations and corporations;
- (c) sue and be sued in its name;
- (d) lend and borrow money;
- (e) do anything a natural person may do;
- (f) perform all manner and type of community services and activities relating to the

relocation of the Town of Hamilton;

(h) provide and implement such municipal and community services and functions as the Town by ordinance, resolution or motion may direct;

(i) transfer any funds, real or personal property, property interests, or services;

(j) receive and administer federal or private funds, goods, or services for any lawful public purpose relating to the relocation of the Town of Hamilton;

(k) purchase, lease, exchange, mortgage, encumber, improve, use, or otherwise transfer or grant security interest in real or personal property or any interest therein; grant or acquire options on real and personal property; and contract regarding the income or receipts from real and personal property;

(l) contract for, lease, and accept transfers, gifts or loans of funds or property from the United States of America, a state, and any municipality or political subdivision or agency of either, including property acquired by any such governmental unit through the exercise of its power of eminent domain, and from corporations, associations, individuals or any other source, and to comply with the terms and conditions therefore;

(m) manage, on behalf of the United States of America, a state, and any municipality or political subdivision or agency of either, any property relating to the relocated Town site acquired by such entity through gift, purchase, construction, lease, assignment, default, or exercise of the power of eminent domain;

(n) recommend to appropriate governmental authorities public improvements and expenditures relating to the relocated Town site;

(o) recommend to the United States of America, a state, and any municipality or political subdivision or agency of either, the existence of any property that, if committed or transferred to the Authority, would materially advance the public purpose for which the Authority is chartered;

(p) initiate, carry out, and complete such improvements of benefit to the public consistent with its Charter as the United States of America, a state, and any municipality or political subdivision or agency of either may request;

(q) recommend to the United States of America, a state, any municipality or political subdivision or agency of either such tax, financing, and security measures as the Authority may deem appropriate to maximize the public interest in activities in which the Authority by its Charter has a particular responsibility;

(r) lend its funds, property, credit or services for purposes of the Authority, or act as a surety or guarantor for such purposes;

(s) provide advisory, consultative, training, educational, and community services or advice to individuals, associations, corporations, or governmental agencies, with or without charge;

(t) control the use and disposition of property, assets, and credit of the Authority;

(u) invest and reinvest funds;

(v) fix and collect charges for services rendered or to be rendered, and establish the consideration (if any) for property transferred;

(w) maintain books and records as appropriate for the conduct of its affairs;

(x) conduct its affairs; carry on its operations, and use its property as allowed by law and consistent with this Resolution, its Charter and its Bylaws;

(y) name corporate officials, designate agents, and engage employees, prescribing their duties, qualifications, and compensation; and secure the services of consultants for

professional services, technical assistance, or advice;

(z) hire staff, contractors, and legal counsel;

(aa) contract for staff services;

(bb) appoint officers, including a Secretary/Treasurer and an Executive Director, and appoint committees;

(cc) compensate its officials and others performing services for the Authority, including legal counsel, and reasonable expenses actually incurred in performing their duties;

(dd) assist its officials as members of a general class of persons to be assisted by an Authority-approved project or activity to the same extent as other members of the class as long as no special privileges or treatment accrues to such official by reason of his or her status or position in the Authority;

(ee) defend and indemnify any current or former Director or employee and their successors, spouses and marital communities against all costs, expenses, judgments, and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any claim, action, or proceeding, civil or criminal, in which he or she is or may be a party by reason of being or having been an official of the Authority, or by reason of any action alleged to have been an official of the Authority, or by reason of any action alleged to have been taken or omitted by him or her as such official, provided that he or she was acting in good faith on behalf of the Authority and within the scope of duties imposed or authorized by law. This power of indemnification shall not be exclusive of other rights which officials of the Authority may be entitled as a matter of law;

(ff) purchase insurance to protect and hold personally harmless any of its officials (including its employees or agents) from any action, claim or proceeding instituted against the foregoing individuals arising out of the performance, in good faith, of duties for, or employment with, the Authority and to hold these individuals harmless from such actions, claims or proceedings; provided, the purchase of such insurance and its policy limits shall be discretionary with the Board of Directors, and such insurance shall not be considered as compensation to the insured individuals; and provided further, the powers conferred by this paragraph 4 shall not be exclusive of any other powers conferred by law to purchase liability insurance; and

(gg) sell its assets for a consideration greater than their reasonable market value or acquisition costs, charge more for services than the expense of providing them, or carry out any other transaction or activity, as long as such gain is not the principal object or purpose of the Authority's Chartered Activities, and is applied to or expended upon services, projects and activities related to its Purpose as aforesaid.

(hh) identify and recommend to the United States of America, a state, any municipality or political subdivision or agency of either, the acquisition by the appropriate governmental entity (for transfer to or use by the Authority) of property rights, which, if so acquired, whether through purchase or the exercise of eminent domain, and so transferred or used, would materially advance the purpose for which the Authority is chartered; and

(ii) exercise and enjoy such other powers as may be authorized from time to time by law.

SECTION 5. LIMITATION OF POWERS

The Authority, in all activities and transactions, shall be limited in the following respects:
The Authority shall have no power of eminent domain nor any power to levy taxes or

special assessments.

The Authority may not incur or create any liability that permits recourse by any party or member of the public to any assets, services, resources, or credit of the Town. All liabilities incurred by the Authority shall be satisfied exclusively from the assets and credit of the Authority, and no creditor or other person shall have any recourse to the assets, credit, or services of the Town on account of any debts, obligations, liabilities, acts or omissions of the Authority.

No funds, assets or property of the Authority shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall any funds of a substantial part of the activities of the Authority be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States of America, or the Legislature of the State or the Town Council; provided, however, that funds may be used for representatives of the Authority to communicate with members of Congress, state legislators or Town Council members concerning funding and other matters directly affecting the Authority, so long as such activities do not constitute a substantial part of the Authority's activities and unless such activities are specifically limited in its Charter.

All funds, assets, or credit of the Authority shall be applied toward or expended upon services, projects, and activities authorized by its Charter. No part of the net earnings of the Authority shall inure to the benefit of, or be distributable as such to, its Directors, its officers or other private persons, except that the Authority is authorized and empowered to:

The Authority shall not issue shares of stock, pay dividends, make private distribution of assets, make loans to its Directors or employees or otherwise engage in business for private gain.

SECTION 6. CHARTER

The Charter, attached to this Ordinance as Exhibit "A" and hereby made a part hereof, is hereby approved. The Charter shall be issued in duplicate originals, each bearing the Town's official seal attested by the Clerk. One original shall be retained by the Clerk and filed as a public record; a duplicate original shall be provided to the Authority. The Clerk shall give notice of the issuance of the Charter to the Secretary of State and furnish a copy thereof and of this Ordinance upon request.

SECTION 7. EFFECT OF ISSUANCE OF CHARTER

The Authority shall commence its existence effective upon issuance of its Charter. Except as against the State or the Town in a proceeding to cancel or revoke the Charter, delivery of a duplicate original Charter shall conclusively establish that the Authority has been established in compliance with the procedures of this Ordinance. The Authority shall conduct its affairs in accordance with the Charter, as it may be amended by the Town from time to time.

SECTION 8. BOARD OF DIRECTORS

Creation of the Board of Directors. A five to eleven-member board of directors as determined by the Town Council (the "Board of Directors") is hereby established to govern the affairs of the Authority. All corporate powers of the Authority shall be exercised by or under the authority of the Board of Directors; and the business, property and affairs of the Authority shall

be managed under the direction of the Board of Directors, except as may be otherwise provided for by law or in the Charter.

Appointment of Board of Directors. The Board of Directors shall be appointed by the Town Council for staggered terms as provided in the Charter. All directors shall be appointed by the Town Council, and the should include at least: one elected official from the Town; one Town employee; one elected official from Skagit County, or if not available, from a municipality located within Skagit County; one employee of Skagit County's Planning or Public Works Departments, or if not available, one employee of a similar department from a municipality located within Skagit County; and one representative from either the board of a local services organization, such as the Skagit County Community Action Agency or an individual involved in private real estate development in Skagit County. Directors may be re-appointed to serve consecutive terms on the Board of Directors. A vacancy on the Board of Directors because of death, resignation, removal, disqualification, or any other cause, shall be filled for the remainder of the term of the vacant position in the manner prescribed in the Charter for the position vacated.

Term of Office. Except for the initial Directors, the members of the Board of Directors shall serve a term of four years, or until their successor is nominated and confirmed as provided in this Resolution. The terms of office of the Directors shall be staggered in the manner provided in the Charter. A Director shall serve for the term designated and until his or her successor shall have been confirmed, except as provided in paragraph D below of this Ordinance.

Removal of Directors. If it is determined for any reason that any or all of the Directors should be removed from office, after a full public hearing and after selection of appropriate replacements by the Town Council pursuant to this section, the Town Council may by resolution remove any or all Directors from office. The term of any Director removed pursuant to this paragraph D shall expire when the removal ordinance takes effect. Vacancies created under this section shall be filled in the same manner as provided in the Charter for filling vacancies created upon the regular expiration of terms. The term of any Director nominated and confirmed pursuant to this paragraph D shall begin at the expiration of the term of the Director being replaced and shall continue until the regular expiration of the term of the position being filled.

SECTION 9. ORGANIZATIONAL MEETING

Upon issuance of the Charter, the Clerk shall call an organizational meeting of the initial Directors within 30 days, giving at least three days' advance written notice to each, unless waived in writing. At such meeting, the Board of Directors shall organize itself.

SECTION 10. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors shall meet at least six times each year. Special meetings of the Board of Directors may be called as provided by the Charter, the Bylaws or chapter 42.30 RCW.

The Board of Directors of the Authority shall be the governing body of a public agency as defined in RCW 42.30.020, and all meetings of the Board of Directors shall be held and

conducted in accordance with chapter 42.30 RCW.

All Board of Directors meetings, including executive meetings, and all other permanent and ad hoc committee meetings, shall be open to the public to the extent required by chapter 42.30 RCW. The Board of Directors and its committees may hold executive sessions to consider matters enumerated in chapter 42.30 RCW, or privileged matters recognized by law, and shall enter the cause therefore upon its official journal.

SECTION 11. QUORUM

The Charter or Bylaws shall establish the requirements for a quorum of the Board of Directors. 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; provided:

(a) a quorum to commence a Board of Directors meeting shall be no fewer than a majority of the Board of Director's Membership; and

(b) any resolution authorizing or approving an action of the Board of Directors described in this Ordinance shall require an affirmative vote of a majority of the Directors voting on the issue, provided further that such majority equals at least three Directors and no less than one-third of the Board of Director's Membership.

SECTION 12. BOARD REVIEW AND CONCURRENCE AND TOWN APPROVAL

At least quarterly, the Board of Directors shall review monthly statements of income and expenses which compare budgeted expenditures to actual expenditures. The Board of Directors shall review all such information at regular meetings, the minutes of which shall specifically note such reviews and include such information and shall be provided to the Town Council.

At least on an annual basis, the Board of Directors shall submit a budget and corresponding plan of action to the Town Council for approval. The first such annual budget and plan of action shall be submitted to the Town Council for approval within six months of the creation of the Authority.

General or particular authorization or review and concurrence of the Board of Directors by resolution shall be necessary for all transactions and activities, except administrative matters that may be delegated.

Pre-approval by the Town Council by resolution shall be required for the following transactions and activities:

(a) acquisition, transfer or conveyance of an interest in real estate, other than release of a lien or satisfaction of a mortgage after payment has been received and the execution of a lease for a current term less than one year;

(b) the contracting of debts, issuances of notes, debentures, and the mortgaging or pledging of authority assets or credit to secure the same;

(c) the loan or donation of money, property or other assets belonging to the Authority;

- (d) an action by the Authority as a surety or guarantor;
- (e) all capital expenditures in excess of \$25,000, and all other transactions in which:
 - (i) the consideration exchanged or received by the Authority exceeds the greater of one percent of the previous year' operating budget or \$25,000; (ii) the performance by the Authority extends over a period exceeding one year from the date of execution of an agreement therefore; or (iii) the Authority assumes duties to the Town, the State, the United States of America or other governmental entity;
- (f) any substantial project or major activity outside the limits of the Town;
- (g) adoption of an annual budget and a separate capital budget;
- (h) certification of annual reports and statements to be filed with the Clerk as true and correct in the opinion of the Board of Directors and of its members except as noted; and
- (i) proposed amendments to the Charter and Bylaws.

The Town may enter into a binding agreement with the Authority to provide approval in advance of an action, or to provide approval in advance for a phased action or a series of planned actions. Such an agreement, if approved by resolution of the Town Council, may be relied upon by the Board as approval of the Town for purposes of this Section 12.

SECTION 13. CHARTER AMENDMENTS

The Board of Directors may propose to the Town Council that the Charter be amended. Such proposal must be made by resolution of the Board of Directors passed by a procedure outlined in its Charter at a regular or special meeting of which 30 days' advance written notice was given. Information regarding a proposed Charter amendment shall be provided to members of the Board of Directors two weeks prior to the meeting at which a vote will be taken and shall include the proposed amendment and a statement of its purpose and effect.

After adoption of a proposed Charter amendment by the Board of Directors, the Authority shall file three complete copies of the Charter with the Clerk. One copy shall be in a format that strikes over material to be deleted and underlines new material. The Charter may be amended only by ordinance. If the Town Council approves the proposed amendment, the revised Charter shall be issued in duplicate originals, each bearing the Town's official seal and attested by the Clerk. One original and the underlined and overstricken copy shall be retained by the Clerk as a public record and the other original shall be delivered to the Authority. A Charter amendment proposed by the Authority shall take effect and become a part of the Charter upon issuance of the revised Charter by the Clerk.

When required by law, the Authority shall propose to the Town Council an amendment to the Authority's Charter that will conform with said law. As necessary and appropriate, the Town Council may amend the Authority Charter by ordinance.

SECTION 14. BYLAWS

The initial bylaws of the Authority (the "Bylaws"), attached to this Ordinance as Exhibit "B" and hereby made a part hereof, are hereby approved. The Board of Directors may propose to the Town Council that the Bylaws be amended. Such proposal must be made by resolution of

the Board of Directors passed by a procedure outlined in its Charter at a regular or special meeting of which 30 days' advance written notice was given. Information regarding a proposed Bylaws amendment shall be provided to members of the Board of Directors two weeks prior to the meeting at which a vote will be taken and shall include the proposed amendment and a statement of its purpose and effect.

After adoption of a proposed Bylaws amendment by the Board of Directors, the Authority shall file three complete copies of the Bylaws with the Clerk. One copy shall be in a format that strikes over material to be deleted and underlines new material. The Bylaws may be amended only by ordinance. If the Town Council approves the proposed amendment, the revised Bylaws shall be issued in duplicate originals, each bearing the Town's official seal and attested by the Clerk. One original and the underlined and overstricken copy shall be retained by the Clerk as a public record and the other original shall be delivered to the Authority. A Bylaws amendment proposed by the Authority shall take effect and become a part of the Bylaws upon issuance of the revised Bylaws by the Clerk.

The Bylaws may contain any provisions for the regulation and management of the affairs of the Authority not inconsistent with law or the Charter.

Amendments to the Bylaws shall not take effect until ten days after filing of the same with the Clerk, unless such amendments shall have been passed by unanimous vote or the Board of Directors and an earlier effective date set.

As necessary and appropriate, the Town Council may amend the Bylaws by ordinance.

SECTION 15. OFFICIALS OF AUTHORITY—FIDELITY BONDS

Each official of the Authority responsible for handling accounts and finances shall file as soon as practicable with the Authority a fidelity bond in an amount determined by the Authority to be adequate and appropriate, and may hold his office only as long as such a bond continues in effect.

SECTION 16. CODE OF ETHICS—CONFLICT OF INTEREST

Except as provided in this Section 16, a Director or employee of the Authority may not participate in a decision of the Authority in which that person or a member of that person's Immediate Family has a financial interest unless the financial interest is a remote financial interest and participation is approved under subsection B of this Section 16.

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

shall mean:

that of a nonsalaried officer or director of a nonprofit corporation;

that of an employee or agent of a contracting party where the compensation of the employee or agent consists entirely of fixed wages or salary and the contract is awarded by bid or by other competitive process;

that of a landlord or tenant of a contracting party, except in cases where the property subject to the lease or sublease is owned or managed by the Authority;

that of a holder of less than one percent of the shares of the corporation or cooperative that is the contracting party; or

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

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

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

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

SECTION 17. DISCRIMINATION PROHIBITED

Membership on the Board of Directors may not directly or indirectly be based upon or limited by creed, age, race, color, religion, sex, national origin, marital status or the presence of any sensory, mental or physical handicap, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available.

To ensure equality of employment opportunity, the Authority shall not discriminate in any matter related to employment because of creed, age, race, color, religion, sex, national origin, marital status or the presence of any sensory, mental or physical handicap, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available. The Authority shall, in all solicitations or advertisements for employees placed by or on behalf of the Authority, state that all qualified applicants will receive consideration for employment without regard to creed, age, race, color, religion, sex, national origin, marital status or the presence of any sensory, mental or physical handicap, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available.

SECTION 18. DEPOSIT OF PUBLIC FUNDS

All money belonging to or collected for the use of the Authority, coming into the hands of any Director or employee thereof, shall be deposited in a qualified public depository as determined by the Washington Public Deposit Protection Commission. Such money may be invested at the direction of the Board of Directors, by resolution, in investments which would be lawful for the investment of Town funds.

SECTION 19. ESTABLISHMENT AND MAINTENANCE OF OFFICE AND RECORDS

The Authority shall: (1) maintain a principal office at a location within the limits of the Town; (2) file and maintain with the Clerk a current listing of all Authority officials, their positions and their home addresses, their business and home phone numbers, the address of its principal office and of all other offices used by it, and a current set of its Bylaws; and (3) maintain all of its records in a manner consistent with the Preservation and Destruction of Public Records Act (chapter 40.14 RCW).

SECTION 20. REPORTS AND INFORMATION

The Authority shall, within three months after the end of its fiscal year, file an annual report with the Clerk containing a certified statement of assets and liabilities, income and expenditures and changes in its financial position during the previous year; a summary of significant accomplishments; a list of depositories used; a projected operating budget for the current fiscal year; a summary of projects and activities to be undertaken during the current year; a list of Authority officials and a list of officials bonded pursuant to Section 15 of this Ordinance.

SECTION 21. AUDITS AND INSPECTIONS

The Authority shall, at any time during normal business hours and as often as the Town Council or the State Auditor deem necessary, make available to the Town Council and the State Auditor for examination all of its financial records, and shall permit the Town Council and State Auditor to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all the aforesaid matters. The Town Council and State Auditor shall have no right, power or duty to supervise the daily operations of the Authority, but shall oversee such operations only through their powers to audit, modify the Authority Charter and Bylaws and to remove Directors all as set forth in this Ordinance, all for the sole purpose of correcting any deficiency and assuring that the purposes of the Authority are reasonably accomplished.

SECTION 22. ACCESS TO RECORDS

The Authority shall keep an official journal containing the minutes of proceedings at all meetings of the Board of Directors and all resolutions of the Board of Directors. Any person shall have access to records and information of the Authority to the extent required by state law.

SECTION 23. TRUSTEESHIP

If it is determined for any reason that a trusteeship or receivership should be imposed over the Authority, the Town may, after a public hearing held with notice to the Authority, petition the Superior Court by resolution to impose a trusteeship over the Authority and to appoint the trustees therefore. Any trustee appointed by the Superior Court shall take such actions as necessary during the trusteeship to achieve the object thereof. The trustee shall have the power and authority to reorganize the Authority and recommend amendment of its Charter

and/or its Bylaws; suspend and/or remove Authority officials, and manage the assets and affairs of the Authority; and exercise any and all Authority powers as necessary or appropriate to fulfill outstanding agreements, to restore the capability of the Authority, to perform the functions and activities for which it is chartered, to reinstate its credit or credibility with its creditors or obligees, and, if so authorized by the Superior Court, to oversee its dissolution.

SECTION 24. TERMINATION OF THE AUTHORITY

If the Town Council makes an affirmative finding that termination is warranted for any reason, the existence of the Authority may be terminated by ordinance of the Town Council at or after a public hearing, held with notice to the Authority and affording it a reasonable opportunity to be heard and present testimony.

SECTION 25. DISSOLUTION OF THE AUTHORITY

Upon enactment of an ordinance by the Town Council for termination of the Authority, or upon adoption of a resolution by the Authority for its own dissolution, the Authority shall file with the Clerk a dissolution statement setting forth:

the name and principal office of the Authority;

the debts, obligations and liabilities of the Authority, including conditions of grants and donations, and the property and assets available to satisfy the same; the provisions to be made for satisfaction of outstanding liabilities and performance of executory contracts; and the estimated time for completion of its dissolution;

any pending litigation or contingent liabilities;

the resolution of the Board of Directors providing for such dissolution and the proceedings leading toward its adoption, if such dissolution is voluntary; and

a list of persons to be notified upon completion of dissolution.

The Town Clerk/Treasurer shall review the statement filed and oversee the dissolution to protect the public interest, or if so authorized by law, authorize or initiate proceedings in the Superior Court for the appointment and supervision of a receiver for such purposes. Upon satisfactory completion of dissolution proceedings, the Clerk/Treasurer shall indicate such dissolution by inscription of "Charter canceled" on the original Charter, on file with the Clerk and, when available, on the duplicate original of the Authority, and the existence of the Authority shall cease. The Clerk shall give notice thereof to the Secretary of State and other persons requested by the Authority in its dissolution statement.

Upon dissolution of the Authority and the winding up of its affairs, the Town Council may provide for the transfer of the rights, assets, and property of the Authority to a qualified entity or entities which will fulfill the purposes for which the Authority was chartered. Otherwise, title to all remaining property or assets of the Authority shall vest in the Town upon the dissolution of the Authority.

SECTION 26. INSURANCE

The Authority shall maintain in full force and effect public liability insurance in an

amount sufficient to cover potential claims for bodily injury, death or disability and for property damage, which may arise from or be related to projects and activities of the Authority, naming the Town as an additional insured.

SECTION 27. UNAUTHORIZED REPRESENTATION

All persons who assume to act for the Authority without actual authority to do so shall be liable for the debts and liabilities incurred or arising as a result thereof.

SECTION 28. ANCILLARY AUTHORITY

The Director of Administrative Services and Clerk are granted all such power and authority as reasonably necessary or convenient to enable them to administer this Ordinance efficiently.

SECTION 29. CONSTRUCTION

This Ordinance shall be liberally construed so as to effectuate its purposes.

SECTION 30. RATIFICATION

All action heretofore taken by the Town Council and the employees of the Town (not inconsistent with the provisions of this Ordinance) in connection with the formation of the Authority are hereby ratified, confirmed and approved.

SECTION 31. EFFECTIVE DATE

This Ordinance shall be in effect five days after passage and publication as provided by law.

PASSED and APPROVED by the Town Council and Mayor of the Town of Hamilton, Washington, at a regular meeting held on September _____, 2004.

MAYOR

ATTEST:

Clerk of the Town of Hamilton

Approved as to Form:

Town Attorney

CERTIFICATE

I, _____, Clerk of the Town of Hamilton, Washington, hereby certify that the foregoing resolution is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the Town Council duly and regularly held at the regular meeting place thereof on September ____, 2004, of which meeting all members of said Town Council had due notice and at which a majority thereof was present; and that at said meeting said resolution was adopted by the following vote:

AYES, and in favor thereof, Council Members: _____

NAYS, Council Members: _____

ABSENT, Council Members: _____

ABSTAIN, Council Members: _____

I further certify that I have carefully compared the same with the original Ordinance on file and of record in my office; that said resolution is a full, true, and correct copy of the original resolution adopted at said meeting; and that said resolution has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of said Town of Hamilton on September ____, 2004.

TOWN OF HAMILTON, WASHINGTON

SEAL

Delilah Sutton
Town Clerk

Exhibit A:

CHARTER

of the

**HAMILTON PUBLIC DEVELOPMENT
AUTHORITY**

CHARTER

of the

HAMILTON PUBLIC DEVELOPMENT AUTHORITY

ARTICLE I: NAME AND SEAL

Section 1.01. *Name.* The name of the authority shall be HAMILTON PUBLIC DEVELOPMENT AUTHORITY (hereinafter referred to as the “Authority”).

Section 1.02. *Seal.* The Authority’s seal shall be a circle with the name “Hamilton Public Development Authority” inscribed therein.

ARTICLE II: AUTHORITY AND LIMIT ON LIABILITY

Section 2.01. *Authority.* The Authority is a public corporation organized pursuant to RCW 35.21.730 through 35.21.757, as amended (the “Act”) and Ordinance No. _____ (the “Ordinance”) of the Town of Hamilton, Washington (the “Town”).

Section 2.02. *Limit on Liability.* All liabilities incurred by the Authority shall be satisfied exclusively from the assets, credit, and properties of the Authority, and no creditor or other person shall have any right of action against or recourse to the Town, its assets, credit, or services, on account of any debts, obligations, liabilities or acts or omissions of the Authority.

Section 2.03. *Mandatory Disclaimers.* The following disclaimer shall be posted in a prominent place where the public may readily see it in the Authority’s principal and other offices. It shall also be printed or stamped on all contracts, bonds, and other documents that may entail any debt or liability by the Authority.

The Authority is a public authority organized pursuant to the Ordinance and the laws of the State of Washington, and more particularly the Act. RCW 35.21.750 provides, in part, as follows:

“[A]ll liabilities incurred by such public corporation, commission or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission, or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority.”

ARTICLE III: DURATION

The duration of the Authority shall be perpetual except as provided in the Ordinance.

ARTICLE IV: PURPOSE

The purpose of the Authority is to provide a legal entity organized under the Act and the Resolution to undertake, assist with and otherwise facilitate or provide for the following activities (the "Chartered Activities"), for the purpose of improving the general living and economic conditions within the Town of Hamilton:

1. entering into contracts and partnerships with private entities for relocating the Town of Hamilton out of the floodway to a new Town site;
2. administering a transfer of development rights program for relocating residential development from flood-prone portions of eastern Skagit County to a receiving zone in the new Town site;
3. applying for and administering federal, state and county and private grant programs, and receiving and administering federal, state, county and other public funds relating to these purposes;
4. providing low-income housing assistance to facilitate the relocation of the Town and the transfer of residents or development rights from flood-prone portions of Eastern Skagit County to the new Town site;
5. coordinating community services related to flood mitigation in the Town and elsewhere in Eastern Skagit County, including short and mid-range flood mitigation, relief and assistance;
6. providing a vehicle for economic development and redevelopment in the Town and Eastern Skagit County to mitigate flood damage;
7. constructing a service center for public and non-profit social and governmental services;
8. providing for assistance in creating commercial and/or industrial properties in the relocated Town site; and
9. providing and implementing such other municipal services and functions as the Town may direct relating to the relocation of the Town.

To the extent appropriate and consistent with the needs and objectives of the Town and to facilitate or provide for the Chartered Activities, the Authority will undertake and accomplish all activities necessary or convenient for the development, operation and implementation of the Chartered Activities. The Authority shall have no purpose other than the development, operation and implementation of the Chartered Activities.

For the purpose only of securing the exemption from federal income taxation for interest on obligations of the Authority, the Authority constitutes an authority and instrumentality of the Town (within the meaning of those terms in regulations of the United States Treasury and rulings of the Internal Revenue Service prescribed pursuant to Section 103 of the Internal Revenue Code of 1986, as amended).

ARTICLE V: POWERS

Section 5.01. Powers. The Authority shall have and may exercise all lawful powers conferred by state laws, the Ordinance, this Charter and its Bylaws. The Authority in all of its activities and transactions shall be subject to the powers, procedures, and limitations contained in the Ordinance.

Section 5.02. Annual Budget and Plan of Action. The Authority shall submit a budget and corresponding plan of action to the Town Council for approval on an annual basis, as provided in Section 12 of the Ordinance. The first such annual budget and plan of action shall be submitted to the Town Council for approval within 6 months of the creation of the Authority.

Section 5.02. Indemnification. To the extent permitted by law, the Authority shall protect, defend, hold harmless and indemnify any person who becomes a director, officer, employee or agent of the Authority, and who is a party or threatened to be made a party to a proceeding by reason related to that person's conduct as a director, officer, employee or agent of the Authority, against judgments, fines, penalties, settlements and reasonable expenses (including attorneys' fees) incurred by him or her in connection with such proceeding, if such person acted in good faith and reasonably believed his or her conduct to be in the Authority's best interests and if, in the case of any criminal proceedings, he or she had no reasonable cause to believe his or her conduct was unlawful. The indemnification and protection provided herein shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract or by vote of the Board of Directors. The Authority may purchase and maintain appropriate insurance for any person to the extent provided by the applicable law.

ARTICLE VI: BOARD OF DIRECTORS

Section 6.01. Board of Directors Composition. Management of all Authority affairs shall reside in a five to eleven-member board of directors (the "Board of Directors"). All directors shall be appointed by the Town Council, and should include at least: one elected official from the Town; one Town employee; one elected official from Skagit County, or if not available, from a municipality located within Skagit County; one employee of Skagit County's Planning or Public Works Departments, or if not available, one employee of a similar department from a municipality located within Skagit County; and one representative from either the board of a local services organization, such as the Skagit County Community Action Agency or an individual involved in private real estate development in Skagit County. The terms of the Directors shall be determined as follows:

1. Within two months of the issuance of this Charter, the initial Board of Directors shall by resolution divide the members of the Board of Directors as evenly as possible into three classes (designated Class I, Class II, and Class III).
2. The initial terms of those Directors that are in Class I shall be three years. The initial terms of those Directors that are in Class II shall be four years. The initial terms of those Directors that are in Class III shall be five years.
3. At the regular meetings of the Board of Directors that coincides most closely with the third anniversary of the issuance of this Charter, the terms of those Directors that

are in Class I shall expire, provided that they shall continue in office until their successors are selected and qualified as provided in the Bylaws.

4. This re-appointment procedure shall continue annually as to successive classes, so that at the regular meeting of the Board of Directors that coincides most closely with each anniversary of the issuance of this Charter, a new class of Directors shall take office; provided, however, that each person so selected shall hold office for the four-year term for which he or she is selected and until his or her successor shall have been selected and qualified; and provided that there shall be no restriction on Directors serving successive terms.

Section 6.02. *Board of Directors Concurrence and Quorum Defined.* “Board of Directors concurrence, “as used in this Article VI, may be obtained at any regular or special Board of Directors meeting by an affirmative vote of the Directors voting on the issue, provided that such majority equals no less than three votes.

A quorum to commence a Board of Directors meeting shall be no fewer than three Directors. The bylaws of the Authority may prescribe Board of Directors quorum restrictions that equal or exceed the quorum restrictions imposed in this Section 6.02. Directors present at a duly convened meeting may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 6.03. *Officers and Division of Duties.* The Authority shall have a Secretary Treasurer, to serve as a fiscal agent and as a process service agent. The Secretary Treasurer shall be appointed by the Board of Directors. Additional officers may be provided for in the Bylaws of the Authority. The Secretary Treasurer shall manage the daily affairs and operations of the Authority and may delegate such tasks as the Board of Directors deems advisable to other officers, employees and agents of the Board of Directors. The Bylaws may designate additional corporate officials as agents to receive or initiate process. The Board of Directors shall oversee the activities of the corporate officers, establish and/or implement policy, participate in corporate activity in matters prescribed by Town ordinance, and shall have stewardship for management and determination of all corporate affairs.

Section 6.04. *Committees.* The appointment of other committees shall be provided for in the Bylaws.

ARTICLE VII: MEETINGS

Section 7.01. *Board of Directors Meetings.* The Board of Directors shall meet as necessary, but not less than every other month. Special meetings of the Board of Directors may be called as provided in the Bylaws.

Section 7.02. *Open Public Meetings.* Notice of meetings shall be given in a manner consistent with the Open Public Meetings Act (chapter 42.30 RCW). In addition, the Authority shall routinely provide reasonable notice of meetings to any individual specifically requesting it in writing. At such meetings, any citizen shall have a reasonable opportunity to address the

Board of Directors either orally or by written petition. Voting by telephone or by proxy is not permitted.

Section 7.03. *Parliamentary Authority.* The rules of *Robert's Rules of Order* shall govern the Authority in all cases to which they are applicable, where they are not inconsistent with this Charter or with the special rules of order of the Authority set forth in the Bylaws.

Section 7.04. *Minutes.* The Secretary shall keep, or cause to be kept, minutes of all regular or special meetings of the Board of Directors. Such minutes shall be available to any person or organization that requests them as required by state law. Minutes with respect to closed executive sessions need not be made available. The minutes of all Board of Directors meetings shall include a record of individual votes on all matters requiring Board of Directors concurrence.

ARTICLE VIII: BYLAWS

The initial Bylaws for the Authority shall be established by the Town Council. The initial Bylaws may be amended, with Town approval, to provide additional or different rules governing the Authority and its activities as are not inconsistent with the laws of the State of Washington, the Ordinance or this Charter. The Board of Directors may provide in the Bylaws for all matters related to the governance of the Authority, including but not limited to matters referred to elsewhere in this Charter for inclusion therein.

ARTICLE IX: AMENDMENTS TO CHARTER AND BYLAWS

Section 9.01. *Proposals to Amend Charter and Bylaws.*

1. Proposals to amend this Charter or the Bylaws shall be presented in a format which strikes over material to be deleted and underlines new material.
2. Any Director may introduce a proposed amendment to this Charter or the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting of which ten days' advance notice has been given to members of the Board of Directors.

Section 9.02. *Board of Directors Consideration of Proposed Amendments.* If notice of a proposed amendment to this Charter or to the bylaws, and information, including the text of the proposed amendment and a statement of its purpose and effect, is provided to members of the Board of Directors 15 days prior to any regular Board of Directors meeting or any special meeting of which 30 days' advanced notice has been given, then the Board of Directors may vote on the proposed amendment at the same meeting as the one at which the amendment is introduced. If such notice and information is not so provided, the Board of Directors may not vote on the proposed amendment until the next regular Board of Directors meeting or special meeting of which 30 days' advance notice has been given and at least 15 days prior to which meeting such notice and information is provided to Directors. Germane amendments to the

proposed amendment within the scope of the original amendment will be permitted at the meeting at which the vote is taken.

Section 9.04. *Vote Required for Amendments to Charter or Bylaws.* Resolutions of the Board of Directors approving proposed amendments to this Charter or to the Bylaws require an affirmative vote of a majority of the Directors voting on the issue, provided that such majority equals not less than three votes.

Section 9.04. *Town Council Approval of Proposed Charter and Bylaws Amendments.* Proposed Charter or Bylaws amendments adopted by the Board of Directors shall be submitted to the Town Council. This Charter may be amended only by resolution as provided in the Ordinance.

ARTICLE X: COMMENCEMENT

The Authority shall commence its existence effective upon the issuance of its Charter, as sealed and attested by the Clerk.

ARTICLE XI: DISSOLUTION

Dissolution of the Authority shall be in the form and manner required by state law, Town Ordinance, and the Bylaws.

ARTICLE XII: APPROVAL OF CHARTER

APPROVED by Ordinance No. _____, adopted by the Town of Hamilton, Washington, on September ____, 2004.

CERTIFICATE

I, _____, Clerk of the Town of Hamilton, Washington, hereby certify that the attached CHARTER OF THE HAMILTON PUBLIC DEVELOPMENT AUTHORITY is a true and correct original of such charter and by-laws as authorized by Ordinance No. _____ of the Town of Hamilton.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of said Town of Hamilton on September _____, 2004.

TOWN OF HAMILTON, WASHINGTON

Clerk, Town of Hamilton

Exhibit B:

BY-LAWS

of the

**HAMILTON PUBLIC DEVELOPMENT
AUTHORITY**

BY-LAWS

of the

HAMILTON PUBLIC DEVELOPMENT AUTHORITY

ARTICLE I: MEMBERSHIP

Section 1.01. *Board Tenure.* For the purpose of determining Board member tenure, the anniversary of the issuance of the Charter shall be _____ of each year.

Section 1.02. *Vacancies.* A vacancy or vacancies on the Board shall be deemed to exist in the case of the death, disability, resignation or removal of any Board member as provided in the Authority's Charter.

ARTICLE II: OFFICERS AND COMMITTEES

Section 2.01. *Officers Designated.* The officers of the Board shall include a Secretary Treasurer, who shall be elected by the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board. No person may simultaneously hold more than one office. In addition to the powers and duties specified below, the officers shall have such powers and perform such duties as the Board may prescribe.

Section 2.02. *Election, Qualification and Term of Office.* Each of the officers shall be elected by the Board from among its members. The officers shall be elected by the Board at the first regular meeting after the term of new or reappointed Board members commences each year, for a one-year term, and each officer shall hold office during said one-year term and until his or her successor is elected. The first officers of the Board shall be elected by the Board at its original meeting.

Section 2.03. *Powers and Duties.* The Secretary Treasurer of the Hamilton Public Development Authority (the "Authority") shall have the following duties:

- (a) receive and faithfully keep all funds of the Authority and deposit same in such bank or banks as may be designated by the Authority Board of Directors;
- (b) keep a full and complete record of the meetings of the Authority Board of Directors, committees, when acting on behalf of the Board with appropriate minutes;
- (c) keep the seal of the Authority and affix the same to such papers and such instruments as may be required in the regular course of business;
- (d) make service of such notices as may be necessary or proper;
- (e) supervise the keeping of the books and other records and ledgers and other written documents comprising the business and purpose of the Authority;
- (f) receive and delivery process; and
- (g) discharge such other duties as pertain to the office as prescribed by the Authority Board of Directors.

Before taking office, the Secretary Treasurer shall file a bond in an amount of \$5,000.00 and shall continue in office only so long as such bond continues in effect, unless there is adequate insurance coverage in place to satisfy the Board and Town.

Section 2.04. *Removal From Office.* Upon reasonable prior notice to all Board members of the alleged reasons for dismissal, the Board by an affirmative vote of the majority of the Board members may remove any officer of the Board from his or her office whenever in its judgment the best interests of the Authority will be served thereby.

Section 2.05. *Vacancies.* The Board shall fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until his or her successor shall have been duly appointed and qualified.

ARTICLE III: MEETINGS

Section 3.01. *Regular Board Meetings.* Regular meetings of the Board shall be held at least once every other month at a time and place to be determined by the Board by resolution. Notice of regular meetings shall be given in a manner with the Open Public Meetings Act (chapter 42.30 RCW).

Section 3.02. *Special Board Meetings.* Special meetings of the Board may be held at any place at any time whenever called by the majority of the members of the Board.

Section 3.03. *Notice of Regular Board Meetings.* Notice of regular meetings shall be given in a manner consistent with the Charter and the Open Public Meetings Act (chapter 42.30 RCW).

Section 3.04. *Notice of Special Board Meetings.* Notice of all special meetings of the Board shall be given by the Secretary or by the person or persons calling the special meeting by delivering personally or by mail written notice at least twenty-four (24) hours prior to the time of the meeting to each Board member, to the Town Clerk, and to each local newspaper of general circulation and to each radio or television station that has requested notice as provided in RCW 42.30.080. In addition, the Authority shall provide notice of special meetings to any individual specifically requesting it in writing. The time and place of the special meeting and the business to be transacted must be specified in the notice. Final disposition shall not be taken on any other matter at such meetings.

Section 3.05. *Waiver of Notice.* Notice as provided in Sections 3.03 and 3.04 hereof may be dispensed with as to any member of the Board who at or prior to the time the meeting convenes files with the Board of the Authority a written waiver of notice or who is actually present at the meeting at the time it convenes. Such notice may also be dispensed with as to special meetings called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, where time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage. Provided, notice concerning proposed amendments to the Charter or Bylaws and votes on such amendments, may not be waived.

Section 3.06. *Notice to Town Clerk.* Notice of all meetings and proposed agendas and minutes of all meetings of the Board shall be given to the Town Clerk.

ARTICLE IV: AMENDMENTS TO CHARTER AND BYLAWS

Section 4.01. *Proposals to Amend Charter and Bylaws.*

(a) Proposals to amend the Charter or Bylaws shall be presented in a format which strikes over material to be deleted and underlines new material.

(b) Any Board member may introduce a proposed amendment to the Charter or to the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting of which thirty (30) days' advance notice has been given.

Section 4.02. *Board Consideration of Proposed Amendments.* If notice of a proposed amendment to the Charter or to the Bylaws, and information including the text of the proposed amendment and a statement of its purpose and effect, is provided to members of the Board fifteen (15) days prior to any regular Board meeting or any special meeting of which thirty (30) days' advance notice has been given, then the Board may vote on the proposed amendment at the same meeting as the one at which the amendment is introduced. If such notice and information is not so provided, the Board may not vote on the proposed amendment until the next regular Board meeting or special meeting of which thirty (30) days' advance notice has been given and at least fifteen (15) days prior to which meeting such notice and information is provided to Board members. Germane amendments to the proposed amendment within the scope of the original amendment will be permitted at the meeting at which the vote is taken.

Section 4.03. *Board Recommendation of Proposed Amendments to Charter or Bylaws.* Resolutions of the Board recommending proposed amendments to the Charter or Bylaws require an affirmative vote of a majority of the Board members as provided in the Charter.

Section 4.04. *Town Approval of Proposed Amendments to Charter or Bylaws.* A Board resolution recommending proposed amendments to the Charter or Bylaws shall be filed within three (3) days of its adoption with the Town Clerk and the Town Council, together with a statement of reasons supporting the proposed amendment. The recommendation shall be open to public inspection for at least thirty (30) days. The Town Council shall consider the proposed amendment at an open public meeting. The proposed amendment shall not become effective unless and until approved by the Town Council.

If the Town Council, by resolution or ordinance, approves the proposed amendment, the Clerk shall cause to be issued duplicate originals of the proposed amendment, each signed by the Mayor and bearing the Town Seal attested by the Town Clerk, at which time such amendment of the Charter shall be effective. One original shall be retained by the Town Clerk as a public record and the other shall be delivered to the Authority.

ARTICLE V ADMINISTRATIVE PROVISIONS

Section 5.01. *Books and Records.* The Authority shall keep current and complete books and records of account and shall keep minutes of the proceedings of its Board and its committees having any of the authority of the Board.

Section 5.02. *Annual Budget and Plan of Action.* The Authority shall submit a budget and corresponding plan of action to the Town Council for approval on an annual basis, as provided in Section 12 of the Ordinance. The first budget and plan of action shall be submitted to the Town Council for approval within 6 months of the creation of the Authority.

Section 5.03. *Indemnification of Board Members.* The Authority elects to defend and indemnify its present and former Board members and officers and their successors, spouses and marital communities to the full extent authorized by law and the Charter. In addition, the right of indemnification shall inure to each Board member or officer and his or her spouses and marital communities upon his or her appointment to the Board and in the event of his or her death shall extend to his or her heirs, legal representatives and estate. Each person who shall act as Board member or officer of the Authority shall be deemed to do so in reliance upon such indemnification and such rights shall not be exclusive of any other right which he or she may have.

Section 5.04. *Principal Office.* The principal office of the Hamilton Public Development Authority shall be located in the Town of Hamilton, Washington.

Section 5.05. *Fiscal Year.* The Fiscal Year of the Authority shall begin January 1 and end December 31 of each year, except the first fiscal year which shall run from the date the Charter was issued to December 31, 2004.

ARTICLE VI: APPROVAL OF BYLAWS

APPROVED by Ordinance No. _____, adopted by the Town of Hamilton, Washington, on September ____, 2004.

CERTIFICATE

I, _____, Clerk of the Town of Hamilton, Washington, hereby certify that the attached BYLAWS OF THE HAMILTON PUBLIC DEVELOPMENT AUTHORITY is a true and correct original of such Bylaws as authorized by Ordinance No. _____ of the Town of Hamilton.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of said Town of Hamilton on September _____, 2004.

TOWN OF HAMILTON, WASHINGTON

Clerk, Town of Hamilton