

BYLAWS OF THE TEANAWAY RIVER BIOSPHERE PROJECT

ARTICLE I

Members

The Corporation shall have no members.

ARTICLE II

Purposes

2.1 **Charitable Purposes.** The purpose of this nonprofit Corporation shall be to operate exclusively for charitable and/or education purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended, or any successor provision or code).

2.2 **Primary Purposes.** The primary purposes of the Corporation shall be to:

2.2.1 Provide financial assistance and services to ensure the preservation of certain endangered species and plants located along the Teanaway River in Eastern Washington.

2.2.2 Undertake all businesses and all activities permitted to nonprofit corporations under the Washington Nonprofit Corporation Act (Chapter 24.03 RCW).

ARTICLE III

Registered Office and Registered Agent

3.1 **Registered Office.** The registered office of the Corporation shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office. A registered agent so appointed shall consent to appointment in writing, and such consent shall be filed with the Secretary of State of the State of Washington.

3.2 **Change of Address.** If a registered agent changes the street address of the agent's business office, the registered agent may change the street address of the registered office of the Corporation by notifying the Corporation in writing of the change and signing, either manually or in facsimile, and delivering to the Secretary of State for filing a statement of such change, as required by law.

3.3 **Change of Agent.** The Corporation may change its registered agent at any time upon the filing of an appropriate notice with the Secretary of State, with the written consent of the new registered agent either included in or attached to such notice.

3.4 **Other Offices.** In addition to the registered office of the Corporation, the Corporation may have such other offices as the Board of Directors may from time to time designate.

ARTICLE IV

Board of Directors

4.1 **Powers.** The management of all the affairs, property and interests of the Corporation shall be vested in a Board of Directors. In addition to the powers and authorities expressly conferred upon it by these Bylaws and by the Articles of Incorporation, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts as are not prohibited by statute or by the Articles of Incorporation or by these Bylaws.

4.2 **General Standards for Directors.** A director shall discharge the duties of a director, including duties as a member of a committee:

- (a) in good faith;
- (b) with the care an ordinary prudent person in a like position would exercise under similar circumstances; and
- (c) in a manner the director reasonably believes to be in the best interests of the Corporation.

4.3 **Number and Term.** The Board of Directors shall consist of one (1) person. The Directors shall be elected at each annual meeting to hold office until the next annual meeting and until their respective successors are elected and qualified. Directors need not be residents of the State of Washington.

4.4 **Change of Number.** The number of directors may at any time be increased or decreased by amendment to these Bylaws by resolution of the Directors at any annual or special meeting.

4.5 **Vacancies.** All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, shall be filled by election of the remaining directors at any regular meeting or special meeting.

4.6 **Resignation.** A director may resign at any time by delivering written notice to the Board of Directors, the President or the Secretary. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.

4.7 **Removal of Directors.** Any director may be removed by the vote of two-third (2/3) of the other directors at any regular meeting or special meeting.

4.8 **Annual Meeting.** The annual meeting of the Board of Directors for the purpose of electing directors and transacting such other business as may properly come before the meeting shall be held each year on such date and at such hour as may be determined by resolution of the Board of Directors from time to time. In the absence of such determination, the annual meeting shall be held on January 2nd at the hour of 10:00 a.m. if not a legal holiday, and if a legal holiday, then on the next business day following, at the same hour.

4.9 **Regular Meetings.** Regular meetings of the Board of Directors or any committee may be held without notice at the registered office of the Corporation or at such other place or places, either within or without the State of Washington, as the Board of Directors or such committee, as the case may be, may from time to time designate.

4.10 **Special Meetings.**

4.10.1 Special meetings of the Board of Directors may be called at any time by the President or by any directors, including the Chair of the Board of Directors, to be held at the registered office of the Corporation or at such other place or places as the Board of Directors or the person or persons calling such meeting may from time to time designate. Notice of all special meetings of the Board of Directors, stating the date, time and place thereof, shall be given no more than 30 days and not less than 10 days prior to the date of the meeting, in accordance with the provisions set forth in Article VI of these Bylaws. Such notice shall specify the business to be transacted at, or the purpose of, the meeting.

4.10.2 Special meetings of any committee of the Board of Directors may be called at any time by such person or persons and with such notice as shall be specified for such committee by the Board of Directors, or in the absence of such specification, in the manner and with the notice required for special meetings of the Board of Directors.

4.11 **Waiver of Notice.** A director may waive any notice required by law, by the Articles of Incorporation or by these Bylaws before or after the time stated for the meeting, and such waiver shall be equivalent to the giving of such notice. Such waiver must be in writing, signed by the director entitled to such notice and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A director's attendance at or participation in a meeting shall constitute a waiver of any required notice to the director of the meeting unless the director at the beginning of the meeting, or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

4.12 **Quorum.** A majority of the full Board of Directors shall be necessary at all meetings to constitute a quorum for the transaction of business. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors, except as otherwise provided in these Bylaws.

4.13 Registering Dissent. A director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken is deemed to have assented to such action unless (a) the director's dissent or abstention from the action is entered in the minutes of the meeting; or (b) the director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation within a reasonable time after adjournment of the meeting. The right to dissent or abstain is not available to a director who voted in favor of the action taken.

4.14 Action by Directors Without a Meeting.

4.14.1 Any action required or permitted to be taken at a meeting of the Board of Directors, or of a committee thereof, may be taken without a meeting if all members of the Board of Directors take the action. The action must be evidenced by one or more written consents setting forth the action taken, signed by each of the directors, or by each of the members of the committee, as the case may be, either before or after the action taken, and delivered to the Corporation for inclusion in the minutes or filing with the Corporation's records. Subject to appropriate safeguards, consents transmitted by facsimile or by e-mail shall be considered valid written consents.

4.14.2 Action taken under this Section is effective when the last director signs the consent, unless the consent specifies a later effective date.

4.15 Participation by Means of Communications Equipment. Any or all directors may participate in a regular or special meeting of the Board of Directors (or of a committee thereof) by, or may conduct the meeting through the use of, any means of communication by which all directors participating can hear each other during the meeting.

4.16 Officers of the Board. The Board of Directors shall elect a Chair, a Secretary and such other officers of the Board as the Board shall determine. The Chair of the Board shall also be the President of the Corporation and shall have all powers normally possessed by a chair of a board of directors together with the powers pertaining to the President as set forth in Section 5.3.1 of these Bylaws. The Secretary of the Board shall be the Secretary of the Corporation and shall have the powers ascribed to such office in Section 5.3.3 of these Bylaws.

4.17 Committees.

4.17.1 The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may create one or more committees of directors. Each committee must consist of two or more directors, together with such other persons not serving as directors as the Board of Directors shall approve, all of whom serve at the pleasure of the Board of Directors. To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors, except that no committee shall have the authority to:

(i) approve or propose to the full Board of Directors action that by law is required to be approved by the directors, including, but not limited to, merger, consolidation or the sale, lease or exchange of all or substantially all of the property and assets of the Corporation not in the ordinary course of business;

(ii) elect, appoint, or remove directors, officers or any member of any committee;

(iii) amend the Articles of Incorporation;

(iv) adopt, amend or repeal these Bylaws; or

(v) approve a plan of merger not requiring Director approval.

4.17.2 The creation of, delegation of authority to or action by a committee does not relieve the Board of Directors, or any individual director, of any responsibility imposed upon the Board of Directors or an individual director by law.

4.17.3 Each member of a committee shall continue as such until the next annual meeting of the Directors of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member cease to qualify as a member thereof.

4.17.4 Appointments made in the same manner as provided in the case of the original appointments may fill vacancies in the membership of any committee.

4.17.5 Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

4.18 **Remuneration.** No stated salary shall be paid to directors for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors or of a committee thereof; provided, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE V

Officers

5.1 **Designations.** The officers of the Corporation shall be a President, a Vice President, a Secretary, a Treasurer and such other officers and assistant officers as may be deemed necessary by the Board of Directors. The Board of Directors shall appoint all officers. The same individual may hold any two or more offices, except that the same individual may not hold the offices of president and secretary.

5.2 **Appointment and Term of Office.** The officers of the Corporation shall be appointed annually by the Board of Directors at the annual meeting of the Board of Directors.

Each officer shall hold office until a successor shall have been appointed and qualified, or until such officer's earlier death, resignation or removal.

5.3 Powers and Duties. If the Board of Directors appoints persons to fill the following positions, such officers shall have the power and duties set forth below:

5.3.1 The President. The President of the Corporation shall be the Chief Executive Officer of the Corporation and, subject to the direction and control of the Board of Directors, shall have general control and management of the business affairs and policies of the Corporation. The President shall act as liaison from and as spokesman for the Board of Directors. The President shall participate in long-range planning for the Corporation and shall be available to the other officers of the Corporation for consultation. The President shall possess power to sign all certificates, contracts and other instruments of the Corporation. The President shall preside at all meetings of the Board of Directors. The President shall perform all such other duties as are incident to the office of President or are properly required by the Board of Directors.

5.3.2 The Vice President. The Vice President of the Corporation shall serve as President in the absence or disability of the President.

5.3.3 The Secretary. The Secretary shall issue notices for all meetings, except for notices for special meetings of the directors which are called by the requisite number of directors, shall keep minutes of all meetings, shall have charge of the seal and the Corporation's books, and shall make such reports and perform such other duties as are incident to the office of Secretary, or are properly required of him or her by the Board of Directors.

5.3.4 The Treasurer. The Treasurer shall have the custody of all moneys and securities of the Corporation and shall keep regular books of account. The Treasurer shall disburse the funds of the Corporation in payment of the just demands against the Corporation or as may be ordered by the Board of Directors, taking proper vouchers or receipts for such disbursements, and shall render to the Board of Directors from time to time as may be required an account of all transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall perform such other duties incident to his or her office or that are properly required by him or her by the Board of Directors.

5.4 Vacancies. The Board of Directors may fill vacancies in any office arising from any cause at any regular or special meeting of the Board.

5.5 Resignation. An officer may resign at any time by delivering notice to the Corporation. Such notice shall be effective when delivered unless the notice specifies a later effective date. Any such resignation shall not affect the Corporation's contract rights, if any, with the officer.

5.6 Removal. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

5.7 **Salaries and Contract Rights.** The salaries, if any, of the officers shall be fixed from time to time by the Board of Directors. The appointment of an officer shall not of itself create contract rights.

ARTICLE VI

Notices

Except as may otherwise be required by law, any notice to any director or officer must be in writing and may be transmitted by: mail, private carrier or personal delivery; telegraph or teletype, or telephone, wire or wireless equipment which transmits a facsimile of the notice. Written notice by the Corporation to its Board of Directors shall be deemed effective when mailed, if mailed with first-class postage prepaid and correctly addressed to the Director's address shown in the Corporation's current record of directors. Except as set forth in the previous sentence, written notice shall be deemed effective at the earliest of the following: (i) when received; (ii) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed with first-class postage, prepaid and correctly addressed; or (iii) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and receipt is signed by or on behalf of the addressee.

ARTICLE VII

Contracts, Checks, Deposits and Funds

7.1 **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, 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.

7.2 **Checks, Drafts, etc..** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, the Treasurer or the President shall sign such instruments.

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

7.4 **Gifts.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE VIII

Books and Records

The Corporation shall keep a copy of the following records at its registered or principal office:

1. The Articles or Restated Articles of Incorporation and all amendments thereto currently in effect;
2. The Bylaws or Restated Bylaws and all amendments thereto currently in effect;
3. A record of the Board of Directors, including names and addresses;
4. Correct and adequate records of accounts and finances;
5. A record of officers' and directors' names and addresses;
6. Minutes of the proceedings of the Board of Directors, and the committees of the Board of Directors, if any, and copies of all actions taken by the Board of Directors and committees without a meeting.

ARTICLE IX

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE X

Limitation of Liability and Indemnification

10.1 **Limitation of Liability.** Neither a director, officer or staff member of the Corporation shall be personally liable, responsible or accountable in damages or otherwise to the Corporation for any act or omission by any such person performed in good faith pursuant to the authority granted to such person by the Corporation, and in a manner reasonably believed by such person to be within the scope of the authority granted to such person and in the best interest of the Corporation; provided, however, that such person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of the Washington Nonprofit Corporation Act or for any transaction from which such person will personally receive a benefit in money, property, or services to which such person is not legally entitled.

10.2 **Indemnification.** To the fullest extent permitted by applicable law, a director, officer or staff member ("Covered Person") shall be entitled to indemnification from the

Corporation for any loss, damage, or claim incurred by such Covered Person by reason or any act or omission performed or omitted by such Covered Person in good faith on behalf of the Corporation and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by the Corporation, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person if (1) he or she acted with gross negligence, bad faith, or wilful misconduct with respect to such act or omissions; or (2) the Corporation is prohibited by the Washington Nonprofit Act or other applicable law as then in effect from paying such indemnification; or (3) in the opinion of Corporation, payment of such indemnification would (a) subject the Corporation to imposition of taxes under the Internal Revenue Code of 1986 (as amended from time to time); or (b) cause the Corporation to lose its tax exempt status from federal income taxation.

10.3 Notice. If any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which indemnity may be sought by a Covered Person pursuant to *Section* 10.2, such Covered Person shall promptly notify the Corporation thereof in writing. Failure to provide notice shall not affect the Corporation's obligations hereunder except to the extent the Corporation is actually prejudiced thereby.

10.4 Contest. The Corporation shall have the right to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Covered Person, at the Corporation's expense, to represent each Covered Person and any others the Corporation may designate in such claim, demand, action, suit or proceeding. The Corporation shall keep the Covered Person advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Covered Person with respect thereto.

10.5 Advance Payments. The Corporation shall pay all expenses (including attorneys' fees), costs, judgments, penalties, fines and amounts paid in settlement of any such proceeding as any Covered Person incurs them in advance of the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the Covered Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that such Covered Person is not entitled to be indemnified by the Corporation.

10.6 Nonexclusive Rights. The indemnification provided by this Article X shall not be deemed exclusive of any other rights to which such Covered Person may be entitled under any agreement, vote of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

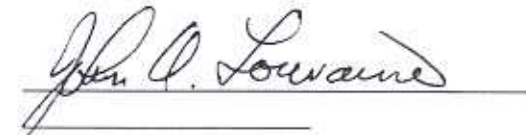
10.7 Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any Covered Person against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article X.

ARTICLE XI

Amendments

The Board of Directors shall have power to amend or repeal the Bylaws of, or adopt new Bylaws for, the Corporation by majority vote of the directors at any regular or special meeting.

ADOPTED BY THE BOARD OF DIRECTORS ON 1/28/05.


Secretary

00293235.doc