

RESOLUTION NO. 239

A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF FIFE, THE CITY OF LAKEWOOD, THE CITY OF TACOMA, AND THE CITY OF UNIVERSITY PLACE FOR CREATION OF A TACOMA CONVENTION CENTER PUBLIC FACILITIES DISTRICT.


BE IT RESOLVED THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AS FOLLOWS:

Section 1. Authorization. City Manager or his designee is authorized and directed to execute on behalf of the City the interlocal agreement with the City of Fife, the City of Lakewood and the City of Tacoma for creation of a Tacoma Convention Center Public Facilities District.

Section 2. Ratification and Confirmation. Any acts made consistent with the authority and prior to the effective date of this resolution are ratified and confirmed.

Section 3. Effective Date. This resolution shall take effect immediately upon adoption.

ADOPTED BY THE CITY COUNCIL ON OCTOBER 18, 1999.


Debbie Klosowski, Mayor

ATTEST:


Susan Matthew, City Clerk

**INTERLOCAL AGREEMENT
BETWEEN THE CITY OF FIFE, THE CITY OF LAKEWOOD,
THE CITY OF TACOMA, AND THE CITY OF UNIVERSITY PLACE
FOR CREATION OF THE GREATER TACOMA REGIONAL CONVENTION
CENTER PUBLIC FACILITIES DISTRICT**

THIS INTERLOCAL AGREEMENT is made and entered into this _____ day of _____ 1999, between the CITY OF FIFE ("Fife"), THE CITY OF LAKEWOOD ("Lakewood"), THE CITY OF TACOMA ("Tacoma"), and the CITY OF UNIVERSITY PLACE ("University Place").

RECITALS

WHEREAS the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23, authorize the legislative authorities of any contiguous group of cities located in a county or counties, each with a population of less than one million, to enter into an agreement under RCW 39.34 for the creation and joint operation of a public facilities district ("District") to facilitate the construction and operation of a regional convention center, and

WHEREAS Fife, Lakewood, Tacoma, and University Place recognize and find that there is a public need for a new regional convention center ("Convention Center") to be located in Tacoma, and recognize the public use and benefit to the citizens of these cities to be derived from the construction and operation of such a Convention Center, and

WHEREAS Tacoma has, by ordinance, appropriated and expended funds for pre-construction activities including analysis of site locations and preliminary design studies for the Convention Center. Further, Tacoma has, by resolution, identified a preferred site for the Convention Center, and is currently undertaking appraisal of properties within the preferred site and engaging in negotiations for purchase and sale of the properties and relocation of owners and tenants. Further, Tacoma intends to provide debt financing for the Convention Center, and

WHEREAS Fife, Lakewood, Tacoma, and University Place desire to create a District to facilitate the commencement of construction and operation of the Convention Center in Tacoma before January 1, 2003, and

WHEREAS the District will assist in financing the Convention Center through imposition of a sales and use tax of not more than 0.033 percent to be collected from those persons who are taxable by the State of Washington under RCW 82.08 and 82.12 upon the occurrence of any taxable event within the District. Further, the District may additionally impose charges, fees, and other taxes through other means authorized by the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 4(d), 10, 11, and 13;

provided that the imposition of admission and parking taxes shall apply only to admission to and parking at the Regional Convention Center facility, and

WHEREAS the District will enter into an agreement or agreements with Tacoma for the design, development, construction, and operation of the Convention Center which shall provide that; Tacoma shall advertise for, select, and enter into agreements with the contractor or contractors for the design, development, and construction of the Convention Center; Tacoma shall oversee and make all decisions relative to the design, development, and construction of the Convention Center; Tacoma shall manage and administer the contracts relative to the design, development, and construction of the Convention Center, which development may include a public/private partnership; and Tacoma will issue bonds for the debt financing of the Convention Center;

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. PURPOSE. The purpose of this Interlocal Agreement ("Agreement") is to create a Public Facilities District ("District") to facilitate the commencement of construction and operation of a regional Convention Center in Tacoma before January 1, 2003, pursuant to the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23.

2. TERM. The term of this Agreement shall be perpetual except as may be otherwise provided herein.

3. REVIEW/WITHDRAWAL.

3.1 Review: Fife, Lakewood, Tacoma, and University Place (collectively "Cities") agree to review the effectiveness of this Agreement within 60 days of each tenth anniversary of the effective date of this Agreement. The purpose of any such review shall be to ensure that the District continues to effectively serve the public. The Cities agree to make a full and good faith effort to participate in the review. If, after completion of each such review, the Cities unanimously agree that the public interest will be served by modifying certain terms and conditions of this Agreement or by termination of the District, such modifications or termination shall be made by the legislative authorities of each jurisdiction. Provided that, the District shall automatically terminate in the event that it no longer is a party to the operating agreement for the operation of the Convention Center.

3.2 Withdrawal: Any one or more of the Cities may withdraw from the District upon each of the following conditions having been met:

a. It has been more than ten years since the District executed the initial operating agreement for the operation of the Convention Center; and

b. The city desiring to withdraw has served a formal written notice upon each of the Cities of its intent to withdraw from the District; and

c. The Board convenes at a special meeting called by the President

at the request of the city desiring to withdraw to, in good faith, discuss the impact of the withdrawal on the operation of the District and the ability of the District to meet its obligations; and

d. The legislative body of the city desiring to withdraw enacts an resolution or ordinance authorizing the city to withdraw from the District; and

e. The withdrawal from the District takes place no sooner than six months from the date of service of the notice of withdrawal.

3.3 Effect of Withdrawal. Withdrawal of one or more cities from the District shall not cause the District to terminate except in the event that all Cities have withdrawn. The boundaries of the District shall be modified in the event of withdrawal of a city to reflect the boundaries of the remaining cities.

4. AMENDMENTS. This Agreement may be amended at any time by the mutual written consent of each legislative body of the Cities.

5. CREATION OF THE DISTRICT.

5.1. **Formation.** The District shall be formed upon execution of this Agreement by each party, by and through the designated public officials as authorized by the respective legislative bodies of the Cities, pursuant to a lawfully enacted ordinance or resolution.

5.2. **Municipal Corporation.** The District shall be a Municipal Corporation and an independent taxing "authority" within the meaning of Article VII, Section 1 of the State Constitution, and a "taxing district" within the meaning of Article VII, Section 2 of the State Constitution.

5.3. **Boundaries.** The District shall be coextensive with the boundaries of the Cities.

5.4. **Powers.** The District shall have only those powers as provided for under its Charter.

6. APPOINTMENT OF DISTRICT BOARD. The Cities will appoint the seven members of the District Board of Directors ("Board") in accordance with the terms of Laws of Washington, Chapter 165, 1999 Regular Session, Section 3(b). The City Council of each of the Cities shall each appoint one member for a four-year term. The members appointed by the Cities shall not be a member of their respective City Councils. Tacoma shall appoint four members based on the recommendations of local organizations. The members appointed by Tacoma shall not members of the Tacoma City Council. Of the four members appointed by Tacoma, one shall serve a one-year term, one shall serve a two-year term, one shall serve a three-year term, and one shall serve a four-year term. Every member or members appointed by a city to the Board, may be removed at will by his or her appointing City and a new member appointed to fill the unexpired term in the

same manner as described above. In the event a city withdraws pursuant to Section 3 herein, the term of the member appointed by the withdrawing City shall expire upon the effective date of the withdrawal, and Tacoma shall appoint a member to that position for the four year term and each succeeding term.

7. ADOPTION OF CHARTER. The District shall operate under the Charter attached hereto as Exhibit "A," which shall be adopted at the first meeting of the Board. The Charter may be amended only by mutual agreement authorized pursuant to a resolution or ordinance of the legislative bodies of the Cities.

8. ADOPTION OF BY-LAWS. The District shall, at the first meeting of the Board, adopt and operate under by-laws consistent with those by-laws attached hereto as Exhibit "B."

9. FINANCING.

9.1. Administrative Costs. The administrative costs of the Board will be the obligation of the District. Tacoma will initially provide mutually agreed upon in-kind services to the District to facilitate performance of the functions of the Board until the District enters into an agreement with Tacoma for the development, construction, and operation of the Convention Center. In-kind services may include, but are not limited to, the provision of meeting facilities and clerical assistance. Tacoma will initially pay the costs of the Treasurer's bond required pursuant Article IX of the Charter and the initial insurance premium for public liability insurance authorized pursuant to Article VI of the Charter; provided that, such costs shall be an obligation of the District, and the District shall reimburse Tacoma for such expenses as soon as practicable.

9.2. Financing. Financing of the development, construction, and operation of the Convention Center shall be as provided in the Charter. It is agreed that the District will enter into an agreement or agreements with Tacoma to provide for the custody, investment, and accounting of all funds of the District and assist in the administration of the financial affairs of the District.

9.3. Audit. The funds of the District shall be subject to audit as otherwise provided by law for the auditing of public funds.

10. PROPERTY. The District shall have authority to acquire and dispose of property as provided in the Charter. In the event of termination of the District, all property held or acquired by the District shall become the property of Tacoma.

11. FILING. A copy of this Agreement shall be filed with the City Clerks of Fife, Lakewood, Tacoma, and University Place, and the Pierce County Auditor; provided, however, that failure to file shall not affect the validity of this Agreement.

12. FAILURE TO COMPLY. In the event either of the Parties defaults on the performance of any terms of this Agreement, or either Party places the enforcement of this

Agreement in the hands of an attorney, or is required to file a judicial or administrative appeal, or files a lawsuit, the prevailing party shall be entitled to be reimbursed its reasonable attorney's fees, costs and expenses. The venue for any dispute related to this Agreement shall be Pierce County, Washington.

13. GENERAL PROVISIONS. This Agreement contains all of the agreements of the Cities with respect to any matter covered or mentioned in this Agreement, and no prior agreement shall be effective for any purpose. No provision of this Agreement may be amended or modified except by written agreement signed by the Cities. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

14. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all parties shall not have signed the same counterpart. The effective date of this agreement shall be the last date executed by any one of the parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

CITY OF TACOMA

Ray E. Corpuz, Jr.
City Manager

Countersigned:

Peter Luttropp, Finance Director

William Pugh, Department Director

Attest:

City Clerk

Approved as to form and legality:

City Attorney

Risk Manager

CITY OF FIFE

City Administrator

Finance Director

City Clerk

City Attorney

CITY OF LAKEWOOD

City Manager

Finance Director

City Clerk

City Attorney

CITY OF UNIVERSITY PLACE

City Manager

Finance Director

City Clerk

City Attorney

**BYLAWS
OF
GREATER TACOMA REGIONAL CONVENTION CENTER
PUBLIC FACILITIES DISTRICT**

ARTICLE I

MEMBERSHIP

Section 1.1 Board Tenure. For the purpose of determining Board member tenure, the anniversary of the issuance of the Charter shall be _____ of each year.

Section 1.2 Vacancies. A vacancy or vacancies on the Board shall be deemed to exist in the case of the death, disability, resignation or removal of any Board member as provided in the District's Charter.

ARTICLE II

OFFICERS AND COMMITTEES

Section 2.1 Officers Designated. The officers of the Board shall be a President, Treasurer and Secretary, each of whom shall be elected by the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board. No person may simultaneously hold more than one office. In addition to the powers and duties specified below, the officers shall have such powers and perform such duties as the Board may prescribe.

Section 2.2 Election, Qualification and Term of Office. Each of the officers shall be elected by the Board from among its members. The officers shall be elected by the Board at the first regular meeting after the term of new or reappointed Board members commences each year, for a one-year term, and each officer shall hold office during said one-year term and until his or her successor is elected. The first officers of the Board shall be elected by the Board at its original meeting.

Section 2.3 Powers and Duties. The officers of the Greater Tacoma Regional Convention Center Public Facilities District (the "District") shall have the following duties:

(a) President. Subject to the control of the District Board of Directors, the President shall have general supervision, direction and control of the business and affairs of the District. On matters decided by the District, unless otherwise required under the Interlocal Agreement or by this Charter, the signature of the President alone is sufficient to bind the corporation.

(b) Treasurer. The Treasurer shall receive and faithfully keep all funds of the District and deposit same in such bank or banks as may be designated by the

District Board of Directors. The Treasurer shall discharge such other duties as prescribed by the District Board of Directors. Before taking office, the Treasurer shall file a bond in an amount determined by the District with the Secretary of the District and shall continue in office only so long as such bond continues in effect.

(c) Secretary. The Secretary shall keep or authorize others to keep a full and complete record of the meetings of the District Board of Directors, committees, when acting on behalf of the Board, and to the extent they are separate, the meetings of the officers with appropriate minutes; shall keep the seal of the District and affix the same to such papers and such instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the books and other records and ledgers and other written documents comprising the business and purpose of the District, and shall discharge such other duties as pertain to the office as prescribed by the District Board of Directors.

Section 2.4 Removal From Office. Upon reasonable prior notice to all Board members of the alleged reasons for dismissal, the Board by an affirmative vote of the majority of the quorum may remove any officer of the Board from his or her office whenever in its judgment the best interests of the District will be served thereby.

Section 2.5 Vacancies. The Board shall fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until his or her successor shall have been duly appointed and qualified.

ARTICLE III

MEETINGS

Section 3.1 Regular Board Meetings. Subject to Article XIII, Section 2 of the Charter, regular meetings of the Board shall be held at least annually at a time and place to be determined by the Board by resolution.

Section 3.2 Special Board Meetings. Subject to Article XIII, Section 2 of the Charter, special meetings of the Board may be held at any place at any time whenever called by the President or a majority of the members of the Board.

Section 3.3 Notice of Regular Board Meetings. Except as provided in Article XIII, Section 2 of the Charter, no notice of the regular meeting shall be required, except of the first regular meeting after any change in the time or place of such meeting adopted by resolution of the Board as above provided. Notice of such changed regular meeting shall be given by personal communication over the telephone to each Board member at least 24 hours prior to the time of the meeting or by at least three days' notice by mail, telegram or written communication. If mailed, notice shall be mailed by

United States mail, postage prepaid, to the last known address of each Board member. In addition, the District shall routinely provide reasonable notice of meetings to any individual specifically requesting it in writing. At any regular meeting of the Board, any business may be transacted and the Board may exercise all of its powers.

Section 3.4 Notice of Special Board Meetings. Notice of all special meetings of the Board shall be given by the Secretary or by the person or persons calling the special meeting by delivering personally or by mail written notice at least 24 hours prior to the time of the meeting to each Board member, to the Manager of the Interlocal Agreement or his or her designee, and to each local newspaper of general circulation and to each radio or television station that has requested notice as provided in RCW 42.30.080. In addition, the District shall provide notice of special meetings to any individual specifically requesting it in writing.

The time and place of the special meeting and the business to be transacted must be specified in the notice. Final disposition shall not be taken on any other matter at such meetings.

Section 3.5 Waiver of Notice. Notice as provided in Sections 3.3 and 3.4 hereof may be dispensed with as to any member of the Board who at or prior to the time the meeting convenes files with the Board of the District a written waiver of notice or who is actually present at the meeting at the time it convenes. Such notice may also be dispensed with as to special meetings called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, where time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage. Notice, as provided in Article XII of the Charter concerning proposed amendments to Bylaws and votes on such amendments, may not be waived.

Section 3.6 Notice to Manager of the Interlocal Agreement. Notice of all meetings and proposed agendas and minutes of all meetings of the Board shall be given to the Manager of the Interlocal Agreement or his or her designee, and filed with the Manager of the Interlocal Agreement.

ARTICLE IV

AMENDMENTS TO BYLAWS

Section 4.1 Proposals to Amend Bylaws.

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

(b) Any Board member may introduce a proposed amendment to the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting of which 30 days' advance notice has been given.

Section 4.2 Board Consideration of Proposed Amendments. If notice of a proposed amendment to the Bylaws, and information including the text of the proposed amendment and a statement of its purpose and effect, is provided to members of the Board 15 days prior to any regular Board meeting or any special meeting of which 30 days' advance notice has been given, then the Board may vote on the proposed amendment at the same meeting as the one at which the amendment is introduced. If such notice and information is not so provided, the Board may not vote on the proposed amendment until the next regular Board meeting or special meeting of which 30 days' advance notice has been given and at least 15 days prior to which meeting such notice and information is provided to Board members. Germane amendments to the proposed amendment within the scope of the original amendment will be permitted at the meeting at which the vote is taken.

Section 4.3 Board Approval of Amendments to Bylaws. Resolutions of the District approving amendments to the Bylaws by unanimous vote of a quorum may be implemented at such time as selected by the District in the Resolution without further action. Resolutions approving amendments to the Bylaws with less than a unanimous vote cannot take effect until 10 days after filing with the Manager of the Interlocal Agreement. The President of the District shall file such resolution within three days of its adoption. In any event, copies of the amendments to the Bylaws shall be filed with the Manager of the Interlocal Agreement as a public record.

ARTICLE V

ADMINISTRATIVE PROVISIONS

Section 5.1 Books and Records. The District shall keep current and complete books and records of account and shall keep minutes of the proceedings of its Board and its committees having any of the District of the Board.

Section 5.2 Indemnification of Board Members. The District elects to defend and indemnify its present and former Board members and officers and their successors, spouses and marital communities to the full extent authorized by law and the Charter. In addition, the right of indemnification shall inure to each Board member or officer and his or her spouses and marital communities upon his or her appointment to the Board and in the event of his or her death shall extend to his or her heirs, legal representatives and estate. Each person who shall act as Board member or officer of the District shall be deemed to do so in reliance upon such indemnification and such rights shall not be exclusive of any other right which he or she may have.

Section 5.3 Principal Office. The principal office of the Greater Tacoma Regional Convention Center Public Facilities District shall be located in Tacoma, Washington, as specified by resolution.

Section 5.4 Fiscal Year. The Fiscal Year of the District shall begin January 1 and end December 31 of each year, except the first fiscal year which shall run from the date the Charter was issued to December 31, 1999.

ARTICLE VI

APPROVAL OF BYLAWS

Approved by Resolution No. _____ adopted by the _____ District
Board of Directors on _____, 1999.

UNOFFICIAL DOCUMENT

CHARTER
OF
TACOMA CONVENTION CENTER PUBLIC FACILITIES DISTRICT
A Public Corporation

**CHARTER
OF
GREATER TACOMA REGIONAL CONVENTION CENTER
PUBLIC FACILITIES DISTRICT**

ARTICLE I

NAME AND DISTRICT SEAL

The name of this corporation shall be the Greater Tacoma Regional Convention Center Public Facilities District (hereinafter referred to as the "District"). The corporate seal of the District shall be a circle with the name of the District and the word "SEAL" inscribed therein.

ARTICLE II

**AUTHORITY FOR GREATER TACOMA REGIONAL CONVENTION
CENTERPUBLIC FACILITIES DISTRICT:**

The District is a public corporation organized pursuant to the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23, as the same now exist or may hereafter be amended, or any successor act or acts and created pursuant to that certain interlocal agreement dated the ____ day of _____, 1999, (hereinafter the "Interlocal Agreement") of and between the Cities of Tacoma, Fife, University Place, and Lakewood, (hereinafter the "Cities") which cities comprise the District.

ARTICLE III

DURATION OF DISTRICT

The corporation shall cease to exist when the District is no longer a party to an Interlocal Agreement for the construction, management, and operation of the Greater Tacoma Regional Convention Center in Tacoma (hereinafter the "Convention Center") or any part thereof.

ARTICLE IV

PURPOSE OF DISTRICT

The purpose of the District is to provide an independent legal entity under the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23, to commence, assist with, finance, and otherwise facilitate, the construction before January 1, 2003 and operation of a Convention Center. Construction of the Convention Center by the District serves essential public purposes by providing a regional facility for conventions, exhibitions, public meetings, and gatherings; undertaking development of an underutilized area in the heart of the City of Tacoma (hereinafter referred to as "Tacoma") in a manner consistent with City planning; and linkage with regional light rail facilities, all of which will serve the public.

The construction and operation of the Convention Center before January 1, 2003, consistent with the District's purpose, is an essential governmental function. The obligations and responsibilities of both Tacoma and the District with respect to the Convention Center project shall be delineated in contractual agreements between the Tacoma and the District.

Although the District may be called upon to assist Tacoma or other public entities with the maintenance and operation of the Convention Center, the priority focus of the District shall be to commence, assist with and otherwise facilitate, the construction of the Convention Center in Tacoma before January 1, 2003. Consistent with applicable law and utilizing all lawful means, the District shall work to maximize available capital funds for construction.

For the purpose of securing the exemption from federal income taxation for interest on obligations of the District, the District constitutes a District and instrumentality of the group of Cities that created the District (within the meaning of those terms in regulations of the United States Treasury and rulings of the Internal Revenue Service prescribed pursuant to Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended).

ARTICLE V

POWERS OF DISTRICT

Except as may be otherwise provided in the Charter, the District and the District Board of Directors on its behalf shall have only the power to:

1. Contract for any District purpose with Tacoma or any agency or department thereof.
2. Sue, and be sued, in its corporate name.

3. Own personal property.
4. Own, lease, or acquire real property; and acquire or lease personal property.
5. Contract for and accept gifts, loans of funds, or property from the United States, the State, Tacoma, other corporations, associations, individuals, or any other source, and to comply with the terms and conditions thereof not in conflict with this Charter.
6. Control the use and disposition of District property, assets, and credit.
7. Invest and reinvest its funds.
8. Impose charges, fees, and taxes as authorized by the Laws of Washington, Chapter 165, 1999 Regular Session, to finance the construction and operation of the Convention Center.

ARTICLE VI

LIMITS ON DISTRICT POWERS

1. No part of the net earnings of the District shall inure to the benefit of, or be distributable to, the members of the District Board of Directors or officers of the District or other private persons, except that the District is authorized and empowered to:

(a) Reimburse District Board Members for reasonable expenses actually incurred in performing their duties; and

(b) Indemnify and defend any District Board Member, or former District Board Member, in any legal action or proceeding in which he or she is made a party by reason of his or her position or former District position,; or, at the District's option, indemnify such District Board Member, or former District Board Member for any liability or loss and for expenses actually and necessarily incurred by him or her in connection with such defense, to the full extent permitted by law, except as to matters on which he or she shall be adjudged in such action or proceeding to be liable for an act or omission performed without capacity or power, or for willful misconduct in the performance of duty. For purposes of indemnification provided herein, the District shall maintain public liability insurance in a form and amount authorized by the Manager of the Interlocal Agreement and sufficient to cover potential claims which may arise from or be related to the District's projects and activities authorized herein.

2. No part of the activities of the District shall be the carrying on of propaganda or otherwise attempting to influence legislation; and the District shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

3. The District may not incur or create any liability that permits recourse by any contracting party or members of the public to any assets, services, resources or credit of the Cities.

4. The District may not exercise its powers as delineated in Article V, Sections 3-7 until such time as it has, in accordance with Laws of Washington, Chapter 165, 1999 Regular Session, Sections 4(d), and 13, imposed the maximum allowable sales and use tax for the purpose of securing a source of revenue to satisfy the financial obligations of the District.

ARTICLE VII

DUTIES OF THE DISTRICT

In addition to other duties as may be provided herein, the District and the District Board of Directors shall undertake the following:

1. Provide Financial Assistance. The District, through the District Board of Directors during its first meeting, shall provide financial assistance for the construction and operation of the Convention Center by imposition of a sales and use tax of not more than 0.033 percent to be collected from those persons who are taxable by the State of Washington under RCW 82.08 and 82.12, upon the occurrence of any taxable event within the District in accordance with Laws of Washington, Chapter 165, 1999 Regular Session, Sections 4(d), and 13. The District shall further levy and fix an admission tax at the maximum amount as provided pursuant to Chapter 165, 1999 Regular Session, Section 10 and levy and fix a vehicle parking tax at the maximum amount as provided pursuant to Chapter 165, 1999 Regular Session, Section 11. The Admission tax authorized pursuant to Chapter 165, 1999 Regular Session, Section 10 shall be applicable only to the admission charges for the Convention Center. The parking tax authorized pursuant to Chapter 165, 1999 Regular Session, Section 11 shall be applicable only to parking charges for any parking at a facility that is leased by the District as part of the Convention Center. The District shall cause collection of taxes and charges imposed in accordance with Laws of Washington, Chapter 165, 1999 Regular Session, Sections 10, 11, and 13, to begin no later than the earliest date authorized by law.

2. Enter into Agreements. The District shall enter into an agreement or agreements with Tacoma for the design, development, construction, and operation of the Convention Center. Such agreement or agreements shall provide that Tacoma shall advertise for, select, and enter into agreements with the contractor or contractors for the design, development and construction of the Convention Center; Tacoma shall oversee and make all decisions relative to the design, development, and construction of the Convention Center; Tacoma shall manage and administrate the contracts relative to the design, development, and construction of the Convention Center which

development may include a public/private partnership;; the District will enter into an agreement or agreements with Tacoma to provide for the custody, investment, and accounting of all funds of the District, and assist in the administration of the financial affairs of the District.

3. Revenues. All revenues received by the District which are derived from the imposition of charges, fees, and taxes as authorized by the Laws of Washington, Chapter 165, 1999 Regular Session, shall be deposited in such a manner as described in its agreement with Tacoma, which funds may be expended only to satisfy the financial obligations of the District consistent with the District Charter.

ARTICLE VIII

ORGANIZATION OF DISTRICT

Section 1. District Board of Directors.

The management of all District affairs shall reside with the Board of Directors. The Board shall be composed of seven members appointed in accordance with the terms of the Interlocal Agreement under RCW 39.34, between the Cities that comprise the District.

Section 2. Consecutive Absences.

Any Board Member who is absent for three consecutive regular meetings without excuse may, by resolution duly adopted by a majority vote of the whole Board, be deemed to have forfeited his or her position as Board Member.

Section 3. Removal of Board Members.

Any Board Member may be removed at will, with or without cause, by his or her appointing City, which appointing City shall appoint a new Board Member to fill the unexpired term for the vacant position. The term of any Board Member removed pursuant to this section shall expire when the member receives a copy of the resolution removing him or her and a letter signed by the Manager of the Interlocal Agreement advising him or her that he or she has been removed pursuant to this section.

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Section 4. Vacancy on District Board of Directors.

A vacancy, or vacancies, on the District Board of Directors shall be deemed to exist in case of the death, disability, resignation, removal, or forfeiture of membership as provided herein. Vacancies on the Board shall be filled by appointment in the same manner in which members of the Board are regularly appointed. Any person selected

to fill a vacancy on the Board shall serve the balance of the term of the person being replaced.

Section 5. Duties of Board Members.

A general or particular authorization or concurrence of the Board by resolution shall be necessary for any of the following transactions:

(a) Transfer or conveyance of an interest in real estate other than a release of a lien or satisfaction of a mortgage after payment has been received or the execution of a lease;

(b) The contracting of debts, issuance of debentures, notes or bonds, and the mortgaging or pledging of District assets to secure the same;

(c) An action by the District as a surety or guarantor;

(d) All transactions in which the consideration provided or received by the District exceeds \$25,000, the performance by the District shall extend over a period of one year from the date of execution of an agreement therefor, or the District assumes duties to Tacoma, the State of Washington, or the United States;

(e) Adoption of an annual budget;

(f) Certification of annual audited financial statements and other reports and statements to be filed with the Manager of the Interlocal Agreement as true and correct in the opinion of the District except as noted; and

(g) Such other transactions, duties and responsibilities as the Charter shall repose in the Members of the Board or require District participation by resolution.

Section 6. Voting Requirements/Quorum.

(a) Action, which requires Board approval, may only be authorized by a vote representing both a majority of the Board Members voting and not less than four members. Four voting members must be present at any regular or special meeting of the Board to comprise a quorum, and for the Board to transact any business.

(b) Proxy voting shall not be allowed.

(c) The adoption and amendment of bylaws shall require an affirmative vote of a majority of the Board's voting membership representing two-thirds of the Board Members voting on the issue and not less than four members.

Section 7. Right to Indemnification.

Each person who was, or is, threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was an official of the District, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee, or agent, or in any other capacity, shall be indemnified and held harmless by the District to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorneys' fees, judgments, fines, and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be an official and shall inure to the benefit of his or her heirs, executors, and administrators; provided, however, that except as provided in this section, with respect to proceedings seeking to enforce rights to indemnification, the District shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the District Board of Directors; provided, further, the right to indemnification conferred in this section shall be a contract right and shall include the right to be paid by the District the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceedings shall be made only upon delivery to the District of an undertaking, by or on behalf of such official, to repay all amounts so advanced if it shall ultimately be determined that such official is not entitled to be indemnified under this section or otherwise.

Provided, further, that the foregoing indemnity shall not indemnify any person from or on account of:

(a) Acts or omissions of such person finally adjudged to be intentional misconduct or a knowing violation of law; or

(b) Any transaction with respect to which it was finally adjudged that such person personally received a benefit in money, property, or services to which such person was not legally entitled.

If a claim under this section is not paid in full by the District within 60 days after a written claim has been received by the District, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be 20 days, the claimant may at any time thereafter bring suit against the District to recover the unpaid amount of the claim. The claimant shall be presumed to be entitled to indemnification under this section upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the District), and thereafter the District shall have the burden of proof to overcome the presumption that the claimant is so entitled. Neither the failure of the District to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to

the claimant is proper nor a determination by the District that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

The right of indemnification and the payment of expenses conferred in this section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Charter, Bylaws, any agreement, or otherwise.

The District may maintain insurance, at its expense, to protect itself and any director of the District against any expense, liability, or loss whether or not the District would have the power to indemnify such person against such expense, liability, or loss.

Section 8. Conflict of Interest and Code of Ethics.

No member of the Board shall have an ownership interest in real property located within the Convention Center site. Members of the District Board of Directors and the District's staff shall be subject to RCW 42.52.

ARTICLE IX

OFFICERS OF DISTRICT

Section 1. Tenure of Officers.

The members shall elect from among themselves the following District officers: President, Treasurer and Secretary. The President and the Treasurer may not be the same person. The term of any officer shall expire at such time as such officer's membership on the Board ceases or terminates, or at such sooner time as the term of office expires and the office has been filled by appointment or reappointment.

Section 2. Duties of Officers.

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The officers of the District shall have the following duties:

(a) President. Subject to the control of the District Board of Directors, the President shall have general supervision, direction, and control of the business and affairs of the District. On matters decided by the District, unless otherwise required under the Interlocal Agreement or by this Charter, the signature of the President alone is sufficient to bind the corporation.

(b) Treasurer. The Treasurer shall receive and faithfully keep all funds of the District and deposit the same in such accounts as may be designated by the District Board of Directors. The Treasurer shall discharge such other duties as prescribed by the District Board of Directors. Before taking office, the Treasurer shall file a bond in an

amount determined by the District with the Secretary of the District, and shall continue in office only so long as such bond continues in effect.

(c) Secretary. The Secretary shall keep or authorize others to keep a full and complete record of the meetings of the District Board of Directors, committees when acting on behalf of the Board and to the extent they are separate, and the meetings of the officers with appropriate minutes; shall keep the seal of the District and affix the same to such papers and such instruments as may be required in the regular course of business; shall make service of such notices as may be necessary or proper; shall supervise the keeping of the books and other records, ledgers, and other written documents comprising the business and purpose of the District; and shall discharge such other duties as pertain to the office as prescribed by the District Board of Directors.

Section 3. Incapacity of Officers.

In the event the Secretary is unable to perform the duties of the office due to illness, death, or other incapacity, the President of the District is authorized to perform such duties without further authorization; and, if the President is unavailable, the Treasurer is also authorized to perform such duties of the Secretary without further authorization. If the Treasurer or the President is the officer who is incapacitated, the Secretary shall be authorized to perform such duties without further authorization. However, the Treasurer is not authorized to perform the duties of the President, nor is the President authorized to perform the duties of the Treasurer.

ARTICLE X

COMMENCEMENT OF DISTRICT

The District shall come into existence and be authorized to take action at such time as this Charter is approved by the legislative authorities of the Cities that comprise the District and each Board Member has been duly appointed.

ARTICLE XI

CONSTITUENCY

There shall be no constituency of the District.

ARTICLE XII

AMENDMENTS TO BYLAWS/CHARTER

Any Board Member may propose an amendment to the Bylaws (which may consist of a new set of Bylaws) at any meeting (regular or special) of which 30 days'

advance notice has been given. Resolutions of the District Board of Directors approving amendments to the Bylaws by unanimous vote may be implemented at such time as selected by the District Board of Directors in the Resolution without further action. Resolutions approving amendments to the Bylaws with less than a unanimous vote cannot take effect until ten days after filing with the Manager of the Interlocal Agreement. The President of the District shall file such resolution within three days of its adoption.

In any event, copies of the amendments shall be filed with the Manager of the Interlocal Agreement as a public record.

The District Board of Directors may recommend to the Cities specific changes to the Charter; however, the Charter may only be amended by mutual agreement authorized pursuant to a resolution or ordinance of the legislative bodies of the Cities.

ARTICLE XIII

MISCELLANEOUS

Section 1. Public Records.

The public shall have access to records and information of the District to the extent as may be required by applicable laws; however, to the extent not required by law, the financial information submitted to the District by a private applicant for a loan shall not be available for public inspection, unless such disclosure is consented to by the District or the affected private party.

Section 2. Public Meetings.

Meetings of the District shall be open to the public as required by state law, and any special meetings shall be called and held in accordance with Section 11, Chapter 250, Laws of 1971, Extraordinary Session, and any subsequent amendments thereto. Members or designees of the legislative authorities of the Cities that comprise the District are entitled to appear in person or by representative and speak at any meeting of the District called and held pursuant to law.

Notice of meetings and proposed agendas shall be transmitted to the Manager of the Interlocal Agreement or his or her designee. The books and records of the District and agreements or contracts entered into by the District shall be available for inspection by the Manager of the Interlocal Agreement or his or her designee or other authorized official of the Cities that comprise the District, and such documents shall be open for inspection by the public to the extent required by applicable laws, or as may be directed by the Manager of the Interlocal Agreement.

Section 3. Audits, Dissolutions, Etc.

Unless waived by the Manager of the Interlocal Agreement, the District shall submit to the Manager of the Interlocal Agreement, on or before December 31, a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expense as of the end of such calendar year; as well as such other reports required by applicable state and federal laws, applicable ordinances, and by the Manager of the Interlocal Agreement. The District, by a majority vote of the Board in attendance at a regular or special meeting, may authorize an audit of the finances of the District. Such an audit shall be an expense of the District authorized to be paid from the revenues available to the District.

Section 4. Operations.

The District shall establish by resolution approved by the Manager of the Interlocal Agreement procedures for the receipt, payment and investment of District funds. Such procedures may be amended by District resolution, subject to the approval of the Manager of the Interlocal Agreement.

Section 5. Nonexclusive Charter.

This Charter is nonexclusive and does not preclude the granting of other charters by the Cities that comprise the District to establish additional public corporations.

Section 6. Manager of the Interlocal Agreement or His or Her Designee.

The term "Manager of the Interlocal Agreement," or his or her designee as used in this Charter, shall mean the Manager of Interlocal Agreement designated in the Interlocal Agreement creating the District, any successor official, and any other person authorized to act in his or her stead.

This Charter is APPROVED and ISSUED as of this ____ day of _____, 1999.

Approved this ____ day of _____, 1999,
as authorized by District Board Resolution
No. _____,

President, District

ATTEST:

Secretary

UNOFFICIAL DOCUMENT