

Bylaws of Cabaret Follies of Lower Columbia

ARTICLE I OFFICES

Section 1.1 Name. The name of the organization shall be the Cabaret Follies of Lower Columbia (hereinafter known as “CFLC”). It shall be a nonprofit organization incorporated under the laws of the State of Washington.

The registered office and registered agent of the Corporation shall be as set forth in CFLC’s Articles of Incorporation. The registered office or the registered agent may be changed by resolution of the Board of Directors, upon making the appropriate filing with the Secretary of State.

Section 1.2 Offices. The principal office of the CFLC shall be located within Cowlitz County, WA. The CFLC may also have other offices at such places, within or without the State of Washington, as the Board of Directors may designate, or as the business of the Corporation may require or as may be desirable.

ARTICLE II PURPOSES

Section 2.1 Nature of Corporation. The CFLC is a nonprofit corporation formed under the Washington Nonprofit Corporation Act (Chapter 24.03 RCW), which is organized and shall be operated in accordance with the meaning and provisions of Section 501(c)(3) of the Internal Revenue Code and the regulations issued thereunder.

- a) The purpose for which the CFLC is organized is exclusively charitable, educational and cultural, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.
- b) Notwithstanding any other provision of these articles, this organization shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Law.

Section 2.2 Primary Purposes. The CFLC is organized for two separate, but equally important purposes.

- a) The first purpose of the organization is to encourage and enhance cultural and artistic development and awareness of the performing arts through the production of a community follies/cabaret performance and other cultural and artistic activities as deemed appropriate. The organization may sponsor cooperative planning, fund raising, and public educational, cultural and/or artistic programs; it may administer property, as well as undertake such other services and programs deemed necessary to encourage participation and appreciation of the arts by all citizens in the area.
- b) The second purpose is to support and promote the health and wellbeing of the residents of the Lower Columbia area including Cowlitz, Wahkiakum, and Columbia Counties. Profits generated by the CFLC will be distributed to organizations that serve this purpose. Organizations of a

religious or political nature are not eligible to receive goods, services, or funds from the CFLC; nor shall the CFLC provide goods, services, or funds to any individual or group of individuals.

ARTICLE III MEMBERS

Section 3.1 Membership Classifications & Qualifications. The corporation shall initially have two classes of members. Membership in the CFLC shall be open to all who are interested in promoting these purposes.

Members may choose to join with an associate membership or a full membership. Full membership entitles members to voting rights. Additional classes of members, the manner of election or appointment of each class of members, and the qualifications and rights of each class of members may be established by amendment to these Bylaws.

Any person, firm, corporation, or organization subscribing to the purpose of these Bylaws and making an annual contribution of voluntary participation or funds for the benefit of the organization shall become an associate member of this organization.

Any individual may become a Full Member of the CFLC upon payment of membership fees and dues as specified by CFLC's Board of Directors. Members may have such other qualifications as the Board may prescribe by the Board.

The property, voting and other rights, interests and privileges of each full member shall be equal. No member shall hold more than one voting membership in the organization.

Section 3.2 Dues. The dues for members of CFLC shall be as set by the Board of Directors, with a minimum of \$10.00. With approval of the members, the Board may, from time to time, increase, decrease, or otherwise adjust the dues, and may offer various dues options.

No member shall be entitled to vote on any matter that comes before the membership unless his or her annual dues have been paid. Dues shall be payable upon application for membership and annually each January thereafter, or on such other schedule as the Board may, from time to time, establish. The membership year shall be from January 1st to December 31st.

Section 3.3 Privileges. Associate members are non-voting members and volunteers for the organization. All full members shall have the privilege of voting and holding office. Voting rights are granted to full members whose dues have been paid at the time of the vote.

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Section 3.4 Records. The organization shall keep a membership list containing the names and addresses of each full member. If requested, the membership list shall be provided to any member in good standing within one week.

ARTICLE IV MEETINGS OF MEMBERS

Section 4.1 Location of Meetings. Meetings of members shall be held at the principal office of the organization or at such other place or places within the Lower Columbia region as may be designated by resolution of the Board of Directors.

Section 4.2 Annual Meeting. The members shall meet annually in February of each year, beginning with year 2015. In odd years at the annual meeting, members shall elect officers and Directors to the Board; in even years at the annual meeting, members shall approve the beneficiary(ies) of the upcoming performance profits.

A second, General Membership Meeting will be held each year at least three months after the Annual Membership Meeting. The date, time, and location of the second meeting will be set at the discretion of the CFLC Board.

Both membership meetings shall also allow members to transact such other and further business as may regularly come before the meeting.

Section 4.3 Notice of Meetings. Each notice of meetings of members shall be made at least fourteen (14) days in advance and shall specify the place, the day, and the hour of the meeting and the general nature of the business to be transacted.

Section 4.4 Quorum. A quorum shall consist of at least one-third (1/3) of the membership.

Section 4.5 Voting Privileges.

- a) Each full member is entitled to one vote on each matter submitted to a vote of the members. Unless otherwise provided by these Bylaws, voting at duly held meetings shall be by voice vote unless a member entitled to vote approves an election by ballot, in which event the election shall be by ballot. Voting may be electronically or by paper ballot.
- b) Notwithstanding the provisions of paragraph (a) hereof, any vote, including the election of Directors, may be conducted by mail in such manner as the Board of Directors shall determine.
- c) No single vote shall be split in fractional votes.
- d) Cumulative voting for the election of Directors or otherwise shall not be authorized. The candidates receiving the highest number of votes up to the number of Directors to be elected are elected.

Section 4.6 Procedures.

- a) Meetings of members shall be presided over by the President of the organization or, in his/her absence, by the Vice President of the organization, or in the absence of both, by a person chosen by a majority of the members present. In the event the Secretary is absent, the presiding officer shall appoint another person to act as Secretary of the meeting.
- b) Meetings shall be governed by Robert's Rules of Order as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this organization, or with the law.

Section 4.7 Special Meetings of Members

Special meetings of members of the organization may be called by the president or at the written request of three members. The person or persons authorized to call special meetings of the membership may fix any reasonable date, hour, and place, within Cowlitz County, Washington, as the date, hour, and place for holding any special meeting of the membership called by them.

ARTICLE V BOARD OF DIRECTORS

Section 5.1 General Powers. The Board of Directors shall have the general power to manage and control the affairs and property of the CFLC, and shall have full power, by majority vote, to adopt rules and regulations governing the action of the Board of Directors.

Section 5.2 Definitions. The words "Directors" and "Board," as used in the Articles of Incorporation of this organization or in these Bylaws in relation to any power or duty requiring collective action, means "Board of Directors."

Section 5.3 Number, Election, and Term of Office. The Board of Directors shall consist of no fewer than three (3), and no more than fifteen (15), members. Upon majority resolution of the board of Directors, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director or decrease the total number of Directors to fewer than three Directors. Until the first meeting for electing the Directors occurs, the initial Board of Directors shall consist of the persons listed in the Articles of Incorporation.

Election to the Board of Directors shall be by majority vote of the members, which shall occur, except in the case of filling vacancies, at each annual meeting thereof. Each Director shall hold office for a term of two (2) years and thereafter until his or her successor is elected and qualified.

There shall be a nominating committee consisting of three members appointed by the president with the approval of the Board. Any person eligible as required by Section 5.5 hereof to be a Director may be nominated as a candidate for Director. The nominating committee shall prepare a slate of Directors which shall be presented and voted upon by the membership at the annual meeting. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be deemed elected. Directors shall be eligible for re-election, provided they continue to meet the qualifications required by Section 5.4 hereof.

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Election to the Board of Directors shall be by majority vote of the members, which shall occur, except in the case of filling vacancies, at each annual meeting thereof. Each Director shall hold office for a term of two (2) years and thereafter until his or her successor is elected and qualified.

Two months before the annual meeting the President, with the approval of the Board, appoints a Nominating Committee consisting of three members. Any person eligible as required by Section 5.5 hereof to be a Director may be nominated as a candidate for Director. The Nominating Committee reports its slate of nominees to the membership one month prior to the annual meeting. Additional nominations may also be made by written petition of five members any time before the Annual Meeting or from the floor at the annual meeting, provided the consent of

the nominees has been obtained. Directors shall be eligible for re-election, provided they continue to meet the qualifications required by Section 5.4 hereof.

In order to be elected, each candidate must be confirmed by one-third of the membership. If there are more candidates than vacancies, the candidates with the most votes will be appointed. In the event of a contested election, paper ballots shall be used and an election committee consisting of three members will be appointed to tally the results.

Officers and Board members at large are elected at the Annual Meeting of the Membership and take office at the next regularly scheduled board meeting.

Section 5.4 Term Limits. At the end of the first term, there will be an option to renew for another 2-year term if both the Board member and the Board are happy to continue.

- a) No elected officers shall be eligible to serve more than three (3) full terms consecutively on the Board.
- b) Officers who have become ineligible to run because of term limits shall become eligible to run again after an interim of one term.
- c) Term limits shall not apply to the time served by an individual who has been appointed to fill a vacancy on the Board and who serves less than one-half of a regular term.
- d) Of the initial Board members, one-third (1/3) will only be eligible to serve the initial (1) term, one-third (1/3) will be eligible to serve two (2) terms and one-third (1/3) will be eligible to serve three (3) terms.

Section 5.5 Eligibility. Any person who is a member in good standing of CFLC will be eligible to be elected a Director thereof; provided they do not currently serve on the Board of any competing organization. Directors need not be residents of the State of Washington.

Section 5.6 Officers. The Board of Directors may designate from among its members a President, Vice-President, Secretary, Treasurer and such other officers as it may consider appropriate with such duties as it may prescribe. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 5.7 Vacancies. If a vacancy occurs on the Board of Directors prior to the expiration of a term, the membership will elect a replacement either by calling a special meeting of the membership or through electronically mailed ballot. If a replacement is not identified and confirmed by one-third of the membership within one month of the vacancy, the position shall be filled by such person as shall be elected by the remaining members of the Board of Directors. A Director so elected to fill a vacancy shall hold office for the unexpired term of his or her predecessor in office.

Vacancies in the Board of Directors shall exist: 1) on the death, resignation, or removal of any Director; 2) unexcused failure on the part of a Director to attend three consecutive meetings of the Board; or, 3) failure for any cause on the part of a Director to attend four (4) consecutive meetings of the Board.

Section 5.8 Resignation. A Director may resign from the Board of Directors at any time by giving notice of his/her resignation in writing addressed to the President or Secretary of the CFLC or by presenting his/her written resignation at an annual, regular, or special meeting of the Board of Directors.

Section 5.9 Removal. A Director may be removed, with or without cause, at any duly constituted meeting of the Board, by the affirmative vote of a majority of then-serving Board members; or by two-thirds of the votes cast by members having voting rights with regard to the election of any director, represented in person at a meeting of members at which a quorum is present.

Section 5.10 Annual and Regular Meetings. The Board of Directors shall hold an annual meeting at such time and place as the Board of Directors shall by resolution prescribe. The Board of Directors may by resolution prescribe the time and place of such other regular meetings.

Section 5.11 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any reasonable date, hour, and place, within Cowlitz County, Washington, as the date, hour, and place for holding any special meeting of the Board called by them.

Section 5.12 Notice. Notice of any special meeting of the Board of Directors shall be given at least three (3) days in advance by written notice delivered personally or sent by mail, email, facsimile or other means of electronic transmission to each Director at his or her address as shown in the records of the CFLC. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at, and the purpose of, any annual meeting of the Board of Directors need not be specified in the notice or waiver of notice of such meeting.

Section 5.13 Quorum and Proxies. A majority of the total number of Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors; but, if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. Proxies shall not be permitted.

Section 5.14 Manner of Acting. 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, unless the act of a greater number is required by law or by these Bylaws.

Section 5.15 Compensation. Directors as such shall not receive any stated salaries for their services but may be reimbursed for reasonable expenses. Nothing herein shall be construed to preclude any Director from serving the CFLC in any other capacity and receiving compensation therefor.

Section 5.16 Informal Action. Any action may be taken without a meeting of the Directors if consent in writing setting forth the action so taken shall be signed by all of the Directors. In special circumstances, e.g. when the board is not in session, email voting is permitted as established in Board policies.

ARTICLE VI COMMITTEES

Section 6.1 Standing Committees. The Board of Directors, by a majority vote of its members, may create standing committees as deemed necessary for the year or term. Each committee shall consist of at least three members, to be appointed by the Board. Members of the community may be appointed to serve as committee members. Each committee shall establish rules and regulations for its meetings and meet at such times as it deems necessary, provided that a reasonable notice of all meetings of the Committee shall be given to its members, and no act of the Committee shall be valid unless approved by the vote or written consent of a majority of the Board of Directors. The Committee shall keep regular minutes of its proceedings and report the same to the Board from time to time as the Board may require. Committee meetings shall be open to all members of the Board of Directors.

Section 6.2 Beneficiary Selection Committee. Once every two years the Board shall appoint a Beneficiary Selection Committee who shall solicit applications from potential beneficiaries of the Cabaret/Follies proceeds. The committee will be charged with selecting between three (3) and six (6) applications to be voted on at the annual meeting of the members. The committee shall establish clear selection criteria and include these criteria with the application package. The committee shall publish a call for applications in the local newspaper as well as electronic means, and will set a deadline for application.

Section 6.3 Audit Committee. At least every other November the Board shall appoint an Audit Committee, the role of which is to oversee or conduct an annual audit of CFLC finances. If an Audit Committee is not appointed prior to January of every odd-numbered year, the membership will appoint an Audit Committee and the election of the new Board Members will be suspended until the Membership receives the Audit Report.

The committee will be comprised of two or more people and may include persons other than Directors of CFLC.

The membership of the Audit Committee shall not include the following persons:

- a) The President of the Board;
- b) The Treasurer of the organization;
- c) Any employee of the organization; or
- d) Any person with a material financial interest in any entity doing business with the organization.

In the event that the Board should appoint a Finance Committee, the members of said Finance Committee must compose less than one-half (1/2) of the membership of the Audit Committee and the Chair of the Finance Committee shall not serve on the Audit Committee.

The Audit Committee may consult with an auditor to assure its members that CFLC's financial affairs are in order and after review shall determine whether to accept the audit.

Section 6.4 Committee Vacancies. Vacancies on any committee may be filled for the unexpired period of the term in the same manner as provided in the case of original appointments.

Section 6.5 Quorum. A majority of a whole standing committee shall constitute a quorum of such committee 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.

Section 6.6 Committee Records. The books of account shall, at reasonable times, be open to inspection by any Director. Every Director shall have the absolute right at any reasonable time to inspect all books, record, documents of every kind, and the physical properties of the organization. Such inspection may be made in person or by agent or attorney, and the right of inspection includes the right to make extracts.

ARTICLE VII CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 7.1 Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents of the CFLC, in addition to or in place of the Officers so authorized by the Bylaws, to enter into a contract or execute and deliver any instrument or document in the name and on behalf of the CFLC, and such authority may be general or confined to specific instances.

Section 7.2 Checks, Drafts, and Similar Documents. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the CFLC, shall be signed by such Officer or Officers and/or agent or agents of the CFLC and in such manner as shall from time to time be determined by resolution of the Board of Directors.

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

Section 7.4 Gifts and Contributions. The Board of Directors may accept on behalf of the CFLC any contribution; gift, bequest, or devise for the general purposes or for any special purpose of the CFLC. Such contributions, gifts, bequests, or devises shall be in conformity with the laws of the United States, the State of Washington, and any other relevant jurisdiction.

Section 7.5 Budgets. A proposed budget shall be submitted by the Board Treasurer to the Board of Directors prior to the Annual Meeting for consideration and recommendation. The final budget shall be adopted at the Annual Meeting.

Section 7.6 Fiscal Year. The fiscal year shall be from January 1 through December 31.

ARTICLE VIII BOOKS AND RECORDS

Section 8.1 Books and Records. The CFLC shall keep correct and complete books and records of account and also shall keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. The books of the Treasurer shall be audited by an audit committee at the end of each two year program term.

ARTICLE IX STANDARD OF CARE

Section 9.1 General Expectations. A Director shall perform all the duties of a Director, including, but not limited to, duties as a member of any committee of the Board on which the

Director may serve in such a manner as the Director deems to be in the best interest of this organization and with such care, including reasonable inquiry, as an ordinary, prudent and reasonable person in a similar situation may exercise under similar circumstances.

In the performance of the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- a) One or more officers or employees of the organization whom the Director deems to be reliable and competent in the matters presented;
- b) Counsel, independent accounts or other persons as to the matters which the Director deems to be within such person's professional or expert competence; or
- c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director deems to merit confidence.

So long as in any such case, the Director act in good faith, after reasonable inquiry when the need may be indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as herein provided in Article 9.3, Conflict of Interest, any person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limitation of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the organization, or assets held by it, are dedicated.

Section 9.2 Loans. The organization shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer, unless approved by the Washington Attorney General; provided, however, that this organization may advance money to a Director or officer of the organization or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

No loan shall be contracted on behalf of the CFLC and no negotiable paper in connection therewith shall be issued in its name unless authorized by vote of the Board of Directors. When authorized by the Board of Directors, any officer of the CFLC may effect loans and advances at any time for the CFLC from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds, or other certificates or evidences of indebtedness of the CFLC. Such authority may be general or confined to specific instances. Said authorization must be in writing.

Section 9.3 Conflict of Interest. The purpose of the Conflict of Interest policy is to protect the organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or Directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations and is not intended as an exclusive statement of responsibilities.

Section 9.4 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the

opportunity to disclose all material facts to the Directors, who are considering the proposed transaction or arrangement.

Section 9.5 Establishing a Conflict of Interest. After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while establishing a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

Section 9.6 Addressing Conflict of Interest. In the event that the Board should establish that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

- a) Any interested individual may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented, and then votes on the transaction or arrangement proposed involving the possible conflict of interest.
- b) The President of the Board shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board shall determine whether the Organization can obtain through reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the CFLC's best interest, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination.

Section 9.7 Violations of Conflict of Interest Policy. Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the Board shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's explanation and after making further investigation as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 9.8 Procedures and Records. All minutes of the Board Meetings, when applicable, shall contain the following information:

- a) The names of all the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to

the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 9.9 Annual Statements. Each Director, principal officer and member of a committee with Board-delegated powers shall annually sign a statement which affirms such person:

- a) Has received a copy of the conflict of interest policy;
- b) Has read and understands the policy;
- c) Has agreed to comply with the policy; and
- d) Understands the organization is charitable and in order to maintain its federal tax exemption it must engage primarily activities, which accomplish one or more of its tax-exempt purposes.

ARTICLE X PARLIAMENTARY AUTHORITY

Section 10.1 Parliamentary Authority. The last edition of Robert's Rules of Order – Newly Revised shall govern the proceedings in all cases not provided for in the Bylaws or in the Standing Rules.

ARTICLE XI BYLAWS

Section 11.1 Effective Date. These Bylaws shall become effective immediately on their adoption. Amendments to these Bylaws shall become effective immediately on their adoption unless the Board of Directors or members, in adopting them as hereinafter provided, provide that they are to become effective at a later date.

Section 11.2 Amendments. These Bylaws may be amended by an affirmative vote of two-thirds (2/3) of the Board of Directors of the organization present at a regular meeting or a special meeting held for that purpose. Proposed amendments to the Bylaws must be submitted in writing to the Board and approved by the members.

Section 11.3 Records. The original, or a copy, of the Bylaws as amended or otherwise altered to date, certified by the Secretary of the organization, shall be recorded and kept in a book which shall be kept in the principal office of the organization, and such book shall be open to inspection by the members at all meetings of the board and/or membership and by special arrangement with one week of a request to review.

ARTICLE XII LIABILITY, INDEMNIFICATION AND INSURANCE

Section 12.1 No Personal Liability. No member of the organization, nor any Directors of the Board shall be personally liable for debts, liabilities or obligations of CFLC.

Section 12.2 Insurance. CFLC shall have the power to purchase and maintain insurance on behalf of any Director officer, employee or agent of CFLC against reasonable costs, disbursements, counsel fees and liabilities asserted by reason of such person's present or former capacity as a Director, officer, employee or agent of CFLC, whether or not CFLC would have the power to indemnify that person under these Bylaws.

Section 12.3 Indemnification. To the fullest extent permitted by law, this organization shall indemnify its “agents,” as described by law, including its Directors, officers, members, employees and volunteers, and including persons formerly occupying any such position, and their heirs, executors and administrators, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” and including an action by or in the right of the organization, by reason of the fact that the person is or was a person described in that in the Non-Profit Corporation Act. Such right of indemnification shall not be deemed exclusive of any other right to which such persons may be entitled apart from this Article.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification in defending any “proceeding” shall be advanced by the organization. It is the responsibility of that person to repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the organization for those expenses.

Section 12.4 Limits on Indemnification. Notwithstanding the above, CFLC will indemnify a person only if he/she acted in good faith and reasonably believed that his/her conduct was in the organization’s best interests. In the case of a criminal proceeding, the person may be indemnified only if he/she had no reasonable cause to believe his/her conduct was unlawful.

ARTICLE XIII DISSOLUTION

Section 13.1 Dissolution. CFLC shall be dissolved in the following two-step process.

(a) The Board of Directors of CFLC first must, by a majority vote of the Board at a meeting where a quorum exists, make a recommendation that CFLC be dissolved. Thereafter, the members, upon a majority vote of the entire membership, must vote on the dissolution.

(b) Upon the dissolution of CFLC, the Board of Directors shall, after paying or making provision for payment of all of the liabilities of CFLC, dispose of all of the assets of the organization exclusively for the charitable purposes of CFLC in such a manner, or to such organization or organizations organized and operated exclusively for charitable purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the court having jurisdiction over such matters, exclusively, for such purposes or to such organization or organizations, as the said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XIV SEVERABILITY

Section 14.1 Severability. Each of the sections, subsections and provisions hereof shall be deemed and considered separate and severable so that if any section, subsection or provision is deemed or declared to be invalid or unenforceable, this shall have no effect on the validity or enforceability of any of the other sections, subsections or provisions.

CERTIFICATION

The undersigned President, Vice President, Treasurer, Secretary, and a majority of the Board of Directors respectively of Cabaret Follies of Lower Columbia hereby certify that the foregoing revised Bylaws were duly adopted at a meeting duly called and held on the 27th day of March, 2017 and were approved by a quorum of full members.

PLEASE PRINT YOUR NAME

YOUR SIGNATURE

Vickie Rhodes

Vickie Rhodes

President

NORVIL PEER

Norvil Peer

Vice President

Jeni Quiriconi

Jeni Quiriconi

Treasurer

Sel Hans ^{Selena Hansen}

Sel H

Secretary

~~Ray L. Byers~~ RAY L. BYERS

Ray L. Byers

Director

Susannah Moon

Susannah Moon

Director

Kathleen Brown

Kathleen Brown

Director

Matt Peters

Matt Peters

Director

Connie VanCuren

Connie VanCuren

Director