

**BY-LAWS
OF THE
LOUISVILLE AND SOUTHERN INDIANA
BRIDGES AUTHORITY**

PREAMBLE

WHEREAS, the establishment of the LOUISVILLE AND SOUTHERN INDIANA BRIDGES AUTHORITY (the “Bi-state Authority”) was authorized by the Kentucky General Assembly pursuant to House Bill 3 (later codified as Kentucky Revised Statute 175B.030, effective June 26, 2009, and sometimes hereinafter referred to as “the Bi-state Authority Statute”) for the development, design, financing, construction, operation and oversight of the Louisville-Southern Indiana Ohio River Bridges Project; and

WHEREAS, the State of Indiana’s participation in the Bi-state Authority was authorized by the Governor of Indiana, Mitchell E. Daniels, Jr., pursuant to Executive Order 09-11 dated December 3, 2009 (the “Executive Order”) for those purposes enumerated above; and

WHEREAS, it is in the best interest of the Commonwealth of Kentucky (the “Commonwealth”) and the State of Indiana (the “State”) for the Bi-state Authority to adopt by-laws in order to provide for and promote the efficient and cooperative manner of conducting the business of the Bi-state Authority and of regulating and managing its affairs;

NOW, THEREFORE, the Bi-state Authority adopts the following by-laws (the “By-Laws”), which shall be in effect until amended by the Bi-state Authority as provided herein:

**ARTICLE I.
NAME AND PRINCIPAL OFFICE**

Section 1. Name. The name of the Bi-state Authority shall be the LOUISVILLE AND SOUTHERN INDIANA BRIDGES AUTHORITY.

Section 2. Principal Office. The principal office of the Bi-state Authority shall be located in Louisville, Kentucky.

Section 3. Compliance with Laws. These By-Laws are not intended to contravene the provisions of the Kentucky Revised Statutes, the Indiana Code, or the Executive Order. In the event any of these provisions are contrary to any superseding provisions of the laws of the Commonwealth, the State, or the United States of America, then these By-Laws, or any part thereof, shall be deemed to have been amended to conform to such laws, and no action taken by the Bi-state Authority shall be held void because of such contrary provision of these By-Laws.

Section 4. Fiscal Year. The fiscal year of the Bi-state Authority shall begin on July 1 of each year and end upon June 30 of the next succeeding calendar year.

**ARTICLE II.
THE BI-STATE AUTHORITY MEMBERS**

Section 1. Membership. The Bi-state Authority shall consist of fourteen members, seven of whom shall be Kentucky residents appointed in the manner specified in the Bi-state Authority Statute, and seven of whom shall be appointed by the Governor of the State of Indiana in accordance with the Executive Order.

Section 2. Terms. The members of the Bi-state Authority shall serve at the pleasure of their respective appointing authorities, in each case for such terms as are provided by the Bi-state Authority Statute and the Executive Order, respectively. Members may be reappointed for subsequent terms.

Section 3. Compensation. The members of the Bi-state Authority shall serve without salary or per diem, except that members of the Bi-state Authority shall be reimbursed in accordance with the law and policies of the Commonwealth or State in which each such member resides for reasonable expenses necessary and incidental to the performance of their duties and functions as members of the Bi-state Authority.

Section 4. Standards of Conduct.

(a) The members of the Bi-state Authority shall comply with applicable laws, regulations and policies of both the Commonwealth and the State with respect to ethics, conflicts of interest and procurement provisions in connection with their service on the Bi-state Authority and all activities related thereto. Members of the Bi-state Authority shall be considered “public servants” for purposes of Kentucky Revised Statute Chapter 11A and shall be considered “special state appointees” for purposes of the Indiana Code of Ethics. The Bi-state Authority may from time to time adopt additional policies or standards of conduct for its members consistent with applicable laws, regulations and policies of both the Commonwealth and the State on ethics, conflicts of interest and procurement of goods and services.

(b) In performing their responsibilities on the Bi-state Authority, the members shall be independent and impartial; shall make decisions through established governance processes set forth in applicable law, regulation, these By-Laws or policies adopted from time to time by the Bi-state Authority; shall not use their positions to obtain private benefits; and shall uphold the public trust in the integrity of the Bi-state Authority.

Section 5. Prohibited Acts. Members of the Bi-state Authority and their spouses, children, stepchildren, parents, stepparents, and siblings (each referred to herein as a “familial relative”) are prohibited from entering into any contract or agreement with the Bi-state

Authority. Any corporation, limited liability entity, or other business entity of which a member or a member's familial relative is an owner, member or partner or has any other ownership interest is also prohibited from entering into any contract or agreement with the Bi-state Authority.

Section 6. Proprietary Information. Members of the Bi-state Authority may from time to time have access to confidential and proprietary information that relates to the Bi-state Authority's business and affairs. Members shall not, either during or after their service with the Bi-state Authority: (i) use such confidential and proprietary information for any purpose other than conducting the business and affairs of the Bi-state Authority, or (ii) disclose such proprietary or confidential information until such information becomes known or is available to the general public, or becomes publicly disclosed by proper action of the Bi-state Authority, whichever occurs first, in accordance with the provisions of applicable public records laws of the Commonwealth and the State (as more particularly described in Article III, Section 5 below). Confidential and proprietary information, may include, but is not limited to, financial information relating to the Louisville – Southern Indiana Ohio River Bridges Project or strategic business or marketing plans relating to the project. In the event that a member receives a request for information pertaining to the business and affairs of the Bi-state Authority, he or she shall promptly direct such request to the executive director of the Bi-state Authority in order for the request to be evaluated and addressed in accordance with applicable public records law requirements.

ARTICLE III. MEETINGS OF THE BI-STATE AUTHORITY

Section 1. Meetings. The first meeting of the Bi-state Authority shall occur on or before February 2, 2010. The Bi-state Authority shall thereafter meet at least quarterly on such

dates as the Chair shall prescribe by notice to the members not less than 48 hours in advance of the start of the meeting.

Section 2. Quorum and Actions by the Bi-state Authority. A majority of the membership of the Bi-state Authority from the Commonwealth (the “Kentucky Contingent”) and a majority of the membership of the Bi-state Authority from the State of Indiana (the “Indiana Contingent”) is required to establish a quorum for a meeting of the Bi-state Authority.

Affirmative votes of a majority of both the Kentucky Contingent and the Indiana Contingent are required for the Bi-state Authority to take action.

Section 3. Order of Business. The order of business at all meetings following the organizational meeting of the Bi-state Authority shall be:

- (a) Roll call.
- (b) Reading and approval of any unapproved minutes from a prior meeting.
- (c) Reports of officers, if any.
- (d) Unfinished business.
- (e) New business.
- (f) Adjournment.

Section 4. Committees. The Bi-state Authority may form committees for the purpose of conducting its business in an efficient and expedient manner. The members of such committees shall be appointed by the Chair in consultation with the Co-Chair from among the then current membership of the Bi-state Authority.

Section 5. Public Meetings (Open-Door, Open Meetings Law) and Access to Public Records (Open Records Law). All meetings of the Bi-state Authority or of committees of the Bi-state Authority shall be conducted in compliance with the Kentucky Open Meetings Act

codified at KRS 61.805 to 61.850, as amended from time to time, and the Indiana Open Door Law codified at I.C. 5-14-1.5, as amended from time to time. Records of the Bi-state Authority shall be made available to the public as required by the Kentucky Open Records Law codified at KRS 61.870 to 61.884, as amended from time to time, and the Indiana Access to Public Records Act codified at I.C. 5-14-3, as amended from time to time. Official records of the Bi-state Authority will be retained at the principal office of the Bi-state Authority. In the event of a conflict between applicable Kentucky law and Indiana law regarding open meetings or public records, the law providing the greatest public access will apply.

ARTICLE IV. OFFICERS OF THE BI-STATE AUTHORITY AND DUTIES

Section 1. Officers. The officers of the Bi-state Authority shall consist of a Chair, a Co-Chair, a Treasurer and a Secretary, and their initial terms of office shall be the same as their initial appointments; however, they may be re-elected to an office upon affirmative vote of the membership. The members shall elect a Chair and a Co-Chair, one of whom shall be selected from the Kentucky Contingent and one of whom shall be selected from the Indiana Contingent.

Section 2. Chair. The Chair shall serve as the presiding officer of the Bi-state Authority. The Chair shall see that all actions authorized by the Bi-state Authority are carried into effect and shall discharge such other duties as the Bi-state Authority may determine and assign from time to time.

Section 3. Co-Chair. The Co-Chair shall, in the absence of or disability of, or in the case of a vacancy in the office of the Chair, perform the duties and exercise the powers of the Chair, and shall discharge such other duties as the Bi-state Authority may determine and assign from time to time.

Section 4. Treasurer. The Bi-state Authority shall elect a Treasurer. The Treasurer shall be responsible for maintaining the financial records of the Bi-state Authority and shall discharge such other duties as the Bi-state Authority may determine and assign from time to time.

Section 5. Secretary. The Bi-state Authority shall elect a Secretary. The Secretary shall keep and maintain, or cause to be kept and maintained, an official record of the proceedings of the Bi-state Authority in permanent form at the principal office of the Bi-state Authority, shall certify to others any actions taken by the Bi-state Authority, and shall discharge such other duties as the Bi-state Authority may determine and assign from time to time.

Section 6. Duties of the Bi-state Authority. The Bi-state Authority shall further the development, design, finance, construction, management, operation and oversight of the Louisville-Southern Indiana Ohio River Bridges Project and submit its recommendations for approval to the Kentucky Public Transportation Infrastructure Authority (KPTIA) pursuant to and consistent with the requirements of KRS Chapter 175B. The Bi-state Authority shall provide, over the signatures of the Chair and the Co-Chair, periodic reports to the Kentucky General Assembly, the Governor of the Commonwealth of Kentucky, and the Governor of the State of Indiana on all matters the Bi-state Authority deems relevant to the furtherance of the Bi-state Authority's purpose and mission. The Bi-state Authority shall consult with Commonwealth, State, KPTIA, and local government agencies and officials as appropriate in connection with fulfilling its purpose and mission.

Section 7. Obligations and Contracts. All bonds, notes or other evidences of indebtedness issued in the name of and on behalf of the Bi-state Authority, and all contracts or other instruments imposing liability on the Bi-state Authority, shall be signed by such officer or

officers, management personnel, or agents of the Bi-State Authority, and in such manner, as shall be determined from time to time by the Bi-state Authority.

ARTICLE V. ADMINISTRATION

Section 1. Executive Director. The Bi-state Authority shall appoint an executive director, who shall serve at its pleasure. The executive director shall be the chief administrative officer for the Bi-state Authority. In such capacity, the executive director shall be responsible for implementing the directives of the Bi-state Authority, for managing its operations, for directing the work of staff and of external consultants and advisors, for assisting the Secretary in maintaining the Bi-state Authority's official records, and for discharging such other duties as the Bi-state Authority may determine and assign from time to time.

Section 2 Employees. The executive director, with the concurrence of the Chair, may hire and retain the services of such and administrative and support staff as may be appropriate from time to time to carry out the responsibilities and to achieve the purposes of the Bi-state Authority. The Bi-state Authority shall set the compensation of any such employees within the ranges for like services established by the classified service in KRS Chapter 18A and the Indiana Code, Title 4.

Section 3. Consultants and Advisors. The executive director, with concurrence of the Chair, may retain the services of such external consultants and advisors as may be appropriate from time to time to carry out the responsibilities and to achieve the purposes of the Bi-state Authority. Formal engagements of legal and financial advisory firms will be subject to approval or ratification by the Bi-state Authority.

Section 4. Initial Funding and Administrative Arrangements. The Chair is authorized to initiate and coordinate arrangements with the Kentucky Transportation Cabinet

(“KYTC”), the Indiana Department of Transportation (“INDOT”), the Indiana Finance Authority (“IFA”) and other applicable agencies of the Commonwealth and the State for the funding of the administrative expenses of the Bi-State Authority prior to such time as project specific revenues are available and sufficient to fund such expenses, for the hiring of the executive director, and for the establishment of business offices for the Bi-state Authority.

ARTICLE VI. AMENDMENTS

These By-Laws may be altered, amended or repealed by resolution of the Bi-state Authority at any meeting if notice of the intention to consider changes on the By-Laws is contained in the notice of such meeting.

ARTICLE VII. PERSONAL LIABILITY FOR FINANCIAL OBLIGATIONS

None of the members, officers, or employees of the Bi-state Authority, executing notes, bonds, loan agreements or any other documents related to financing by the Bi-state Authority shall be liable personally on such notes, bonds, loan agreements or other documents, or be subject to personal liability or accountability by reason of the execution thereof.

ARTICLE VIII. INDEMNIFICATION OF MEMBERS, OFFICERS, AND EMPLOYEES

Section 1. Indemnification. Every member, officer and employee of the Bi-state Authority shall be indemnified against costs and expenses (including attorneys’ fees), judgments (including interest thereon), taxes, fines and amounts paid in settlement, actually and reasonably incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding (including civil, criminal, administrative or investigative) to which he or she was or

is threatened to be made a party by reason of the fact that he or she is or was a member, officer or employee of the Bi-state Authority.

Section 2. Indemnification Rights Non-Exclusive. The provisions of indemnification provided for herein are not exclusive of any other rights to which those indemnified may be entitled under any statute, agreement or action of the Bi-state Authority, or otherwise, and shall continue as to a person who has ceased to be a member, officer or employee of the Bi-state Authority, and shall inure to the benefit of the heirs, executors and administrators of such person.


Section 3. Insurance. The Bi-state Authority may purchase and maintain insurance on behalf of any person who is or was a member, officer or employee of the Bi-state Authority against any liability asserted against him or her in such capacity or arising out of his or her status as such, whether or not the Bi-state Authority would have the power to indemnify such member, officer or employee against such liability.

Section 4. Expenses. To the extent any member, officer or employee of the Bi-state Authority has incurred costs and expenses (including attorneys' fees) in the defense of any threatened, pending or completed action, suit or proceeding (including civil, criminal, administrative or investigative) of the type described above in Section 1 of this Article VIII, he or she shall be indemnified against costs and expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

CERTIFICATE OF ADOPTION

We hereby certify that the foregoing Bylaws of the Louisville and Southern Indiana
Bridges Authority were adopted by a quorum of aforementioned Bi-state Authority at a meeting
held the 10TH day of FEBRUARY, 2010.

By:



Chair of the Bi-state Authority

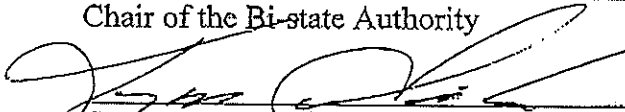
Co-chair of the Bi-state Authority

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By:

Chair of the Bi-state Authority



Co-chair of the Bi-state Authority