

BY LAWS OF THE IDAHO FALLS AUDITORIUM DISTRICT

ARTICLE I: GENERAL

SECTION 1: Name. The corporate name of this organization is the Idaho Falls Auditorium District, which will be referred to in these by laws as the "District." The District was organized, and its boundaries described, by an order of the District Court of the Seventh Judicial District of the State of Idaho for Bonneville County in April, 2011, pursuant to the authority of Chapter 49, Title 67, Idaho Code.

SECTION 2: Establishment. An election was held on May 17, 2011, wherein the majority of the residents of the City of Idaho Falls, who cast ballots, voted in favor of the creation of an Auditorium District.

SECTION 3: Boundaries. The boundaries of the District encompass all of the area within the City of Idaho Falls. Areas outside the City of Idaho Falls are not included in the District.

SECTION 4: Purpose. The purpose of the District shall be to build, operate, maintain, manage, and market a multi-purpose convention and community events center for the benefit of the members of the District, and any other activities authorized by Chapter 49, Title 67, Idaho Code.

ARTICLE II: THE BOARD OF DIRECTORS

SECTION 1: Membership. The Board of Directors shall consist of five members who shall discharge the powers and duties set forth in Chapter 49, Title 67, Idaho Code.

SECTION 2: Elections. Elections for positions on the Board of Directors shall be held in accordance with Idaho Code Section 67-4911.

SECTION 3: Qualifications. The members of the board shall qualify by filing with the clerk of court their oaths of office, and corporate surety bonds at the expense of the district in an amount not to exceed \$1,000 each, the form thereof to be fixed and approved by the court, conditioned for the faithful performance of their duties as directors.

SECTION 4: Organization of the Board. The Directors shall, at the first meeting after each biennial election, elect from among their number a Chairman of the Board and President of the District. The Directors may, at the first meeting after each biennial election, elect from among their number a Vice-Chairman of the Board and Vice-President of the District. The Board shall also elect a secretary and a treasurer of the board and of the district, who may or may not be members of the board. The secretary and the treasurer may be one (1) person.

SECTION 5: Corporate Records. The Board of Directors shall adopt a seal and the secretary shall keep, in a well-bound book, a record of all its proceedings, minutes of all meetings, certificates, contracts, bonds given by employees and all corporate acts which shall be open to

inspection to all interested parties. The treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the district, in permanent records. The Treasurer shall file with the clerk of the court, at the expense of the district, a corporate fidelity bond in an amount not less than five thousand dollars (\$5,000), conditioned on the faithful performance of the duties of the office.

SECTION 6: Compensation. Each member of the board shall receive as compensation for his service a sum not in excess of sixty dollars (\$60.00) per annum. Board members may decline to accept the compensation or contribute such compensation to the District on an annual basis if they desire. No member of the board shall receive any compensation as an employee of the district or otherwise, other than as allowed by Chapter 49, Title 67, Idaho Code. No member of the board shall be interested in any contract or transaction with the district except in his or her official representative capacity.

SECTION 7: Audits. It shall be the duty of the board of directors to cause an audit to be made of all financial affairs of the district during each year ending November 30th as required in section 67-450B, Idaho Code.

SECTION 8: Removal of Board Members. The Seventh District Court, Bonneville County, State of Idaho shall have the power to remove directors for cause shown, on petition, notice and hearing, pursuant to Idaho Code 67-4909.

ARTICLE III. MEETINGS

SECTION 1: Occurrence. The board shall meet regularly once each month at a time and in a place to be designated by the board. Special meetings may be held as often as the needs of the district require, on notice to each board member.

SECTION 2: Quorum. Three (3) members of the board shall constitute a quorum at any meeting.

SECTION 3: Vacancies. Any vacancy on the board shall be filled through appointment by the remaining members or member of the board, the appointee to act until the next biennial election, when the vacancy shall be filled by election. If the board shall fail, neglect or refuse to fill any vacancy within thirty (30) days after the same occurs, the court having jurisdiction shall fill the vacancy.

SECTION 4: Open Meetings. All meetings of the board will be open to the public and all persons shall be permitted to attend any meeting except those Executive Sessions provided by the Open Meeting Act, Idaho Code Section 67-2340 through 67-2347. The board shall not hold a meeting at any place where discrimination on the basis of race, creed, color, sex, age or national origin is practiced.

SECTION 5: Executive Sessions. The Board may hold an Executive Session pursuant to Idaho Code Section 67-2345. If an Executive Session only will be held, the notice shall be given to

the members of the board, and to the public, stating the reason and the specific provision of law authorizing the Executive Session. Upon a majority vote recorded in the minutes of the meeting by individual vote, the board may go into Executive Session during any meeting after the presiding officer has identified the authorization under the Open Meeting Act to the holding of such Executive Session. An Executive Session may be held:

- (a) To consider the employment of any employee, staff member, or individual agent.
- (b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against an officer, staff member, employee or individual agent.
- (c) To conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency.
- (d) To consider records that are exempt by law from disclosure.
- (e) To consider matters of trade or commerce in which the District is in competition with governing bodies in other States or nations.
- (f) To consider and advise its legal representatives in pending litigation or where there is a general public awareness of probable litigation.

No Executive Session may be held for the purpose of taking final action or making any final decision.

SECTION 6: *Written Minutes.* The Board of Directors shall provide for the taking of written minutes of all its meetings. Neither a full transcript nor a recording of the meeting is required. All minutes shall be available to the public within a reasonable time after the meeting and shall include at least the following:

- (a) All members of the Board who were present.
- (b) All motions, resolutions, orders, or ordinances proposed and their disposition.
- (c) The results of all votes, and upon the request of a member, the vote of each member, by name.

ARTICLE IV. POWERS

SECTION 1: *General.* For and on behalf of the district the board shall have the following powers:

- (a) To have perpetual existence.
- (b) To have and to use a corporate seal.
- (c) To sue and be sued, and be a party to suits, actions, and proceedings.

- (d) Except as otherwise provided in Chapter 49, Title 67, Idaho Code, to enter into contracts and agreements, cooperative and otherwise, affecting the affairs of the district, including contracts with the United States of America and any of its agencies or instrumentalities, and contracts with corporations, public or private, municipalities, or governmental subdivisions, and to cooperate with any one or more of them in building, erecting, marketing or constructing facilities within a district.
- (e) To borrow money and incur indebtedness and evidence the same by certificate, notes or debentures, and to issue bonds, in accordance with the provisions of Chapter 49, Title 67, Idaho Code.
- (f) To acquire, dispose of and encumber real and personal property, and any interest therein, including leases and easements within said district.
- (g) To refund any bonded indebtedness of the district without any election; provided however, that the obligations of the district shall not be increased by any refund of bonded indebtedness. Otherwise the terms and conditions of refunding bonds shall be substantially the same as those of an original issue of bonds.
- (h) To have the management, control, and supervision of all the business and affairs of the district, and the construction, installation, operation and maintenance of district facilities therein or therefore.
- (i) To hire and retain agents, employees, engineers and attorneys.
- (j) To construct and maintain works and establish and maintain facilities across or along any public street or highway, and in, upon or over any vacant public lands, which public lands are now, or may become, the property of the state of Idaho, and to construct works and establish and maintain facilities across any stream of water or watercourse, provided, however, that the district shall promptly restore any such street or highway to its former state of usefulness as nearly as may be, and shall not use the same in such manner as to completely or unnecessarily impair the usefulness thereof.
- (k) To fix and from time to time to increase or decrease rates, tolls or charges for services or facilities furnished by the district, and to pledge such revenue for the payment of any indebtedness of the district. The board shall fix rates, tolls and charges.
- (l) To petition to enlarge the district by obtaining the consent of not less than ten percent (10%) of the qualified electors of any area to be so included, and then to follow the procedure set forth in Chapter 49, Title 67 Idaho Code, for creating said district.
- (m) To promote any functions for said district, provided that the board shall not engage in operations that are inconsistent with the purpose of the district. It shall be the policy of the board not to compete with existing facilities and services in the district, wherever practicable.

- (n) To adopt and amend bylaws not in conflict with the constitution and laws of the state for carrying on the business, objects and affairs of the board and the district.
- (o) To have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted by Chapter 49, Title 67 Idaho Code. Such specific powers shall not be considered as a limitation upon any power necessary or appropriate to carry out the purposes and intent of Chapter 49, Title 67 Idaho Code.
- (p) To levy a sales tax, not to exceed five percent (5%) of the receipts derived by hotels and motels within the district for the furnishing of hotel and motel rooms, in accordance with the provisions and limitations of Chapter 49, Title 67 Idaho Code.
- (q) To take all actions necessary and lawful to collect such sales tax, including but not limited to the ability to contract with the state tax commission.

SECTION 2: Purchasing. Except in cases in which the district will receive aid from a governmental agency, purchasing shall be accomplished in accordance with the provisions of Chapter 28, Title 67, Idaho Code.

ARTICLE V. AMENDMENTS

Amendments to these bylaws may be made by a majority vote of the elected members of the Board provided such amendment is read at the preceding regular meeting of the Board. However, amendments may be given immediate passage and effect if all of the members of the Board concur in the motion.

ARTICLE VI. TAX RULES

Pursuant to Idaho Code Section 67-4917C, the Board may contract with the Idaho State Tax Commission for the collection of the sales tax. In such event, the provisions of IDAPA 35.01.06 control the administration and collection of the sales tax. In the alternative, pursuant to Idaho Code Section 67-4917C, the Board may authorize the District to administer and collect the sales tax. In such event, the Board shall adopt Rules and Regulations of the Idaho Falls Auditorium District for the Administration and Collection of Taxes, which shall control the administration and collection of the sales tax.

The above bylaws were adopted by a majority vote of the Board of Directors at a meeting on the ____ day of _____, 2011, in accordance with Chapter 49, Title 67 Idaho Code.

Chairman of the Board

Secretary