



Finance and Administrative Committee Agenda

May 6, 2020

12:00 p.m. – 1:00 p.m.

VIRTUAL MEETING

Pursuant to the Governor’s emergency Proclamation 20-25, EF&R is unable to provide an in-person location for the public to listen to the virtual Finance and Administrative Committee (FAC) meeting. Meetings are accessible to the public by a phone-in option. In keeping with past FAC practices, public comment will not be allowed.

Phone-In Option

The Agenda will be updated with the call-in number and access code no later than May 4, 2020.

Old Business:

1. February 26, 2020 meeting minutes for approval..... Page 02

Regular Business:

1. Governance Discussion and Possible Action..... Page 03

Good of the Order

Adjourn

Next Meeting: May 27, 2020 12:00 p.m. (*potential virtual meeting*)

The FAC meets the fourth Wednesday each month from 12:00-1:00 p.m. at HQ pending items from the EF&R Board.

EASTSIDE FIRE & RESCUE
FINANCE AND ADMINISTRATIVE COMMITTEE
Meeting Minutes
February 26, 2020
Headquarters

FAC Members: Chair Larry Rude (Fire District 10)
Vice Chair Stacy Goodman (City of Issaquah)
Board Director Alan Gothelf (City of North Bend)
Board Director Karen Moran (City of Sammamish)
Commissioner Ron Pedee (Fire District 38)

Present: Alt. Board Director Heather Koellen (City of North Bend)
Board Director Chris Ross (City of Sammamish)
Board Director Alan Martin (Fire District 10)
Chris Gianini (City of Sammamish)
Fire Chief Jeff Clark
Executive Assistant Jamie Formisano
Finance and Administrative Director Lisa King
Deputy Chief Ben Lane
Deputy Chief Richard Burke

Absent: None

The meeting was called to order at 12:00 p.m.

Regular Business:

1. Elect Chair and Vice Chair: IT WAS MOVED BY DIRECTOR RUDE, SECONDED BY DIRECTOR PEDEE TO: Nominate and elect Director Moran as FAC Chair. MOTION CARRIED 5-0.

IT WAS MOVED BY DIRECTOR MORAN, SECONDED BY DIRECTOR GOTHELF TO: Nominate and elect Director Rude as FAC Vice Chair. MOTION CARRIED 5-0.
2. January 22, 2020 meeting minutes for approval: IT WAS MOVED BY DIRECTOR GOODMAN, SECONDED BY CHAIR MORAN TO: Approve the meeting minutes. MOTION CARRIED 5-0.
3. Governance Discussion: Chief Clark guided the discussion and reviewed the Articles of Incorporation, the Bylaws, and the Interlocal Agreement. No suggested changes to the Articles of Incorporation or the ByLaws. Reviewed in detail the Interlocal Agreement revisions. Discussion ensued and questions will be brought back to the Attorney for clarification.
 - Section 7. Discussed flexibility of changing dates as it pertains to financial policies.

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- Section 8. Discussed ownership once bonds are paid off and collateral. Adjust language to provide the most versatility to the Board.
 - Section 12. EF&R will populate Exhibit C for each partner to review.
 - Section 16. Proposed language was created with Labor Law specialists and will be reviewed by Local Union 2878. Discussed if current language is adequate for the intent of vacating party and negotiating impacts of layoffs.

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Discussed next steps, will seek clarification on the items noted as well as connect with the Union regarding the language in Section 16. The intent is to forward a recommendation to the EF&R Board in April with potential final EF&R Board action in May. This will allow for time for Directors to present to respective Councils and Boards and bring back any questions or concerns.

59 **Executive Session:** None

60 **Good of the Order:** None

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63 The meeting adjourned at 12:35 p.m.

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65 Next meeting: March 25, 2020, 12:00 – 1:00 p.m., HQ

PENDING APPROVAL

MEMORANDUM

TO: Eastside Fire & Rescue
FROM: Marc Greenough
Lee Marchisio
DATE: April 13, 2020
RE: Nonprofit Formation Summary

This memorandum presents a table summarizing proposed changes to Eastside Fire & Rescue formation documents necessary to reorganize Eastside Fire & Rescue into a Washington nonprofit corporation under Chapter 24.03 RCW. Drafts of these documents are provided with this memorandum.

After approval by the Board of Directors, the final Eastside Fire & Rescue Interlocal Agreement (“Interlocal Agreement”), Articles of Incorporation and Bylaws must be approved by the governing bodies of each member (i.e., each “Party” under the Interlocal Agreement), and then the Articles of Incorporation must be filed with the Washington Secretary of State.

In general, the structure of the existing 2017 Interlocal Agreement is maintained. However, provisions in the Formation Agreement are modified with terms more appropriate to an independent nonprofit corporation under Chapter 24.03 RCW. The most significant differences are described below, along with other adjustments for consideration by the Board of Directors.

Please contact us with any questions.

Marc Greenough: 206.447.7888 (direct); 206.227.9777 (cell); marc.greenough@foster.com
Lee Marchisio: 206.447.6264 (direct); 206.790.7287 (cell); lee.marchisio@foster.com

Document/Section	2017 Interlocal Agreement	Proposed Interlocal Agreement
Interlocal Agreement		
<i>Recitals</i>		Updated to reflect prior amendments and the purposes for reorganizing as a Washington nonprofit corporation
<i>Section 1 (Definitions)</i>		Replaces the name “Joint Fire Department” with the new nonprofit to be called “Eastside Fire & Rescue” Eliminates the definition “personal property” as unnecessary
<i>Section 2 (Nonprofit Incorporation and Term)</i>	Term ends December 31, 2026, subject to automatic renewal	Authorizes incorporation of Eastside Fire & Rescue as a Washington nonprofit corporation Term ends December 31, 2031, subject to automatic renewal
<i>Section 5 (Budget)</i>	Authorizes calendar year budgets	Authorizes annual or biennial budgets
<i>Section 8 (Major Capital Expenditures)</i>	Bond financings for major projects require separate bond issuances by each Party; if any Party does not issue bonds, the proposal fails	Bonds may be issued by Eastside Fire & Rescue or by any Party on behalf of Eastside Fire & Rescue, or both; any Party may determine to finance its share with available money or a separate financing; “step up” provisions and other Party covenants must be approved by the Parties
<i>Section 9 (Employer)</i>	District 10 serves as employer of Joint Fire Department employees	New nonprofit, Eastside Fire & Rescue, serves as employer Assignment of collective bargaining agreements and pension obligations conforms to existing law

Document/Section	2017 Interlocal Agreement	Proposed Interlocal Agreement
<i>Section 12 (Property Ownership and Funding)</i>	Limits property ownership by the Joint Fire Department to personal property	<p>Recognizes personal property currently owned by Eastside Fire & Rescue; contemplates ownership of additional real and personal property by Eastside Fire & Rescue</p> <p>Parties may still acquire (alone or jointly with other Parties) real property for Eastside Fire & Rescue operations that will be owned by those Parties</p>
<i>Section 13 (Indemnification and Hold Harmless)</i>	Each Party indemnifies each other Party for its negligent acts and omissions; District 10 does not indemnify the other Parties in its capacity as employer	Retains mutual indemnification among Parties; Eastside Fire & Rescue indemnifies all Parties
<i>Section 16 (Withdrawal by Party)</i>		<p>Resets first notice of withdrawal date to January 2029</p> <p>Additional protections from “stranded costs” for remaining Parties if one Party withdraws, including: employee benefits, unemployment compensation costs, and overtime pay</p> <p>Consistent with existing law, a withdrawing Party that establishes its own fire department will succeed to the existing collective bargaining agreement and will bargain with the union</p>
<i>Section 17 (Termination by All Parties)</i>		Consistent with existing law, after termination, Parties that establishes their own fire departments (for themselves or on behalf of other entities) will succeed to the existing collective bargaining agreement and will bargain with the union

Document/Section	2017 Interlocal Agreement	Proposed Interlocal Agreement
Articles of Incorporation		Typical form of articles of incorporation for Washington nonprofit corporations
<i>Section 4 (Limitations)</i>		Provides that the terms of the Interlocal Agreement control over those of the Articles of Incorporation and the Bylaws
<i>Section 8 (Limitation of Director Liability); Section 9 (Indemnification)</i>		Individual members of the Board of Directors are indemnified, except for intentional misconduct or self-dealing; indemnification extends to the maximum extent allowed by law

Bylaws		Typical form of bylaws for Washington nonprofit corporations
<i>Section 3 (Board of Directors)</i>		Board Directors continue to serve at the pleasure of each local government Party, including as to length of term
<i>Section 5 (Officers)</i>		Maintains existing Chair/Vice Chair leadership structure, elected from among the Board of Directors; Fire Chief appoints the Secretary and Treasurer of Eastside Fire & Rescue

47 Cooperation Act and Chapter 24.03 RCW (the "Washington Nonprofit
48 Corporation Act").

- 49
50 **F.** The Parties therefore desire to extend the operation of Eastside Fire & Rescue
51 another five years to December 31, 2031, to incorporate Eastside Fire & Rescue
52 as a nonprofit corporation, public body and instrumentality of the Parties, and to
53 amend and replace in its entirety the 2017 Agreement in accordance with the
54 terms and conditions of this new agreement ("Agreement").

55
56 **AGREEMENT**

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58 The Parties agree as follows:

- 59
60 **1. Definitions.** The following terms shall have the following meanings:

61
62 1.1. "Board of Directors" or "Board" means the joint board of Eastside Fire &
63 Rescue, as described in Paragraph 3.

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65 1.2. "Eastside Fire & Rescue" means the nonprofit corporation, public body
66 and instrumentality of the Parties formed pursuant to this Agreement for
67 operation and management of the combined operating fire departments of
68 Issaquah, North Bend and Sammamish (collectively, the "Cities") and
69 District 10 and District 38 (collectively, the "Districts").

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71 1.3. "Fire Chief" means the chief of Eastside Fire & Rescue and the Joint Fire
72 Department appointed by the Board of Directors.

- 73
74 **2. Nonprofit Incorporation and Term.**

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76 2.1. **Formation and Name.** The Parties hereby create Eastside Fire &
77 Rescue.

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79 2.2. **Incorporation.** The Parties shall incorporate Eastside Fire & Rescue as a
80 nonprofit corporation, public body and instrumentality of the Parties
81 pursuant to the Washington Nonprofit Corporation Act and as a tax-
82 exempt organization under Section 115 and Section 501(c)(3) of the
83 Code. The Parties may reorganize the form of Eastside Fire & Rescue in
84 any manner as may be permitted by law and by amendment of this
85 Agreement.

86
87 2.3. **Term.** This Agreement shall be effective on _____, and shall
88 terminate on December 31, 2031. It shall be renewed automatically
89 thereafter for successive ten-year terms.

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91 **3. Board of Directors.**

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93 3.1. **Authority.** A Board of Directors shall administer, operate, and manage
94 Eastside Fire & Rescue and all jointly owned or separately owned real and
95 personal property of the Parties. The Board's authority shall include
96 execution of contracts on behalf of Eastside Fire & Rescue for the
97 provision of goods and services, including the authority to enter into or
98 amend existing or future employment contracts with the Fire Chief and
99 such other employees as shall be authorized by the Board. The Board
100 further shall have such additional authority as may from time to time be
101 conferred on it by the legislative bodies of all of the Parties. Except as
102 provided in paragraphs 7, 12.3 and 12.4, the Board shall have no authority
103 to modify or revise the terms of this Agreement.
104

105 3.2. **Appointment.** The Board of Directors shall consist of eight elected
106 officials, each of whom shall be currently serving as elected officials of the
107 governing body of one of the Parties. An "elected official" shall be a
108 person elected by the voters to the governing body of one of the Parties,
109 or duly appointed to such an elected position to fill a vacancy on such
110 governing body. The Issaquah City Council shall appoint two Board
111 members, the North Bend City Council shall appoint one Board member,
112 the Sammamish City Council shall appoint two Board members, the
113 District 10 Board of Fire Commissioners shall appoint two Board
114 members, and the District 38 Board of Fire Commissioners shall appoint
115 one Board member. Each Party also shall appoint one of its respective
116 elected officials as an alternate Board member. If a Party must appoint
117 two alternate Board members, the Party may appoint the same elected
118 official to both of the alternate Board member positions. The Board
119 members and the alternates shall serve at the pleasure of each respective
120 Party.
121

122 3.3. **Meetings.** A quorum of the Board of Directors shall consist of five
123 members or their alternates. Unless actions of the Board are required by
124 law to be in the form of a resolution, the actions of the Board may be by
125 motion or resolution. Except as provided otherwise in this Agreement, at
126 least five Board members or alternates shall approve a motion or
127 resolution. The Board shall approve motions or resolutions regarding
128 changes to the revenue formula of paragraph 7 by unanimous vote of the
129 entire membership of the Board. All meetings of the Board shall be held in
130 compliance with the Open Public Meetings Act, Chapter 42.30 RCW. The
131 date, time, and place of the regular meetings of the Board shall be
132 established by resolution of the Board. The Board shall prepare minutes of
133 its meetings, which shall be distributed regularly to the legislative bodies of
134 the Parties.
135

136 3.4. **Committees and Task Forces.** The Board of Directors shall have
137 authority to form and appoint committees and task forces to assist the
138 Board in the performance of its duties and responsibilities.
139

140 **4. Services.** The Board of Directors shall identify and provide services in
141 accordance with applicable laws and regulations. Services within the boundaries
142 of the Parties include, but are not limited to: fire prevention; fire suppression;
143 emergency medical; rescue; and hazardous materials incident response. Within
144 the boundaries of the Parties, the Board shall provide the following additional
145 services in conformance with City and County ordinances: fire code inspection
146 and enforcement; fire code pre-construction building plan review. The Parties
147 recognize that King County has statutory jurisdiction to enforce the Fire Marshal
148 provisions of the County Code within the unincorporated areas served by the
149 Parties.
150

151 **5. Budget.** The Fire Chief or designee shall prepare a proposed budget for a
152 succeeding year or biennium and a multi-year projection pursuant to a process
153 established by the Board of Directors. The process shall meet the service needs
154 and requirements of this Agreement and shall comply with applicable laws and
155 regulations. The legislative bodies of the Parties shall adopt a budget before the
156 end of the year or biennium in accordance with applicable laws and regulations.
157 The Board may submit a recommended budget amendment to the legislative
158 bodies of the Parties, which may adopt a budget amendment in accordance with
159 applicable laws and regulations. The Board of Directors shall establish a
160 benchmark to evaluate cost effectiveness.
161

162 **6. Finances -- Special Fund.** The Board of Directors shall create a special
163 operating fund at the King County Financial Management Office for the payment
164 of the operating costs and expenses of Eastside Fire & Rescue. The Board shall
165 be responsible for the proper management and accounting of all funds of
166 Eastside Fire & Rescue. The financial affairs of the Board shall be conducted in
167 accordance with applicable laws and regulations.
168

169 **7. Revenues -- Financial Contributions.** Each Party shall contribute funds to
170 support the maintenance and operation of Eastside Fire & Rescue in accordance
171 with the annual revenue formula of this paragraph. The Parties shall pay the
172 financial contributions in equal monthly installments or as otherwise approved by
173 the Board. The revenue formula for the 2015 annual financial contributions of the
174 Parties is set forth in **Exhibit A**, which is attached and incorporated into this
175 Agreement. The Board of Directors may approve a change in the revenue
176 formula pursuant to paragraph 5. Any amendment to the revenue formula shall
177 take into account the Parties as a whole and individually, considering any criteria
178 deemed appropriate by the Board. The amended revenue formula shall be filed
179 with the Secretary of the Board and shall be attached to this Agreement. A Party
180 that has filed a notice of withdrawal from Eastside Fire & Rescue pursuant to
181 paragraph 16.1 shall not participate in any vote regarding the consideration and
182 approval of an amendment to the revenue formula that is effective after the

183 withdrawal. The Parties also shall contribute all emergency medical service
184 taxes.
185

186 **8. Major Capital Expenditures – Borrowing and Cash Contributions.** Major
187 capital expenditures for real or personal property necessary for the proper
188 operation of Eastside Fire & Rescue may be financed using: annual fund
189 contributions from each Party established under the budget and revenue formula
190 processes in paragraphs 5 and 7 (i.e., pay as you go); the issuance of bonds,
191 notes or other evidences of indebtedness (i.e., borrowing); or any combination of
192 both. The Board of Directors shall determine the specific approach for any
193 financing, based on its consideration of factors it determines most relevant,
194 including without limitation, the schedule for making the capital expenditure and
195 achieving the lowest interest cost to Eastside Fire & Rescue and the Parties.
196

197 8.1. **Borrowing.** Any borrowing may be carried out: by Eastside Fire &
198 Rescue itself; by or through any Party or third-party issuer on behalf of
199 Eastside Fire & Rescue or on behalf of one or more other Parties; or any
200 combination of both. Subject to the approval of the legislative bodies of
201 each of the Parties, the Board of Directors shall determine the specific
202 Party covenants for any borrowing, which may provide: that each Party is
203 obligated to pay its share of costs of the borrowing without regard to the
204 payment or lack thereof by any other Party; or, that upon the default of any
205 Party in the payment of its share of borrowing obligations, the other
206 Parties shall promptly pay the defaulting Party's payment obligation in
207 proportion to those Parties' payment obligations; or other Party covenants.
208

209 8.2. **Cash Contributions.** Any Party may determine to provide for the
210 payment of its share of capital costs with available cash or by financing
211 those costs independently of Eastside Fire & Rescue.
212

213 **9. Employer.** Eastside Fire & Rescue shall employ all necessary employees and
214 volunteers for purposes of this Agreement, pursuant to applicable laws and
215 regulations. District 10 shall assign, and Eastside Fire & Rescue shall assume,
216 all existing collective bargaining agreements with respect to employees of District
217 10. The Parties hereby delegate to, and Eastside Fire & Rescue hereby accepts,
218 all retirement system obligations of the Parties with respect to the employees of
219 District 10. To the extent required by law, Eastside Fire & Rescue hereby elects
220 to participate in the public employee retirement systems of the State in which the
221 employees of District 10 participate. The adopted budget for Eastside Fire &
222 Rescue shall contain sufficient funds to pay all wages, salaries, employment
223 benefits, payroll taxes, and other expenses of employees and volunteers.
224 Eastside Fire & Rescue shall pay the LEOFF 1 benefits that the employer is
225 obligated to pay to the LEOFF 1 firefighters who retired as employees of the fire
226 departments of the Parties prior to commencement of Eastside Fire & Rescue
227 and who retired as employees of District 10 after commencement of Eastside
228 Fire & Rescue ("LEOFF 1 Payments"). The LEOFF 1 payments shall be deemed
229 a liability of Eastside Fire & Rescue, for which each Party shall remain liable and

230 responsible after withdrawal from Eastside Fire & Rescue or after expiration of
231 this Agreement, in accordance with the revenue formula provided for in
232 paragraph 7 in effect at the time of notice of withdrawal or the expiration of this
233 Agreement. In addition to the LEOFF 1 payments, District 10 may request the
234 Parties to share other costs, expenses and liabilities for any claims, judgments,
235 damages or expenses arising from District 10's Employer status arising prior to
236 the date Eastside Fire & Rescue assumes Employer status by filing a written
237 request with the Board of Directors. The Board of Directors shall approve or deny
238 the request within 30 days of receipt of the request using procedures and
239 guidelines to be adopted by the Board and subject to the provisions set forth in
240 paragraphs 3.3 and 7.

241
242 **10. Employees.** The Fire Chief shall be hired, disciplined and discharged by a
243 majority vote of all members of the Board of Directors. The Fire Chief shall report
244 to and be supervised by the Board. The Board shall conduct annually an
245 evaluation of the performance of the Fire Chief, or more frequently if requested
246 by the Board or the Fire Chief. The Fire Chief shall hire, discipline, discharge and
247 supervise all other employees and all volunteers of Eastside Fire & Rescue.

248 **11. Fire Marshal Appointment.** Each City, in accordance with its respective fire
249 code, shall appoint the Fire Marshal of Eastside Fire & Rescue as the fire
250 marshal and fire prevention officer of the City. The Fire Marshal, while acting as
251 the fire marshal and fire prevention engineer of the City, shall report to and be
252 supervised by the city manager or city administrator, as applicable, of the City.
253 The Fire Marshal shall cooperate with city building officials and the city
254 administrator or city manager, as applicable, to administer, enforce and carry out
255 the City's fire code. All court costs and other legal costs incurred in the
256 enforcement of the City's fire code shall be paid by the City and shall not be
257 considered an operating expense of Eastside Fire & Rescue. Any award of costs,
258 attorneys' fees, penalties or fines in an enforcement action shall be the property
259 of the City.

260 **12. Property Ownership and Funding.** All real and personal property that is
261 acquired by a Party or the Parties for use by Eastside Fire & Rescue shall be
262 owned and funded as follows:

263 **12.1. Real Property Ownership.** All real property that is acquired by a Party
264 prior to becoming a member of Eastside Fire & Rescue shall remain the
265 real property of that Party. Upon becoming a member of Eastside Fire &
266 Rescue, the Party shall file with the Board of Directors an inventory of
267 such before-acquired real property. All real property acquired jointly by two
268 or more Parties after becoming members of Eastside Fire & Rescue shall
269 be the joint real property of those Parties, and all real property acquired
270 separately by a Party after becoming a member of Eastside Fire & Rescue
271 shall be the separate real property of that Party. Eastside Fire & Rescue
272 shall have exclusive access to and control over all real property.

273 12.2. **Personal Property Ownership.** Upon becoming a member of Eastside
274 Fire & Rescue, a Party shall file with the Board of Directors an inventory, a
275 statement of fair market value and a depreciation schedule of all personal
276 property acquired by the Party prior to becoming a member of Eastside
277 Fire & Rescue. **Exhibit B**, which is attached and incorporated into this
278 Agreement, lists and describes personal property of the Parties over which
279 Eastside Fire & Rescue has exclusive access to and control over, and
280 indicates whether the personal property of a Party is considered separate
281 personal property of the Party or joint personal property of Eastside Fire &
282 Rescue.

283 12.3. **Eastside Fire & Rescue Property Ownership.** All real and personal
284 property that is owned by Eastside Fire & Rescue is listed and described
285 in **Exhibit C**.

286 12.4. **Personal Property Replacement.** The Board of Directors shall fund,
287 replace, value, and depreciate all personal property listed and described in
288 **Exhibit B** and **Exhibit C**, including the establishment and funding of a
289 special account for replacement of personal property. In conjunction with
290 the biennial or annual budget process of paragraph 5, the Board may, by
291 motion, amend **Exhibit B** and **Exhibit C**. The motion shall be reduced to
292 writing, shall be filed with the Secretary of the Board, and shall be
293 attached to this Agreement.

294 12.5. **Real Property Maintenance and Repair.** The Board of Directors shall
295 fund the maintenance and repair of all real property in accordance with
296 **Exhibit C** and **Exhibit D**. **Exhibit D** shall include the establishment and
297 funding of a special account for maintenance and repair of real property.
298 In conjunction with the biennial or annual budget process of paragraph 5,
299 the Board may, by motion, amend **Exhibit C** and **Exhibit D**. The motion
300 shall be reduced to writing, shall be filed with the Secretary of the Board,
301 and shall be attached to this Agreement.

302 12.6. **Improvements to Real Property.** The Board of Directors shall determine
303 and carry out all improvements to real property. Upon request by a Party
304 or Parties, the Board may carry out improvements to separate real
305 property that are paid for entirely by a Party or Parties.

306 **13. Indemnification and Hold Harmless.** Each Party shall protect, defend,
307 indemnify, and hold harmless all other Parties to this Agreement, and their
308 officers, employees and agents, from any and all costs, claims, judgments or
309 awards of damages, arising out of or in any way resulting from the negligent acts
310 or omissions of such Party, and its officers, employees and agents, in performing
311 or administering this Agreement. Eastside Fire & Rescue shall protect, defend,
312 indemnify, and hold harmless the Parties to this Agreement, and their officers,
313 employees and agents, from any and all costs, claims, judgments or awards of
314 damages, arising out of or in any way resulting from the negligent acts or

315 omissions of Eastside Fire & Rescue, and its officers, employees and agents, in
316 performing or administrating this Agreement.

317 **14. Insurance.** The Board of Directors shall provide insurance coverage for all
318 operations, facilities, equipment, and personnel of Eastside Fire & Rescue.

319 **15. Operational Rules and Regulations.** The Board of Directors shall, from time to
320 time, adopt and implement necessary rules and regulations consistent with this
321 Agreement to govern operations of Eastside Fire & Rescue.

322 **16. Withdrawal by Party.**

323 **16.1. Right to Withdraw.** Any Party may withdraw from Eastside Fire &
324 Rescue at the end of the initial term, or at the end of any successive ten-
325 year term, by filing with the other Parties a notice of withdrawal in January
326 of 2029 or in January of the eighth year of any succeeding term, as
327 applicable.

328 **16.2. Responsibility and Liability Upon Withdrawal.** If Eastside Fire &
329 Rescue lays off any employees as a result of the withdrawal, the
330 withdrawing Party shall be responsible for payment of accrued employee
331 benefits, continuation of employee benefits required by law and
332 unemployment compensation for a period not to exceed five years. For
333 purposes of this paragraph, "employee" means an individual whose
334 employment with Eastside Fire & Rescue has been terminated as a direct
335 result of the Party withdrawing from Eastside Fire & Rescue. If the
336 withdrawing Party establishes its own fire department upon withdrawal, it
337 shall collectively bargain with the International Association of Firefighters
338 Local 2878 ("Union") and assume employment of laid-off employees.
339 Employment with the withdrawing Party shall fall under the collective
340 bargaining agreement ("CBA") negotiated between Eastside Fire &
341 Rescue and the Union. Upon expiration of the CBA, the withdrawing Party
342 and the Union shall re-negotiate. If the withdrawing Party contracts for
343 service with another entity, the Party shall collectively bargain with the
344 Union and transition employment of laid-off employees to the new entity
345 providing service. After withdrawal, the withdrawing Party shall remain
346 liable and responsible for its pro rata share of all liabilities, payments and
347 obligations incurred by or attributed to Eastside Fire & Rescue during the
348 membership of the withdrawing Party in Eastside Fire & Rescue, in
349 accordance with the revenue formula provided for in paragraph 7 in effect
350 at the time of notice of withdrawal. In addition, the withdrawing Party shall
351 be liable for all expenses incurred by Eastside Fire & Rescue attributable
352 to requests and directions made by the withdrawing Party pursuant to
353 withdrawal, including payment of overtime if the withdrawing Party
354 requests that Eastside Fire & Rescue refrain from hiring employees prior
355 to withdrawal. Within 30 days after the date of withdrawal, Eastside Fire &
356 Rescue shall settle with the withdrawing Party all liabilities, payments and

357 obligations that became fixed on or before the date of withdrawal. Within
358 30 days after any liabilities, payments or obligations become fixed after
359 the date of withdrawal, Eastside Fire & Rescue shall settle such liabilities,
360 payments and obligations with the withdrawing Party.

361 **16.3. Return of Property.** The Board shall return all separate real property and
362 separate personal property to the withdrawing Party on or before the
363 effective date of withdrawal. The Board shall determine the fair market
364 value of all joint real property and joint personal property. The withdrawing
365 Party on or before the effective date of withdrawal shall receive or pay, as
366 applicable, in cash or property, its percentage or ratio of the net fair
367 market value of the joint real property and the joint personal property, in
368 accordance with the withdrawing Party's equity in Eastside Fire & Rescue
369 as determined by the financial statements of Eastside Fire & Rescue for
370 the year of withdrawal. If the withdrawing Party disputes the Board's
371 determination of fair market value of the joint real property or joint
372 personal property, the withdrawing Party shall pay for and accept an
373 appraisal of the fair market value of the property by an appraiser selected
374 by the Party and the Board.

375 **17. Termination by All Parties.** Upon expiration of this Agreement, including
376 automatic renewals thereof, the Parties shall be governed by the following
377 provisions:

378 **17.1. Preference in Hiring.** Any Party that establishes a new fire department
379 upon expiration of this Agreement shall collectively bargain with the Union
380 and assume employment of laid-off employees of Eastside Fire & Rescue.
381 Employment with the Party shall fall under the CBA negotiated between
382 Eastside Fire & Rescue and the Union. Upon expiration of the CBA, the
383 Party and the Union shall re-negotiate. Any Party that contracts for service
384 with another entity upon expiration of this Agreement shall collectively
385 bargain with the Union and transition employment of laid-off employees to
386 the new entity providing service.

387 **17.2. Liability.** A Party shall remain liable and responsible for its pro rata share
388 of all liabilities, payments and obligations incurred by or attributed to
389 Eastside Fire & Rescue during the membership of the Party in Eastside
390 Fire & Rescue, in accordance with the revenue formula of paragraph 7 for
391 the last year of Eastside Fire & Rescue.

392 **17.3. Return of Property.** The Board shall return all separate real and
393 personal property to each Party. The Board shall determine the fair market
394 value of all joint real property and all joint personal property. Each Party
395 shall receive or pay, as applicable, in cash or property, its percentage or
396 ratio of the net fair market value of the joint real property and personal
397 property, in accordance the Party's equity in Eastside Fire & Rescue as
398 determined by the financial statements of Eastside Fire & Rescue for the

399 last year of Eastside Fire & Rescue. If a Party disputes the Board's
400 determination of fair market value of the property, the Party shall pay for
401 and accept an appraisal of the fair market value of the property by an
402 appraiser selected by the Party and the Board.

403 **18. Annexations.** The Parties acknowledge that upon annexation by a City of the
404 territory of a District, the provisions of RCW 35.02.190, 35.02.200, 35.02.205,
405 35A.14.380, 35A.14.801 and 35A.14.400 require, in some cases, the transfer of
406 assets and/or payment of cash, properties or contracts for services between the
407 City and the District. The Parties agree that the asset transfer and payment
408 required by such statutes shall be accounted for on the financial statements and
409 audit reports of Eastside Fire & Rescue, and that the final accounting for the
410 asset transfer and payment shall occur on withdrawal of a City or a District from
411 Eastside Fire & Rescue or on expiration of this Agreement, as applicable. The
412 Parties further agree that the annual financial contributions of the City and the
413 District involved in the annexation, pursuant to the revenue formula, shall be
414 changed for the annexed territory on the date that the City is entitled to receive
415 property taxes from the annexed territory.

416 **19. Incorporations.** If a city formed subsequent to execution of this Agreement
417 incorporates within all or a portion of a District, all powers, duties and decisions
418 to be made by the District pursuant to Chapters 35.02, 35A.14 and 52.04 RCW,
419 as presently existing or as amended, shall be exercised by the Board of Fire
420 Commissioners rather than the Board of Directors.

421 **20. Volunteers.** Eastside Fire & Rescue acknowledges the role and need for
422 volunteers and shall make available opportunities for citizens of the Parties to
423 volunteer in their communities by taking active efforts to recruit, train and
424 maintain volunteers.

425 **21. Addition of Parties.** The legislative body of a governmental agency or entity
426 that either abuts or is in close proximity to a Party may adopt and file with the
427 Board of Directors a resolution to join Eastside Fire & Rescue. Upon receipt of
428 the request, the Board of Directors, by affirmative vote of a majority of the entire
429 membership of the Board, may by motion or resolution authorize consideration of
430 the request through a plan and process adopted by such motion or resolution.
431 The plan and process shall include necessary amendments to this Agreement
432 and a schedule for and components of such consideration, which schedule and
433 components shall include, but not be limited to a written report of the operational
434 and financial impact on and philosophical compatibility with Eastside Fire &
435 Rescue. The Board, by affirmative vote of a majority of the entire membership of
436 the Board, shall submit its recommendation regarding the request to the
437 governing bodies of all Parties. To be effective, a request to join Eastside Fire &
438 Rescue, and any necessary amendments to this Agreement, shall be approved
439 by resolution of all of the governing bodies of the Parties. If a Party has filed a
440 notice of withdrawal from Eastside Fire & Rescue pursuant to paragraph 16.1,
441 that withdrawing Party shall not participate in any vote regarding the

442 consideration and approval of a new Party of Eastside Fire & Rescue. The
443 membership of the Parties, for voting purposes on the request to join Eastside
444 Fire & Rescue, shall be determined without the participation of the withdrawing
445 Party.

446 **22. Liaison/Administrator.** The Fire Chief shall assign one employee to serve as a
447 Fire Liaison/Administrator to each Party. The fire liaison/administrator shall
448 perform duties as requested by the Fire Chief, which may include attendance at
449 Party governing body or staff meetings; provided, that these duties shall not, in
450 the opinion of the Fire Chief, interfere with or be disruptive to the overall
451 operation and management of Eastside Fire & Rescue.

452 **23. Notices.** All notices, requests, demands and other communications required by
453 this Agreement shall be in writing and, except as expressly provided elsewhere in
454 this Agreement, shall be deemed to have been given at the time of delivery if
455 personally delivered or three calendar days after the time of mailing if mailed by
456 first class mail, postage prepaid.

457 **24. Severability.** If any provision of this Agreement or its application is held invalid,
458 the remainder of this Agreement or the application of the remainder of this
459 Agreement shall not be affected.

460 **25. Survivorship.** The rights and duties of paragraphs 9, 13, 16.2, 17.1 and 17.2
461 shall survive expiration of this Agreement.

462 **26. Entire Agreement -- Modification.** This Agreement represents the entire
463 agreement between the Parties. No change, termination or attempted waiver of
464 any of the provisions of this Agreement shall be binding on any of the Parties
465 unless executed in writing by authorized representatives of all of the Parties. This
466 Agreement shall not be modified, supplemented or otherwise affected by the
467 course of dealing between the Parties.

468 **27. Benefits.** This Agreement is entered into for the benefit of the Parties to this
469 Agreement only and shall confer no benefits, direct or implied, on any third
470 persons.

471 **28. Amendment of Original Agreement, 2008 Agreement, 2015 Agreement and**
472 **2017 Agreement.** The 2017 Agreement is amended and replaced in its entirety
473 by this Agreement; provided, that the property inventories filed by the Parties
474 pursuant to the Original Agreement, the 2008 Agreement or the 2015 Agreement
475 shall remain valid, unless modified by Section 12.2 of this Agreement, and the
476 indemnification and hold harmless provisions of the Original Agreement, the
477 2008 Agreement, the 2015 Agreement and the 2017 Agreement shall survive.

478
479 **CITY OF ISSAQUAH**

KING COUNTY FIRE DISTRICT NO. 10

480
481

482
483 By _____

484
485 Date _____

486
487

488 **CITY OF NORTH BEND**

489
490

491
492 By _____

493
494 Date _____

495
496

497 **CITY OF SAMMAMISH**

498
499

500
501 By _____

502
503 Date _____

By _____

Date _____

FIRE DISTRICT 38

By _____

Date _____

**ARTICLES OF INCORPORATION
OF
EASTSIDE FIRE & RESCUE**

The undersigned, acting as the incorporator of a nonprofit corporation under the provisions of the Washington Nonprofit Corporation Act, Chapter 24.03 RCW (the “Act”), and pursuant to the Washington Interlocal Cooperation Act, Chapter 39.34 RCW (the “Interlocal Cooperation Act”), hereby adopts the following Articles of Incorporation:

Article 1
NAME

The name of this corporation is Eastside Fire & Rescue (hereinafter referred to as the “Corporation”).

Article 2
DURATION

The period of duration of the Corporation is perpetual, unless dissolved by operation of law or otherwise.

Article 3
PURPOSES AND POWERS

3.1 The Corporation is organized on behalf of and as an instrumentality of its governmental members under the Eastside Fire & Rescue Interlocal Agreement (the “Agreement”) to carry out the essential governmental and police power functions of fire prevention, fire suppression, emergency medical, special rescue and hazardous materials incident response and other public health and safety services for the protection of public health, life and property.

3.2 In general, and subject to such limitations and conditions as are or may be prescribed by the Act, the Interlocal Cooperation Act, the Agreement, these Articles of Incorporation or the Bylaws of the Corporation, the Corporation shall have all powers which now or hereafter are conferred by law upon a nonprofit corporation and instrumentality of its governmental members organized for the purposes set forth in Section 3.1 above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the Corporation’s purposes.

Article 4
LIMITATIONS

4.1 Notwithstanding any of the provisions of these Articles of Incorporation, the Corporation shall not conduct or carry on activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Section 115 or Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (the “Code”).

4.2 No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, except as otherwise permitted to an organization described in Section 115 or Section 501(c)(3) of the Code or any successor provisions. The Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

4.3 No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Corporation is authorized or empowered to pay reasonable compensation for services actually rendered, to reimburse for actual expenditures and to make payments and distributions in furtherance of its purposes.

4.4 In the event of a conflict between or among the Act, the Agreement, these Articles of Incorporation and the Bylaws of the Corporation, the terms and conditions of the Agreement shall control.

Article 5 DISTRIBUTIONS UPON DISSOLUTION

No director, trustee, or officer of the Corporation, nor any private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Corporation or the winding up of its affairs. Upon dissolution or winding up of the Corporation, after paying or making adequate provision for payment of all of the liabilities, all remaining assets of the Corporation shall be distributed as set forth in the Agreement.

Article 6 MEMBERS

The members of the Corporation are the governmental entities then party to the Agreement. The manner of election or appointment and the qualification and rights of the members shall be as provided in the Agreement.

Article 7 INITIAL DIRECTORS

7.1. The business and affairs of the Corporation shall be managed by its Board of Directors in accordance with the Agreement, these Articles of Incorporation and the Bylaws of the Corporation. The Board of Directors may exercise all such corporate powers of the Corporation and do all such lawful acts to the fullest extent permitted by law.

7.2. The number of directors and the method of selecting directors shall be fixed as provided in the Agreement; provided that the initial directors, who shall hold office until their respective successors are selected in accordance with the Agreement, shall be eight (8) and are as follows:

Name	Address
1. _____	175 Newport Way Northwest, Issaquah, WA 98027
2. _____	175 Newport Way Northwest, Issaquah, WA 98027
3. _____	175 Newport Way Northwest, Issaquah, WA 98027
4. _____	175 Newport Way Northwest, Issaquah, WA 98027
5. _____	175 Newport Way Northwest, Issaquah, WA 98027
6. _____	175 Newport Way Northwest, Issaquah, WA 98027
7. _____	175 Newport Way Northwest, Issaquah, WA 98027
8. _____	175 Newport Way Northwest, Issaquah, WA 98027

Article 8
LIMITATION OF DIRECTOR LIABILITY

8.1 Except to the extent otherwise required by applicable law (as presently in effect and as hereafter amended), a director of the Corporation shall not be personally liable to the Corporation for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions which involve intentional misconduct by the director or a knowing violation of law by the director or (ii) for any transaction from which the director personally receives a benefit in money, property or services to which the director is not legally entitled.

8.2 If the Act is amended to authorize further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended, without any requirement of further action by the Corporation or its directors. No amendment to or repeal of this Article shall adversely affect any right of protection of any director of the Corporation occurring after the date of the adoption of this Article and prior to such amendment or repeal.

Article 9
INDEMNIFICATION

9.1 The Corporation shall indemnify any director of the Corporation who is involved in any capacity in a proceeding (as defined in RCW 23B.08.500, as presently in effect and as hereafter amended) by reason of the position held by such person or entity in the Corporation to the full extent allowed by applicable law, as presently in effect and as hereafter amended. By means of a resolution or of a contract specifically approved by the Board of Directors, the Corporation may indemnify a member, officer, employee, or agent to such degree as the Board of Directors determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of the Corporation. Reasonable expenses incurred by a director, who is involved in any capacity in a proceeding by reason of the position held in the Corporation, shall be advanced by the Corporation to the full extent allowed by and on the conditions required by applicable law, as presently in effect and as hereafter amended, unless and until it is determined that such person is not entitled to be indemnified.

9.2 The Board of Directors shall have the right to designate the counsel who shall defend any person or entity that may be entitled to indemnification, to approve any settlement, and to approve in advance any expense. The rights conferred by or pursuant to this Article shall not be exclusive of any other rights that any person may have or acquire under any applicable law (as presently in effect and as hereafter amended), the Agreement, these Articles of Incorporation, the Bylaws of the Corporation, a vote of the Board of Directors of the Corporation, or otherwise. No amendment to or repeal of this Article shall adversely affect any right of any member, director, officer, employee, or agent for events occurring after the date of the adoption of this Article and prior to such amendment or repeal.

9.3 The Corporation may purchase and maintain insurance on behalf of any person who is a member, director, officer, employee, or agent of the Corporation or is serving at the request or consent of the Corporation as an officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability incurred by such person because of such person's status, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article.

9.4 Notwithstanding any other provision of this Article, no indemnification shall be provided to any person if in the opinion of counsel, payment of such indemnification would cause the Corporation to lose its exemption from federal income taxation.

Article 10 BYLAWS

Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws of the Corporation. The authority to make, alter, amend or repeal bylaws is vested in the Board of Directors and may be exercised at any regular or special meeting of the Board in accordance with the Agreement.

Article 11 INITIAL REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation is _____. The name of the initial registered agent of the Corporation at such address is: _____.

Article 12 INCORPORATOR

The name and address of the incorporator of the Corporation is Jeff Clark, 175 Newport Way Northwest, Issaquah, WA 98027.

IN WITNESS WHEREOF, the undersigned has signed these Articles of Incorporation on _____, 2020.

Jeff Clark, Incorporator

**BYLAWS
OF
EASTSIDE FIRE & RESCUE**

Article 1
OFFICES

The principal office of Eastside Fire & Rescue (the “Corporation”) shall be located at its principal place of business, initially 175 Newport Way Northwest, Issaquah, WA 98027, or such other place as the Board of Directors may designate. The Corporation may have such other offices as the Board of Directors may designate from time to time.

Article 2
DEFINITIONS

All capitalized terms used but not otherwise defined in these Bylaws have the meanings set forth in the Eastside Fire & Rescue Interlocal Agreement (the “Interlocal Agreement”).

Article 3
BOARD OF DIRECTORS

3.1 General Powers. The business and affairs of the Corporation shall be conducted under the direction of its Board of Directors as constituted under the Interlocal Agreement and Corporation’s Articles of Incorporation. The Board of Directors shall be deemed the “board of directors” as that term is used in the Washington Nonprofit Corporation Act, Chapter 24.03 RCW (the “Act”) and shall have all power and authority granted under the Interlocal Agreement.

3.2 Duties of Directors. Each director shall perform the duties of a director, including the duties as a member of any committee of the Board of Directors upon which the director may serve: (i) in good faith; (ii) with the care an ordinary prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the officer reasonably believes to be in the best interests of the Corporation.

3.3 Composition of Board. The number, qualifications and appointment of the directors and alternates of the Board of Directors shall be as provided in the Interlocal Agreement. Each director shall serve at the pleasure of the Party that the director represents.

3.4 Term. Each director shall serve for terms as determined by the legislative body of the appointing Party, as provided in the Interlocal Agreement. However, any term will automatically terminate if the respective director is no longer an elected official of the appointing Party.

3.5 Vacancies. Any director vacancy in office shall be filled by the respective appointing Party, as provided in the Interlocal Agreement.

3.6 Resignation; Removal. A director may resign at any time, which shall be effective upon delivering notice of resignation to the Chair, or in the case of resignation by the

Chair, to the Vice Chair. Except as otherwise provided by law, directors may be removed from office only by action of the appointing Party, as provided in the Interlocal Agreement.

3.7 Compensation. Directors shall not receive compensation for their services as such, although the reasonable expenses of directors for attendance at Board of Directors meetings or otherwise directly incident to their duties as directors may be paid or reimbursed by the Corporation, as determined by the Board of Directors.

3.8 Standing or Temporary Committees. The Board of Directors may by motion or resolution form and appoint committees and task forces to assist the Board of Directors. Unless the motion or resolution creating a committee or task force specifies that it will conduct its affairs in accordance with the Washington Open Public Meetings Act (Chapter 42.30 RCW), such committee or task force may not act on behalf of the Board of Directors, conduct hearings or take testimony or public comment.

Article 4 MEETINGS OF BOARD OF DIRECTORS

4.1 Annual Meeting. Each calendar year, the Board of Directors shall designate one regular meeting as its annual meeting of the Parties, as required by RCW 24.03.075, and if not so designated, shall be the regular meeting in which officers of the Board of Directors are appointed. The failure to designate or hold an annual meeting at the time provided in these Bylaws does not affect the validity of any corporate action.

4.2 Regular Meetings. By resolution or motion, the Board of Directors shall specify the date, time and place for the holding of regular meetings of the Board of Directors.

4.3 Special Meetings. The Chair of the Board of Directors or a majority of directors may call a special meeting of the Board of Directors in accordance with the requirements and procedures of the Open Public Meetings Act, which shall control over any contrary provision in the Act.

4.4 Place and Conduct of Meetings. All meetings shall be held at the principal office of the Corporation or at such other place so designated consistent with the Open Public Meetings Act. All meetings of the Board shall be held in compliance with the Open Public Meetings Act. The Board shall prepare minutes of its meetings, which shall be distributed regularly to the legislative bodies of the Parties.

4.5 Quorum. A majority of Directors (or alternates) constitutes a quorum for the transaction of any business at any meeting of the Board of Directors.

4.6 Participation by Telephone. Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of such Board of Directors or committee by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time and participation complies with the Open Public Meetings Act. Participation by such means shall constitute presence in person at a meeting.

4.7 Manner of Acting. The actions of the Board of Directors shall be by motion or resolution. Except as provided otherwise in the Interlocal Agreement, at least five directors or alternates shall approve a motion or resolution. The Board of Directors shall approve actions regarding changes to the revenue formula of the Corporation as provided in the Interlocal Agreement.

Article 5 OFFICERS

5.1 Positions. The officers of the Corporation shall consist of a Chair, a Vice Chair, a Secretary and a Treasurer. The Chair and the Vice Chair shall be elected by and from among the Board of Directors for annual terms ending on the date of each annual meeting. The Secretary and the Treasurer shall be appointed by the Fire Chief. Each officer shall hold office until a successor is selected. Other officers may be designated by the Board of Directors, and such other officers shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as may be provided by resolution of the Board of Directors. Any officer may be assigned by the Board of Directors any additional title that the Board of Directors deems appropriate. Any two or more offices may be held by the same person, except the offices of Chair and Secretary.

5.2 Chair. The Chair shall preside at all meetings of the Board of Directors and shall exercise and perform all duties incident to the office of Chair and such other duties as from time to time may be assigned by resolution or motion of the Board of Directors. The Chair shall sign deeds, leases, bonds, contracts or other instruments which the Board of Directors has approved and authorized to be executed, except in cases where the signing and execution is expressly delegated by the Board of Directors to some other officer or individual or is required by law to be otherwise signed or executed.

5.3 Vice Chair. In the absence of the Chair, the Vice Chair shall perform the duties of the Chair, except as may be limited by resolution of the Board of Directors, with all the powers of and subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as from time to time may be assigned by the Board of Directors.

5.4 Secretary. The Secretary shall be responsible for ensuring that minutes of meetings of the Board of Directors are recorded and maintained, and to the extent minutes of meetings of committees of the Board of Directors are recorded, that such minutes are maintained; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records of the Corporation or appoint such person or entity as is appropriate to act as such custodian; ensure that records are kept of the name and address of each director and each officer; sign with the Chair, or other officer authorized by the Chair or the Board of Directors, deeds, leases, bonds, contracts or other instruments; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board of Directors.

5.5 Treasurer. The Treasurer shall have charge of and be responsible for all funds and securities of the Corporation; ensure that monies due and payable to the Corporation from any source whatsoever are properly received and that receipts are given for said monies; ensure

that all such monies are deposited in the name of the Corporation in banks, trust companies or other depositories selected in accordance with the provisions of these Bylaws; and in general perform all of the duties incident to the office of Treasurer and such other duties as may be assigned to him or her by the Board of Directors. If requested by the Board of Directors, at the Corporation's expense, the Treasurer shall give a bond for the faithful discharge of his or her duties in such amount and with such surety or sureties as the Board of Directors may determine.

5.6 Delegation. In the case of absence or inability to act of any officer or of any person herein authorized to act in his or her place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer, any director or any other person whom it may select. The Chair may delegate duties or powers, in addition to those listed herein to officers and employees of the Corporation as necessary or appropriate to the conduct of the affairs of the Corporation.

5.7 Duty of Officers. An officer, with discretionary authority, shall discharge the officer's duties under that authority: (i) in good faith; (ii) with the care an ordinary prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the officer reasonably believes to be in the best interests of the Corporation.

5.8 Election and Term of Office. The officers of the Corporation shall be elected each year by the Board of Directors at its annual meeting. Unless an officer dies, resigns, or is removed from office, he or she shall hold office until the next annual meeting of the Board of Directors or, if later, until his or her successor is elected.

5.9 Vacancies. A vacancy in any office created by the death, resignation, removal, disqualification, creation of a new office or any other cause may be filled by the Board of Directors for the unexpired portion of the term or for a new term established by the Board of Directors at any regular or special meeting of the Board of Directors.

5.10 Resignation. Any officer may resign at any time by delivering written notice to the Board of Directors. Any such resignation shall take effect at the time specified therein, or if the time is not specified, upon delivery thereof and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.11 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed from office, with or without cause, by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Article 6 STAFF AND CONSULTANTS

The Fire Chief shall be hired, disciplined and discharged by a majority vote of all directors of the Board of Directors. The Fire Chief shall report to and be supervised by the Board of Directors. The Board of Directors shall conduct annually an evaluation of the performance of the Fire Chief, or more frequently if requested by the Board of Directors or the Fire Chief. The Fire Chief shall hire, discipline, discharge and supervise all other employees and all volunteers of the Corporation and shall carry out all other duties specified by the Interlocal Agreement and as

determined by the Board of Directors. The Board of Directors may hire or retain legal counsel and independent auditors. The Board of Directors may hire or retain such other consultants as it may determine, subject to the Interlocal Agreement.

Article 7
INDEMNIFICATION

The indemnification rights and the right to advancement of expenses of the Corporation's directors, officers, employees and agents shall be as set forth in the Articles of Incorporation.

Article 8
ADMINISTRATIVE PROVISIONS

8.1 Books and Records. The Corporation shall keep the following records at its principal office:

- (a) Current copies of its Articles of Incorporation and Bylaws, as amended;
- (b) Correct and adequate records of accounts and finances;
- (c) A record of officers' and directors' names and addresses;
- (d) Minutes of the proceedings of its Board of Directors, and any minutes that may be maintained by committees having any authority of the Board of Directors; and
- (f) Such other records as may be necessary, advisable or required by the Act.

All books and records of the Corporation shall be subject to disclosure under the Public Records Act (Chapter 42.56 RCW) and other laws regarding inspection and copying of public records.

8.2 Fiscal Year. The accounting year of the Corporation shall be the twelve months ending December 31.

8.3 Loans to Directors and Officers Prohibited. No loans or advances shall be made by the Corporation to any of its directors or officers.

8.4 Seal. The Corporation need not have a corporate seal. If the Board of Directors adopts a corporate seal, the seal of the Corporation shall be circular in form and consist of the name of Eastside Fire & Rescue.

8.5 Amendment of Bylaws. These Bylaws may be amended or repealed by majority vote of the directors then in office at any meeting of the Board of Directors.

8.6 Priority of Interlocal Agreement. In the event of a conflict or inconsistency between these Bylaws and the Interlocal Agreement, the provisions of the Interlocal Agreement shall prevail.

CERTIFICATE OF ADOPTION

The undersigned Secretary of Eastside Fire & Rescue does hereby certify that the above and foregoing Bylaws of said Corporation were adopted by the Board of Directors as the Bylaws of said Corporation and that the same do now constitute the Bylaws of this Corporation.

DATED this ____ day of _____, 2020.

_____, Secretary