

BYLAWS OF NINTH DISTRICT DEVELOPMENT FINANCING, INC.

ARTICLE I

PURPOSE

Section 1. Purpose. The purpose of the Corporation is to provide financing for the development of job opportunities and tourism destinations in Southwest Virginia.

ARTICLE II

SEAL

Section 1. Seal. The seal of the Corporation shall be in such form as the Board of Directors may from time to time determine. The signature of the Corporation followed by the word "Seal" enclosed in parentheses or scroll shall be deemed the seal of the Corporation, if affixed by appropriate authority. The seal may be affixed by the Secretary, or Assistant Secretary, or such other person or persons as may be designated by the Board of Directors.

ARTICLE III

FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on July 1 and end on June 30 and shall be at fixed and as changed from time to time, by the Board of Directors.

ARTICLE IV

THE BOARD OF DIRECTORS

* Section 1. Number and Tenure of Office. The Corporation shall be directed and managed by a Board of Directors. Each director shall hold office until his successor is duly elected and qualified, unless he is removed from office or he has resigned in writing. There shall be a number of directors equal to the number of counties and cities comprising Virginia's Ninth Congressional District. One director shall be named by the Board of Supervisors of each Ninth District County and by the City Council of each Ninth District City. The term of office of directors shall be for two years, beginning at the annual meeting following selection of the director by a board or council or at such earlier time as the resolution appointing the director shall state. Reappointment of directors shall be at the discretion of the Board of Supervisors or City Council which named the director.

Section 2. Vacancies. In the case of any vacancy on the Board of Directors, the successor director shall be named by the county board or city council which named the predecessor director.

Section 3. Place of Meeting. The directors may hold meetings of the Board within or without the Commonwealth of Virginia as they from time to time by resolution determine, or as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 4. Annual Meeting. An annual meeting of the Board of Directors shall be held at such time and on such notice, if any, as the directors may determine.

Section 5. Special Meetings. Special meetings of the Board of Directors may be held from time to time on call of the chairman or a majority of the incumbent directors by oral or written notice to each director not less than two days before the meeting. No notice of the purpose thereof shall be required.

Section 6. Quorum. One third of the membership of the Board of Directors shall constitute a quorum for the transaction of business. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice, other than an announcement at the meeting, until a quorum shall be present. The action of a majority of the directors present and voting at a meeting at which a quorum is present shall determine any action taken by the directors except as may otherwise specifically be provided by statute, by the Articles of Incorporation, by these bylaws, or by a contract or agreement to which the Corporation is a party.

Section 7. Indemnity.

Clause (a). Power to Indemnify - Third Party Action.

The Corporation shall have the power but not the obligation to indemnify any person who was or is a part or is threatened to be made a part of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in accordance with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or pending or completed action by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation.

Clause (b). Power to Indemnify - Actions Brought in the Right of the Corporation. The Corporation shall have the power but not the obligation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or

was a director, officer, employee or agent of the Corporation, or is was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he actually believed to be in or not opposed to the best interest of the Corporation, except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation.

Clause (c). Determination of Entitlement to Indemnification. Any indemnification under clauses (a) and (b) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in clauses (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who are not parties to such action, suit or proceeding, or (2) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

Clause (d). Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this section.

Section 8. Action Without Meeting. The directors may take any action authorized by the Articles of Incorporation, these bylaws or applicable law without a meeting, by setting forth the action taken and the consent thereto of all of the directors in writing, which writing shall be signed by all directors entitled to vote thereon.

Section 9. Statement of Standards for Project Funding. By resolution, the Board of Directors shall specify the goals of the Corporation in advancing job creation, general economic development and tourism development in Southwest Virginia. The resolution shall identify the types of projects which shall be eligible for financing, the financing arrangements which may be utilized and any general funding limits or other restrictions or requirements that shall apply to all projects which the Corporation finances. In discharging its responsibilities, the Project Review and Screening Committee, established in Article VI, Section 2 of these bylaws, shall apply the standards of the resolution herein required.

ARTICLE V

OFFICERS AND STAFF

Section 1. Officers. The officers of the Corporation shall be chosen by the Board of Directors at its annual meeting. The officers shall include a Chairman, Vice-Chairman, Secretary and Treasurer, and may include such other officers and assistant officers the Board may deem proper, all having such authority as the Board from time to time provides. One person may not hold more than one such office, and may be removed from office, at the pleasure of the Board. Officers shall hold office for a term of one year, and are eligible for reappointment.

Section 2. Chairman. The Chairman, who must also be a director of the Corporation, shall have administrative authority for the affairs of the Corporation, and shall have such further authority and perform such other duties as may be provided for him by these bylaws and by resolution of the board of Directors.

Section 3. Vice-Chairman. The Vice-Chairman, who must also be a director of the Corporation, shall serve in the absence or removal of the Chairman as the administrative authority for the affairs of the Corporation, and shall have such further authority and perform such other duties as may be provided for him by these bylaws and by resolution of the Board of Directors.

Section 4. Secretary. The Secretary, who must also be a director of the Corporation, shall keep the corporate records, the corporate seal, give due notice of meetings of directors, and perform such other duties as shall be assigned by the Board of Directors.

Section 5. Treasurer. The Treasurer, who must also be a director of the Corporation, shall have the custody of the funds of the Corporation, which shall be kept in such banks or depositories as the Board may designate. The Treasurer shall keep full and accurate records of receipts and disbursements, endorse and deposit checks and drafts where proper, and perform all other duties pertaining to the office as may be assigned to him by the Board of Directors.

Section 6. Staff. The Board of Directors shall determine the number of staff and the salaries and benefits of staff. Staff may include a full-time Executive Director to be appointed by majority vote of the Board of Directors upon recommendation of the Executive Committee. The Executive Director shall be the chief administrative officer of the Corporation and shall be appointed and serve at the pleasure of the Board. The Executive Director shall appoint such other staff as is authorized by the Board of Directors and within the limits of the budget approved by the Board of Directors.

ARTICLE VI

COMMITTEES

Section 1. Executive Committee. There shall be an

Executive Committee of the Board of Directors, consisting of nine directors, which may exercise all of the power of the Board of Directors when it is not in session, except as otherwise limited by law, by these Articles of Incorporation or by these bylaws. The Executive Committee shall consist of the Chairman, Vice-Chairman, Secretary and Treasurer, and five other members of the Board of Directors who are elected at the annual meeting of the Board. The terms of the members of the Executive committee shall be for one year.

Section 2. Project Review and Screening Committee. A Project Review and Screening Committee shall be appointed by the Board of Directors for terms of one year. The Committee shall review proposals and recommend to the Executive Committee which projects shall receive funding, and recommend terms and amounts of assistance for each project. The Project Review and Screening Committee shall be comprised of individuals who have expertise in fields such as tourism, economic development, banking, accounting, and law so that they may knowledgeably evaluate the merits of the projects for which funding is being requested. The Project Review and Screening Committee will be comprised of five members who need not be members of the Board.

Section 3. Quorum. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business, and a majority of the Project Review and Screening Committee shall constitute a quorum. If at any meeting of the Executive Committee or the Project Review and Screening Committee there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice, other than an announcement at the meeting, until a quorum shall be present. The action of a majority of the Executive Committee or the Project Review and Screening Committee present and voting at a meeting at which a quorum is present shall determine any action taken by the Committee except as may otherwise specifically provided by statute, by the Articles of Incorporation, by these bylaws, or by any contract or agreement to which the Corporation is a party.

Section 4. The Board of Directors may create other committees and determine their membership and duties.

ARTICLE VII

EXECUTION OF DOCUMENTS

The Board of Directors may, by a proper resolution, provide for the method of signing checks, notes, drafts, bills of exchange or other instruments for the payment of money; for the transfer and sale of property; for the endorsement and registration of securities; for the assumption of liabilities; for the voting of stock held in other corporations; and for the execution of all other legal documents.

ARTICLE VIII

WAIVER OF NOTICE, APPROVAL AND CONSENT

Any notice required by these bylaws or by law to be given any officer or director, may be waived in writing, either before or after the event to which it relates, and shall be deemed waived with respect to any meeting, along with any objections to the time or place of such meeting, by appearance at such meeting, except when such person attends a meeting solely for the purpose of stating, at the beginning of the meeting, any objection to the transaction of business. Written approval of the minutes of any meeting, either before or after the meeting, shall be deemed a waiver of notice of such meeting and shall be deemed an appearance at such meeting.

ARTICLE IX

DISSOLUTION

In the event of dissolution of this corporation, or in the event it shall cease to carry out the objectives and purposes herein set forth, all business, property, and assets of the corporation shall go and be distributed to one or more non-profit corporations or public bodies as may be selected by the Board of Directors of this corporation and approved by at least 75 percent of the users or members to be used for, and devoted to, the purpose of a community facility project or other purpose to serve the public welfare of the community. In no event shall any of the assets or property, in the event of dissolution thereof, go or be distributed to members, directors, stockholders, or others having financial or managerial interest in the corporation either for the reimbursement of any sum subscribed, donated or contributed by such members or for any other purposes, provided that nothing herein shall prohibit the corporation from paying its just debts.

ARTICLE X

AMENDMENT OF BYLAWS

These bylaws may be amended, altered or replaced by the Board of Directors with 30 days written notification to the Board of Directors at any meeting thereof.

Adopted: August 18, 1994