

CHARTER
OF THE
SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT

ARTICLE I

Name and Seal; Definitions

Section 1.1. Name. The name of this public facilities district shall be the SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT (hereinafter referred to as the "District").

Section 1.2. Seal. The District's seal, as set forth below, shall be a circle with the name "SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT" inscribed therein.

[seal]

Section 1.3. Definitions. All capitalized terms used but not defined herein shall have the meanings set forth in Ordinance No. ____ of the Snohomish County Council, adopted on ____, 2001 (the "Formation Ordinance").

ARTICLE II

Authority and Limit on Liability

Section 2.1. Authority. The District is a public facilities district organized pursuant to RCW 36.100.010, and the Formation Ordinance.

Section 2.2. Limit on Liability. All liabilities incurred by the District shall be satisfied exclusively from the assets, credit, and properties of the District, and no creditor or other person shall have any right of action against or recourse to Snohomish County (the "County"), its assets, credit, or services, on account of any debts, obligations, liabilities or acts or omissions of the District.

Section 2.3. Mandatory Disclaimer. The following disclaimer shall be posted in a prominent place where the public may readily see it in the District's principal and other offices.

BYLAWS OF THE
SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT

ARTICLE I

Board

Section 1.1. Composition of the Board. For the purpose of determining the composition of the Board of Directors (the “Board”), the anniversary of the issuance of the Charter shall be _____ of each year.

Section 1.2. Vacancies. Subject to Section 3 hereof, vacancies on the Board shall be filled by appointment by the County Council of Snohomish County (the “County”). A vacancy or vacancies on the Board shall be deemed to exist in the case of the death, disability, resignation or removal from office of any Board member as provided herein. Upon such an occurrence, the Board shall notify the County Clerk.

ARTICLE II

Officers and Committees

Section 2.1. Officers Designated. The officers of the District shall be a President, Vice President, and Secretary/Treasurer, each of who 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, Qualifications and Term of Office. The Board shall elect each of the officers 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 Board at its organizational meeting shall elect the first officers of the Board.

Section 2.3. Powers and Duties.

a) President. The President shall be the chief executive officer of the District and shall have general supervision over the business of the District, subject, however, to the control of the Board. The President shall preside at all meetings of the Board. The President may sign and execute, in the name of the District deeds, mortgages, leases, bonds, contracts and other instruments duly authorized by the Board, and generally shall perform all duties incident to the office of President and such other duties as may from time to time be assigned to such office by the Board.

b) Vice-President. At the request of the President or in case of his or her absence or disability, the Vice-President shall perform all duties of the President and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the President. In addition, the Vice-President shall perform such other duties as may from time to time be assigned to that office by the Board or the President.

c) Secretary/Treasurer. The Secretary/Treasurer shall:

1. Certify and keep at the office of the District, or at such other place as the Board may order, the original or a copy of the Bylaws, as they may have been amended;

2. Keep at the office of the District, or at such other place as the Board may order, a book of minutes of all meetings of the Board, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, and the proceedings thereat;

3. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

4. Be custodian of the records and seal of the District;

5. Exhibit at all reasonable times to any director, upon request, the Bylaws and minutes of the proceedings of the directors of the District;

6. Coordinate with the Snohomish County Treasurer, the ex officio treasurer of the District; and

7. In general, perform all duties of the office of Secretary/Treasurer, including all duties incident to the office of chief financial officer, and such other duties as may from time to time be assigned to such office by the Board of Directors or the President.

Section 2.4. Removal. Upon reasonable prior notice to all Board members of the alleged reasons for dismissal, the Board by an affirmative vote of the majority of all the Board members may remove any officer from his or her office (but not from his or her membership on the Board) whenever in its judgment the best interests of the District will be served thereby.

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

Section 2.6. Establishment of Committees. The Board, by resolution, may designate from among its members one or more committees, each consisting of at least three members, to represent the Board and, except as prohibited by the Charter, act for and on behalf of the Board. The designation of any such committee and the delegation thereto of authority shall not operate to relieve any member of the Board of any responsibility imposed by law.

Section 2.7. Executive Committee. The Executive Committee of the District shall consist of the President, Vice President, and the Secretary/Treasurer. The provisions for election, qualifications, term of office and removal of the member-at-large of the Executive Committee shall be identical to those of officers of the Board as provided herein in Sections 2.2, 2.4, and 2.5 of this Article.

Except as provided in the Charter, the Executive Committee shall have and exercise such powers of the Board as the Board may from time to time provide by resolution.

ARTICLE III

Meetings

Section 3.1. Regular Board Meetings. Regular meetings of the Board shall be held at least once every quarter on the _____ of each [January, April, July, and October] at ___ a.m. at _____; provided, however, that the Board may alter such regular meeting time and place by resolution.

Section 3.2. Special Board Meetings. Subject to Article VII 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. No notice of the regular meeting shall be required, except for the first regular meeting and 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 the Secretary/Treasurer or by the person or persons calling the meeting 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 U.S. 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/Treasurer 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 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 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 IX of the Charter, concerning proposed amendments to the Charter or Bylaws and votes on such amendments may not be waived.

Section 3.6. Notice to the County. Notice of all meetings and minutes of all meetings of the Board shall be given to the County Clerk.

ARTICLE IV

Amendments to Charter and Bylaws

Section 4.1. Proposals to Amend Charter and Bylaws.

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

2. Any Board member may introduce a proposed amendment to the Charter or to the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting 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 Charter or 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. Vote Required for Amendments to Charter or Bylaws. Resolutions of the Board approving proposed amendments to the Charter or approving amendments to the Bylaws require an affirmative vote of a majority of the Board members then in office as provided in the Charter. As provided in the Formation Ordinance and Charter, as necessary and appropriate in the discretion of the County Council, the County Council may amend the Bylaws by ordinance adopted at or after a public meeting held with notice to the District. Amendments to the Bylaws adopted by the County Council may not be further amended by the District for one year except with County Council approval.

Section 4.4. County Approval of Proposed Charter Amendments. Proposed Charter amendments adopted by the Board shall be submitted to the Clerk of the County Council. The District's Charter may be amended only as provided in Article IX of the Charter.

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 authority of the Board. The District shall provide no less than 90 days' written notice to the County Clerk prior to the destruction of any permanent books and records.

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 that he or she may have.

Section 5.3. Principal Office. The principal office of the District shall be _____.

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, _____.

ARTICLE VI

Approval of Bylaws

APPROVED by Ordinance No. ____ of Snohomish County adopted on _____.

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It shall also be printed or stamped on all contracts, notes, bonds, and other documents that may entail any debt or liability by the District.

The SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT is organized pursuant to RCW 36.100.010 and Ordinance No. ____ of the Snohomish County Council (the "Formation Ordinance"). The Formation Ordinance provides as follows: "All liabilities incurred by the District shall be satisfied exclusively from the assets, credit, and properties of the District, and no creditor or other person shall have any right of action against or recourse to the County, its assets, credit, or services, on account of any debts, obligations, liabilities or acts or omissions of the District."

ARTICLE III

Duration

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

ARTICLE IV

Purpose

The purpose of the District is to provide a legal entity under RCW 36.100.010 and the Formation Ordinance to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate sports facilities, entertainment facilities, convention facilities, or regional centers as defined in RCW 35.57.020,¹ together with contiguous parking facilities:

Specifically, the District is established for the sole purpose of pursuing joint ownership or operational relationships with any other public facility district within the County that [the District determines] is likely to commence construction of a new Regional Center before January 1, 2003. The District shall have no purpose other than

¹ RCW 35.57.020: For purposes of this chapter, "regional center" means a convention, conference, or special events center, or any combination of facilities, and related parking facilities, serving a regional population constructed, improved, or rehabilitated after July 25, 1999, at a cost of at least ten million dollars, including debt service. "Regional center" also includes an existing convention, conference, or special events center, and related parking facilities, serving a regional population, that is improved or rehabilitated after July 25, 1999, where the costs of improvement or rehabilitation are at least ten million dollars, including debt service. A regional center is conclusively presumed to serve a regional population if state and local government investment in the construction, improvement, or rehabilitation of the regional center is equal to or greater than ten million dollars.

acquisition, construction, ownership, remodeling, maintenance, equipping, reequipping, repair, financing, and operation (either directly or by contract) any Regional Centers determined to be viable by the District under the terms of the Formation Ordinance.

To the extent appropriate and consistent with the District's specific purpose, the District may acquire and manage real property, including but not limited to ownership of all or a portion of one or more Regional Centers; secure financing; undertake or otherwise provide for the construction, development, management and/or operation of one or more Regional Centers; and otherwise undertake and accomplish all activities and projects necessary for one or more Regional Centers.

For the purpose only of securing the exemption from federal income taxation for interest on obligations of the District, the District constitutes an authority and instrumentality of Snohomish County (within the meaning of those terms in federal regulations and rulings pursuant to Section 103 of the Code).

ARTICLE V

Powers

Section 5.1. Powers. The District shall have and may exercise all lawful powers conferred by State law, the Formation Ordinance, this Charter and its Bylaws, including the usual powers of a corporation for public purposes and, without limitation, the power to:

- A. Hire employees, staff and consultants; prescribe their duties, qualifications, and compensation, together with benefits pursuant to RCW 36.100.170; secure services by means of an agreement with a service provider in accordance with the requirements set forth in RCW 36.100.180;

- B. Contract for any corporate purpose with the United States, a state, and any political subdivision or agency of either, and with individuals, associations and corporations and other entities (including public or private entities);
- C. Sue and be sued in its name;
- D. Acquire and transfer real and personal property by lease, sublease, purchase, or sale;
- E. Accept and expend gifts, grants, and donations, including funds or property from the United States, a state, and any municipality or political subdivision or agency of either, property acquired by any such governmental unit through the exercise of its power of eminent domain, and funds or property from corporations, associations, individuals or any other source, and comply with the terms and conditions therefor;
- F. Impose charges and fees for the use of its facilities;
- G. Levy and collect lodging excise taxes, admissions taxes, parking taxes, ad valorem property taxes, and sales taxes in accordance with Chap. 36.100 RCW and RCW 82.14 RCW, subject to the limitations set forth herein and in the Formation Ordinance;
- H. Use revenue and other receipts for its corporate purposes, including its public purposes of preparing and distributing information to the general public and promoting, advertising, improving, developing, operating, and maintaining facilities of the District;
- I. Use the supplemental alternative public works contracting procedures set forth in Chap. 39.10 RCW in connection with the design, construction, reconstruction, remodel, or alteration of any of its public facilities; follow procedures contained in RCW 43.19.1906 and 43.19.1911 for all purchases, contracts for purchase, and sales;

- J. Borrow, pledge, grant a security interest in or lend its funds, property, credit or services for corporate purposes, or act as a surety or guarantor for corporate purposes; issue general obligation bonds in conformity with the debt limitations set forth in RCW 36.100.060, and revenue bonds in conformity with the requirements set forth in RCW 36.100.200, and other applicable provisions of State law in such principal amounts as in the discretion of the District shall be necessary or appropriate to provide sufficient funds for achieving any corporate purposes; provided, however, that all bonds and notes or liabilities occurring thereunder shall be satisfied exclusively from the assets, properties or credit of such District, and no creditor or other person shall have any recourse to the assets, credit or services of the County thereby, unless the County shall by ordinance expressly guarantee or otherwise provide for the payment of such bonds or notes;
- K. Manage, on behalf of the United States, a state, and any municipality or political subdivision or agency of either, any property acquired by such entity through gift, purchase, construction, lease, assignment, default, or exercise of the power of eminent domain;
- L. Recommend to the United States, a state, and any municipality or political subdivision or agency of either, consistent with all applicable laws, such tax, financing, and security measures as the District may deem appropriate to maximize the public interest in activities in which the District by this Charter has a particular responsibility;
- M. Control the use and disposition of corporate property, assets, and credit;
- N. Invest and reinvest its funds;
- O. Establish the consideration (if any) for property transferred, all in pursuit of corporate purposes;
- P. Maintain books and records as appropriate for the conduct of its affairs;

- Q. Conduct corporate affairs, carry on its operations, and use its property as allowed by law and consistent with this Charter, and its Bylaws; name corporate officials;
- R. Identify and recommend to the United States, a state, and any municipality or political subdivision or agency of either, the acquisition by the appropriate governmental entity for transfer to or use by the District of property and property rights, which, if so acquired, whether through purchase or the exercise of eminent domain, and so transferred or used, would materially advance the purpose for which the District is chartered; and
- S. Exercise and enjoy such other powers as may be authorized by law.

Section 5.2. Limitation of Powers. The District organized under this Charter in all activities and transactions shall be limited in the following respects:

- A. The District shall have no power of eminent domain;
- B. The District may not incur or create any liability that permits recourse by any party or member of the public to any assets, services, resources, or credit of the County. All liabilities incurred by the District shall be satisfied exclusively from the assets and credit of the District; no creditor or other person shall have any recourse to the assets, credit, or services of the County on account of any debts, obligations, liabilities, acts, or omissions of the District;
- C. No funds, assets, or property of the District shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or ballot proposition; nor shall any funds or a substantial part of the activities of the District be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States, or the legislature of the State or the County; provided, however, that funds may be used for representatives of the District to communicate with members of Congress, State legislators or County Council members concerning funding and other

matters directly affecting the District, so long as such activities do not constitute a substantial part of the District's activities and so long as such activities are not specifically limited elsewhere in this Charter or the Formation Ordinance;

D. All revenue, receipts, assets, or credit of the District shall be applied toward or expended upon services, projects, and activities authorized by this Charter. No part of the net earnings of the District shall inure to the benefit of, or be distributable as such to, the Board members, officers of the District or other private persons, except that the District is authorized and empowered to:

i. Compensate those persons or entities performing services for the District, including Board members, District employees and legal counsel, a reasonable amount for services rendered, and reimburse Board members and others for reasonable expenses actually incurred in performing their duties, in accordance with RCW 36.100.130;

ii. Assist District officials as members of a general class of persons to be assisted by a District-approved project or activity to the same extent as other members of the class so long as no special privileges or treatment accrues to such corporate official by reason of his or her status or position in the District;

iii. Defend and indemnify any current or former Board member or employee and their successors, spouses and marital communities against all costs, expenses, judgments, and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any civil claim, action, or proceeding in which he or she is or may be made a party by reason of being or having been a corporate official, or by reason of any action alleged to have been taken or omitted by him or her as such official, provided that he or she was acting in good faith on behalf of the District and within the scope of duties imposed or authorized by law. This

power of indemnification shall not be exclusive of other rights to which corporate officials may be entitled as a matter of law;

iv. Purchase insurance to protect and hold personally harmless any of its officials, its employees, and its agents from any civil action, claim, or proceeding instituted against the foregoing individuals arising out of the performance, in good faith, of duties for, or employment with, the District and to hold these individuals harmless from any expenses connected with the defense, settlement, or monetary judgments from such actions, claims, or proceedings. The purchase of such insurance and its policy limits shall be discretionary with the Board, and such insurance shall not be considered to be compensation to the insured individuals. The powers conferred by this subsection shall not be exclusive of any other powers conferred by law to purchase liability insurance; and

v. Sell assets for a consideration greater than their reasonable market value or acquisition costs, charge more for services than the expense of providing them, or otherwise secure an increment in a transaction, or carry out any other transaction or activity, so long as such gain is not the principal object or purpose of the District's transactions or activities and is applied to or expended upon services, projects, and activities otherwise authorized as corporate purposes;

- E. The District organized under this chapter shall not issue shares of stock, pay dividends, make private distribution of assets, make loans to its board members or employees or otherwise engage in business for private gain;
- F. The District's power to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate (either directly or by contract) one or more Regional Center is subject to the limitations set forth in the Formation Ordinance. Specifically, the District shall determine by August 1, 2001 whether any Regional

Center project located within the County is a viable project such that through interlocal agreements the District can lawfully impose the sales tax authorized under RCW 82.14.390(1) in support of the joint development of such Regional Center project. In the event that the District determines that it may lawfully impose the sales tax authorized under RCW 82.14.390(1) in support of joint city and County Regional Centers, such tax proceeds shall be apportioned in an equitable manner that supports construction and operation of any viable joint city and County Regional Center project or projects located in County. Within 30 days of August 1, 2001, the District shall provide a written report to the Council detailing its final project list, and the percentage of anticipated revenues flowing to each project. [In consideration of the County's loan of working capital to the District and to ensure that joint city and County Regional Centers are developed in a manner that is consistent with the County's regional planning objectives, intergovernmental relations with its incorporated cities, and available and planned infrastructure, the District shall not enter into an interlocal agreement to expend revenues in excess of \$50,000 on such a joint city and County Regional Center unless the County is party to the interlocal agreement];

- G. The following District powers are subject to review by the County Council as follows:
- i. The District shall not impose any taxes under Chaps. 36.100 RCW or 82.14 RCW without prior [notification and comment] from the County Council;
 - ii. The District shall prepare, maintain and provide to the County Council a financial and activities report not less than quarterly, and otherwise as directed by the County Council;

iii. Any acquisition or transfer of real and personal property with a value over \$100,000 by lease, sublease, purchase, or sale by the District shall be subject to notification and comment by the County Council;

ARTICLE VI

Board of Directors And Corporate Officers

Section 6.1. Powers. The Board shall govern the affairs of the District. All corporate powers of the District shall be exercised by or under the authority of, and the business, property and affairs of the District shall be managed under the direction of, the Board except as may be otherwise provided in this Charter, the Formation Ordinance or State law.

Section 6.2. Board Composition. Pursuant to RCW 36.100.020 and the Formation Ordinance, the County Council has established that the Board has five members. The County Council shall appoint the members of the Board to reflect the interests of cities and towns in the County, as well as the unincorporated area of the County.

Section 6.3. Terms of Office.

- A. The terms of office of the initially appointed members of the Board shall commence on the date of their appointment and shall be staggered as follows:
 - 1. Group I. Two members for a two-year term; and
 - 2. Group II. Three members for a four-year term.
- B. With respect to the appointments of the initial Board members, the [County Council] shall designate which members are assigned to the two groups identified in subsection 6.3.A above for purposes of determining the length of terms of such initial Board members.
- D. The County Council shall fill vacancies during and at the expiration of the term of Board members in the same manner as initial appointments.
- E. Except for the initial members of the board, each member shall be appointed to serve for a four-year term. Each member shall continue to serve until his or her

successor has been appointed and qualified as provided in the bylaws. Members may be reappointed to serve not more than [four] consecutive full terms.

- F. Terms shall expire on the day prior to the anniversary date of the Charter of the year in which the respective group is scheduled to terminate.

Section 6.4. Quorum and Manner of Action. At all meetings of the Board a majority of directors then in office shall constitute a quorum. The Board may adopt resolutions of the Board only by an affirmative vote of a majority of the Boardmembers then in office.

Section 6.5. Officers and Division of Duties.

A. The initial officers of the District shall be the President, Vice President and Secretary/Treasurer of the Board. In no event shall there be less than two officers designated, nor shall the same person occupy the office of president and that of treasurer, or any office responsible for custody of funds and maintenance of accounts and finances. Additional officers may be provided for in the Bylaws.

B. The President shall be the agent of the District for service of process; the Bylaws may designate additional corporate officials as agents to receive or initiate process. The corporate officers, who shall be selected from among the membership of the Board as provided in the Bylaws, shall manage the daily affairs and operations of the District.

C. The Board shall oversee the activities of the corporate officers, establish and/or implement policy, participate in corporate activity in matters prescribed by the Interlocal Agreement, and shall have stewardship for management and determination of all corporate affairs.

Section 6.6. Bonding of Corporate Officers. [Each corporate official responsible for handling accounts and finances shall file as soon as practicable with the District a fidelity bond in an amount determined by the District to be adequate and appropriate, and may hold the corporate office only as long as such a bond continues in effect.]

Section 6.7. Executive Committee. The Bylaws may provide for an Executive Committee, which shall be appointed and/or removed by the Board, and shall have and exercise

such authority of the Board in the management between meetings of the Board, as may be specified in the Bylaws.

Section 6.8. Removal of Board Members. The County Council may by resolution remove from the Board for any reason, with or without cause, any member of the Board at or after a public meeting, with prior notice to the District. In the event of removal, members shall be replaced in the same manner as provided for in filling vacancies on the Board.

ARTICLE VII

Meetings

Section 7.1. Board Meetings.

A. The Board shall meet at least quarterly each year; special meetings of the Board may be called as provided by the Charter, the Bylaws or RCW 42.30.010 et seq.

B. The Board shall be the governing body of a public agency as defined in RCW 42.30.020, and all meetings of the board shall be held and conducted in accordance with RCW 42.30.010 et seq. Notice of meetings shall be given in a manner consistent with RCW 42.30.010 et seq. In addition, the District shall routinely provide reasonable notice of meetings to any individual specifically requesting it in writing.

C. All Board meetings, including executive and all other permanent and ad hoc committee meetings, shall be open to the public to the extent required by RCW 42.30.010 et seq. The Board and committees may hold executive sessions to consider matters enumerated in RCW 42.30.010 et seq., or privileged matters recognized by law, and shall enter the cause therefor upon its official journal. At all public meetings, any citizen shall have a reasonable opportunity to address the Board either orally or by written petition. Voting by telephone or by proxy is not permitted.

Section 7.2. Parliamentary Authority. The rules in Robert's Rules of Order (revised) shall govern the District in all cases to which they are applicable, where they are not inconsistent with the Charter or with the special rules of order of the District set forth in the Bylaws.

Section 7.3. Minutes. Copies of the minutes of all regular or special meetings of the Board shall be available to any person or organization that requests them. The minutes of all Board meetings shall include a record of individual votes on all matters requiring Board concurrence or approval.

ARTICLE VIII

Procedural Requirements

Section 8.1. Board Review and Concurrence.

A. At least quarterly, the Board shall review monthly statements of income and expenses, which compare budgeted expenditures to actual expenditures. The Board shall review all such information at regular meetings, the minutes of which shall specifically note such reviews and include such information.

B. General or particular authorization or review and concurrence of the Board by resolution shall be necessary for any of the following transactions:

1. Transfer or conveyance of an interest in real estate other than release of a lien or satisfaction of a mortgage after payment has been received and the execution of a lease for a current term less than one year;
2. The contracting of debts, issuances of notes, debentures, or bonds, and the mortgaging or pledging of authority assets or credit to secure the same;
3. The donation of money, property or other assets belonging to the District;
4. An action by the District as a surety or guarantor;
5. All capital expenditures in excess of twenty-five thousand dollars (\$25,000), and all other transactions in which: (i) the consideration exchanged or received by the District exceeds the greater of one percent of the previous year's operating budget or twenty-five thousand dollars (\$25,000) or (ii) the performance by the District shall extend over a period exceeding one year from the date of execution of an agreement therefor;
6. Any substantial project or major activity outside the boundaries of the District;

7. Adoption of an annual budget, which such adoption shall occur no later than [September] 1 of the year prior to the budget year;

8. Certification of reports and statements to be filed with the County as true and correct in the opinion of the Board and of its members except as noted;

9. Proposed amendments to the Charter and Bylaws; and

10. Such other transactions, duties, and responsibilities as the Charter shall repose in the Board or the Board may reserve.

Section 8.2. Establishment and Maintenance of Office and Records. The District shall:

A. Maintain a principal office at a location within the boundaries of the County;

B. File and maintain with the County Clerk a current listing of all Board officials, their positions and their home addresses, their business and home phone numbers, the address of it's the District's principal office and of all other offices used by it, and a current set of its Bylaws; and

C. Maintain all of its records in a manner consistent with the Preservation and Destruction of Public Records Act, RCW Chapter 40.14.

Section 8.3. Access to Records.

A. The District shall keep an official journal containing the minutes of proceedings at all meetings of the Board and the resolutions of the Board.

B. Any person shall have access to records and information of the District to the extent required by State law.

Section 8.4. Deposit of Public Funds. All money belonging to or collected for the use of the District, coming into the hands of any corporate official or officer thereof, shall be deposited in a qualified public depository as determined by the Washington Public Deposit Protection Commission. Such monies may be invested at the direction of the Board, by resolution, in investments that would be lawful for the investments of County funds.

Section 8.5. Reports and Information. The District shall, within three months after the end of its fiscal year, file an annual report with the County containing audited financial

statements of assets and liabilities, revenue and expenditures and changes in its financial position during the previous year; a summary of significant accomplishments; a projected operating budget for the current fiscal year; a summary of projects and activities to be undertaken during the current year; a list of District officials and a list of officials bonded pursuant to Section 6.6 of this Charter. The District shall review with the Snohomish County Finance Director within 45 days of receipt and take immediate corrective action to address any audit findings or qualifications in its audit reports.

Section 8.6. Audits and Inspections. The District shall, at any time during normal business hours and as often as the Snohomish County Finance Director or his designee, the County Council or the State Auditor deem necessary, make available to the Snohomish County Finance Director or his designee, the County Council or the State Auditor for examination all of its financial records. The District shall permit the Snohomish County Finance Director or his designee, the County Council or State Auditor to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all the aforesaid matters. Snohomish County shall control and oversee the District as required by State law. In exercising such control, the Snohomish Finance Director or his designee, the County Council, and State Auditor shall have no right, power or duty to supervise the daily operations of the District, but shall oversee such operations through their powers to audit, modify the District Charter and Bylaws and to remove Board members all as set forth in this Charter, all for the purpose of correcting any deficiency and assuring that the purposes of the District are reasonably accomplished.

Section 8.7. Insurance. [The District shall maintain in full force and effect public liability insurance in an amount sufficient to cover potential claims for bodily injury, death or disability and for property damage, which may arise from or be related to projects and activities of the District, naming the County as an additional insured, if such insurance shall be available at

a reasonable price as determined by the Board. If insurance is not maintained the District shall maintain adequate reserves to cover potential claims and losses.]

Section 8.8. Bylaws.

A. The properly adopted Bylaws of the District shall be the official rules for the governing of meetings and the affairs of the District.

B. The Bylaws may be amended as provided in Article IX of this Charter in order to provide additional or different rules for governing the District and its activities as are not inconsistent with this Charter.

C. Amendments to the Bylaws shall be effective ten days after filing of same with the County Clerk, unless such amendment(s) shall have been passed by unanimous vote of the Board and an earlier effective date shall have been set.

Section 8.9. Conflict of Interest.

A. Except as provided in this section, a Board member or employee of the District may not participate in Board decisions if that person or a member of that person's immediate family has a financial interest in the issue being decided unless the financial interest is a remote financial interest and participation is approved under subsection B of this section.

B. A Board member or employee may participate in a decision if that person or a member of that person's immediate family has only a remote financial interest, the fact and extent of the interest is disclosed to the Board in a public meeting and is noted in the minutes of the Board before any participation by the member in the decision, and thereafter in a public meeting the Board by vote authorizes or approves the participation. If the person whose participation is under consideration is a Board member, that person may not vote under this subsection. For purposes of this subsection, "remote financial interest" means:

(i) that of a nonsalaried officer or director of a nonprofit corporation;

(ii) that of an employee or agent of a contracting party where the compensation of the employee or agent consists entirely of fixed wages or salary and the contract is awarded by bid or by other competitive process;

(iii) that of a landlord or tenant of a contracting party, except in cases where the property subject to the lease or sublease is owned or managed by the public corporation;

(iv) that of a holder of less than one percent of the shares of the corporation or cooperative that is the contracting party; or

(v) that of an owner of a savings and loan or bank savings or share account or credit union deposit account if the interest represented by the account is less than two percent of the total deposits held by the institution.

C. A Board member or employee is not considered to be financially interested in a decision when the decision could not affect that person in a manner different from its effect on the public.

D. No Board member or employee of the District shall accept, directly or indirectly, any gift, favor, loan, retainer, entertainment or other thing of monetary value from any person, firm or corporation having dealings with the District when such acceptance would conflict with the performance of a Board member or employee's official duties. A conflict, or possibility of conflict, shall be deemed to exist where a reasonable and prudent person would believe that it was given for the purpose of obtaining special considerations or influence; provided that application of this provision shall take into consideration the established customs and practices of the District.

E. The Board may adopt additional conflict of interest and ethical rules it considers appropriate.

F. For purposes of this section, "participate in a decision" includes all discussions, deliberations, preliminary negotiations, and votes.

G. For purposes of this section, "immediate family" means:

1. A spouse;
2. Any dependent parent, parent-in-law, child, son-in-law, or daughter-in-law; and

3. Any parent, parent-in-law, child, son-in-law, daughter-in-law, sibling, uncle, aunt, cousin, niece or nephew residing in the household of the corporate official or employee.

Section 8.10. Discrimination.

A. Board membership may not directly or indirectly be based upon or limited by creed, age, race, color, religion, sex, national origin, marital status or the presence of any sensory, mental or physical disability, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available.

B. To ensure equality of employment opportunity, the District shall not discriminate in any matter related to employment because of creed, age, race, color, religion, sex, national origin, marital status or the presence of any sensory, mental or physical disability, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available. The District shall, in all solicitations or advertisements for employees placed by or on behalf of the District, state that all qualified applicants will receive consideration for employment without regard to creed, age, race, color, religion, sex, national origin, marital status or the presence of any sensory, mental or physical disability, unless such limitations are necessary for the performance of the role and no less discriminatory alternatives are available.

ARTICLE IX

Amendments to Charter and Bylaws

Section 9.1. Proposals to Amend Charter.

A. The District may propose to the County Council that its Charter be amended by resolution passed by a procedure outlined in its Bylaws at a regular or special meeting of the Board for which 30 days' advance written notice was given.

B. When required by law, the District shall propose to the County Council an amendment to this Charter that will conform to and be consistent with said law.

C. As necessary and appropriate in the discretion of the County Council, the County Council may propose to amend this Charter on its own initiative.

Section 9.2. Charter Amendments. The Charter may be amended only with the approval of the County Council. After adoption of a Charter amendment, the revised Charter shall be issued and filed in the same manner as the original Charter.

Section 9.3. Amendments to Bylaws. The Bylaws of the District may be amended by a resolution passed by a majority of the Board members in office at the time. Bylaws shall be reviewed annually after the election of officers with recommendations, if any, for amending the bylaws proposed by the Executive Committee, if such committee is established, otherwise by an ad hoc Bylaws Committee appointed by the Board President. At any other time, any Board member may introduce necessary amendments to the Bylaws to the Board for consideration. As provided in the Formation Ordinance, as necessary and appropriate in the discretion of the County Council, the County Council may amend the Bylaws by ordinance adopted at or after a public meeting held with notice to the District. Amendments to the Bylaws adopted by the County Council may not be further amended by the District for one year except with County Council approval.

ARTICLE X

Commencement

The District shall commence its existence effective upon the date of the appointment of the members of its Board as provided in the Formation Ordinance.

ARTICLE XI

Dissolution

Section 11.1. Dissolution Process.

A. If the Board makes an affirmative finding that dissolution is necessary or appropriate because the purposes of District may not be fulfilled for any reason, the Board may adopt a resolution requesting the County Council to dissolve the District.

B. Upon adoption of a motion by the County Council requesting the following information, or upon adoption by the District board of a resolution requesting its own dissolution, the District shall file a dissolution statement with the County Clerk setting forth:

1. The name and principal office of the District;
2. The debts, obligations and liabilities of the District, including conditions of grants and donations, and the property and assets available to satisfy the same; the provisions to be made for satisfaction of outstanding liabilities and performance of executory contracts; and the estimated time for completion of its dissolution;
3. Any pending litigation or contingent liabilities;
4. The Board resolution requesting such dissolution and the date(s) and proceedings leading toward its adoption, whenever the dissolution be voluntary; and
5. A list of persons to be notified upon completion of dissolution.

Section 11.2. Trusteeship

A. In the event of the insolvency or pending dissolution of the District, the Superior Court of Snohomish County shall have jurisdiction and authority to appoint trustees or receivers of corporate property and assets and supervise such trusteeship or receivership. Jurisdiction over dissolution arises in the event the dissolution ordinance enacted by the County Council requests Superior Court trusteeship.

B. The trustees appointed by the Superior Court shall take such actions as necessary during the trusteeship to achieve the object thereof as reasonable. The trustees shall have the power and authority to reorganize the District and recommend amendment of its Charter and/or

its Bylaws; suspend and/or remove District officials, and manage the assets and affairs of the District; and exercise any and all District powers as necessary or appropriate to fulfill outstanding agreements, to restore the capability of the District, to perform the functions and activities for which it is chartered, to reinstate its credit or credibility with its creditors or obligees, and, if so authorized by the Superior Court, to oversee its dissolution and appropriate subsequent transactions.

ARTICLE XII

Approval of Charter

APPROVED by Ordinance No. ____ of the Snohomish County Council adopted on _____.

ATTEST

/s/
County Clerk
Snohomish County, Washington