

EXHIBIT B

CHARTER OF THE
JEFFERSON COUNTY PUBLIC FIBER NETWORK AUTHORITY

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ARTICLE I
Name and Seal

Section 1.1 Name.

The name of this Authority shall be the JEFFERSON COUNTY PUBLIC FIBER NETWORK AUTHORITY (the Authority).

Section 1.2 Seal.

The Authority's seal shall be a circle with the name Jefferson County Public Fiber Network Authority inscribed therein.

ARTICLE II
Authority and Limit on Liability

Section 2.1 Authority.

The Authority is a regional public authority organized pursuant to RCW 35.21.730 - .757, as amended (the Act) and Ordinance No. ____ of the City of Port Townsend and Ordinance No. ____ of the County of Jefferson, (the Ordinance).

Section 2.2 Limit on Liability.

All liabilities incurred by the Authority shall be satisfied exclusively from the assets, credit, and properties of the Authority, and no creditor or other person shall have any right of action against or recourse to the City of Port Townsend (the City) and the County of Jefferson (the County), its assets, credit or services, on account of any debts, obligations, liabilities or acts or omissions of the Authority.

Section 2.3 Mandatory Disclaimers.

The following disclaimer shall be printed or stamped on all contracts, bonds and other documents that may entail any debt or liability by the Authority. The Jefferson County Public Fiber Network Authority is a regional public authority organized pursuant to Ordinance No. ____ of the City of Port Townsend and Ordinance No. ____ of the County of Jefferson and the laws of the State of Washington, RCW 35.21.703 through RCW 35.21.757. RCW 35.21.750 provides as follows: [A] liabilities incurred by such public corporation, commission or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town or county creating such corporation, commission or authority on account of any debts, obligations or liabilities of such public corporation, commission or authority.

ARTICLE III **Duration**

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

ARTICLE IV

Purpose

The purpose of the Authority is to provide a legal entity organized under the Act and Ordinance No. ____ of the City of Port Townsend and Ordinance No. ____ of the County of Jefferson, to administer and execute federal and state grants or programs, receive and administer Port Townsend, Jefferson County JCPFN PDA Interlocal Agreement 200x xx private funds, goods or services for any lawful public purpose and perform any lawful public purpose or public function of a Regional Public Development Authority within or without Port Townsend, Jefferson County, Washington (the Project). To the extent appropriate and consistent with the needs and objectives of Port Townsend and Jefferson County, the Authority will acquire and manage real property, secure financing, undertake the construction and development of and otherwise accomplish all purposes required for development and operation of the Project. To the extent appropriate and consistent with the needs and objectives of Port Townsend and Jefferson County and to facilitate or provide for the Project, the Authority will undertake and accomplish all activities necessary or convenient for the development, operation and implementation of the Project. For the purpose only of securing the exemption from federal income taxation for interest on obligations of the Authority, the Authority constitutes an authority and instrumentality of the City of Port Townsend and the County of Jefferson (within the meaning of those terms in regulations of the United States Treasury and ruling of the Internal Revenue Service prescribed pursuant to Section 103 of the Internal Revenue Code of 1998, as amended).

ARTICLE V

Powers

Section 5.1 Powers. The Authority shall have and may exercise all lawful powers conferred by state laws, the Ordinance, this Charter and its Bylaws. The Authority in all of its activities and transactions shall be subject to the powers, procedures and limitations contained in the Ordinance.

Section 5.2 Indemnification. To the extent permitted by law, the Authority shall protect, defend, hold harmless and indemnify any person who becomes a director, officer, employee or agent of the Authority, and who is a party or threatened to be made a party to a proceeding by reason related to that person's conduct as a director, officer, employee or agent of the Authority, against judgments, fines, penalties, settlements and reasonable expenses (including attorneys fees) incurred by him or her in connection with such proceeding, if such person acted in good faith and reasonably believed his or her conduct to be in the Authority's best interests and if, in the case of any criminal proceedings, he or she has no reasonable cause to believe his conduct was unlawful. The indemnification and protection provided herein shall not be deemed exclusive of any other rights to which a person may be entitled as matter of law or by contract or by vote of the Board of Directors. The Authority may purchase and maintain appropriate insurance for any person to the extent provided by applicable law.

ARTICLE VI

Board

Section 6.1 Board Composition. Management of all Authority affairs shall reside in the Board. The Board shall be composed of nine (9) members who shall be persons proposed by the Mayor and the County Board of Commissioners Chairperson approved by City Council and Board of Commissioners.

Section 6.2 Terms of Office.

(A) The terms of office of the initially appointed members of the Board shall commence on the effective date of this charter and shall be staggered as follows: Group I. Five members for two-year terms; and Group II. Four members for four-year terms.

(B) In making the appointments of the initial board members, the Mayor shall appoint five (5) members, of which three (3) members so designated shall be assigned to Group I and Two (2) members assigned to Group II, the County Commissioner Chairperson shall appoint four (4) members, of which two (2) members so designated shall be assigned to Group I and Two (2) members assigned to Group II of the two groups identified in subsection A above for purposes of determining the length of terms of such initial board members.

(C) Except for the initial members of the board, each member shall be appointed to serve for a four-year term. Each member shall continue to serve until his or her successor has been appointed and qualified.

(D) Terms shall expire at the end of the day prior to the anniversary of the effective date of the Charter of the year in which the respective group is scheduled to terminate. New appointees or reappointees shall be processed in the manner provided herein.

Section 6.3 Officers and Division of Duties. The Authority shall have four (4) officers. The same person shall not occupy both the office of President and any office responsible for the custody of funds and maintenance of accounts and finances. The initial officers of the Authority shall be the President, Vice President, Secretary and Treasurer. These officers shall be members of the Board. The President shall be the agent of the Authority for service of process; the Bylaws may designate additional corporate officials as agents to receive or initiate process. Further duties of all officers may be provided for in the Bylaws. The Board shall oversee the activities of the corporate officers, establish and/or implement policy, participate in corporate activity in matters prescribed by the Ordinance, and shall have stewardship for management and determination of all corporate affairs.

Section 6.4 Committees. The appointment of other committees shall be provided for in the Bylaws.

ARTICLE VII

Meetings

Section 7.1 Board Meetings.

(A) The Board shall meet as necessary but not less than one (1) time a year.

(B) Special meetings of the Board may be called as provided in the Bylaws. The Bylaws may provide that meetings shall be tape-recorded.

Section 7.2 Open Public Meetings.

Notice of meetings shall be given in a manner consistent with the Open Public Meetings Act, Chapter 42.30 RCW. In addition, the Authority shall routinely provide reasonable notice of meetings to any individual specifically requesting it in writing. At such meeting, any citizen shall have a reasonable opportunity to address the Board either orally or by written petition. Voting by telephone or proxy is not permitted.

Section 7.3 Parliamentary Authority.

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

Section 7.4 Minutes.

Copies of the minutes of all regular or special meetings of the Board shall be available to any person or organization that requests them as required by state law. The minutes of all Board meetings shall include a record of individual votes on all matters requiring Board concurrence.

ARTICLE VIII

Bylaws

The initial Bylaws may be amended to provide additional or different rules governing the Authority and its activities as are not inconsistent with this Charter. The Board may provide in the Bylaws for all matters related to the governance of the Authority, including but not limited to matters referred to elsewhere in the Charter for inclusion therein.

ARTICLE IX

Amendments to Charter and Bylaws

Section 9.1 Proposals to Amend Charter and Bylaws.

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

(B) Any Board member may introduce a proposed amendment to the Charter or to the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting for which two (2) days advance written notice has been given to members of the Board.

Section 9.2 Vote Required for Amendments to Charter or Bylaws.

Resolutions of the Board approving proposed amendments to the Charter or Bylaws require an affirmative vote of a majority of the Board members voting on the issue, provided that such majority equals not less than four (4) votes.

Section 9.3 City Council and County Commissioners' Approval of Proposed Charter.

Proposed Charter amendments adopted by the Board shall be submitted to the City Council and the County Commissioners. The Authority's Charter may be amended only by ordinance as provided in the Ordinance.

ARTICLE X

Commencement

The Authority shall commence its existence effective upon the issuance of its Charter as sealed and attested by the City and County Clerks.

ARTICLE XI

Dissolution

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

ARTICLE XII
Approval of Charter

APPROVED by Ordinance No. ____ of the City of Port Townsend and
Ordinance No. ____ of the County of Jefferson, adopted by the Port Townsend
City Council on the _____ day of _____ 2005 and Jefferson
County Board of Commissioners on the _____ day of _____ 2005.

CITY OF PORT TOWNSEND

By: _____ Dated: _____
Mayor

ATTEST: _____
City Clerk

JEFFERSON COUNTY

By: _____ Dated: _____
Commissioners' Chairperson

ATTEST: _____
County Clerk