

EXHIBIT "A"

CHARTER  
of the  
MISSION RIDGE PUBLIC DEVELOPMENT AUTHORITY

ARTICLE I: NAME AND SEAL

**Section 1.01. Name.** The name of the authority shall be MISSION RIDGE PUBLIC DEVELOPMENT AUTHORITY (hereinafter referred to as the "Authority").

**Section 1.02. Seal.** The Authority's seal shall be a circle with the name "Mission Ridge Public Development Authority" inscribed therein.

ARTICLE II: AUTHORITY AND LIMIT ON LIABILITY

**Section 2.01. Authority.** The Authority is a public corporation organized pursuant to RCW 35.21.730 through 35.21.757, as amended (the "Act") and Resolution No. 2000-106 (the "Resolution") of Chelan County, Washington (the "County").

**Section 2.02. Limit on Liability.** All liabilities incurred by the Authority shall be satisfied exclusively from the assets, credit, and properties of the Authority, 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 Authority.

**Section 2.03. Mandatory Disclaimers.** The following disclaimer shall be posted in a prominent place where the public may readily see it in the Authority's principal and other offices. It shall also be printed or stamped on all contracts, bonds, and other documents that may entail any debt or liability by the Authority.

The Authority is a public authority organized pursuant to the Resolution and the laws of the State of Washington, and more particularly the Act. RCW 35.21.750 provides, in part, as follows:

"[A]ll liabilities incurred by such public corporation, commission or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission, or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority."

### ARTICLE III: DURATION

The duration of the Authority shall be perpetual except as provided in the Resolution.

### ARTICLE IV: PURPOSE

The purpose of the Authority is to provide a legal entity organized under the Act and the Resolution to undertake, assist with and otherwise facilitate or provide for the following activities (the "Chartered Activities"):

1. to improve the general living and economic conditions within the County by entering into contracts and partnerships with public and private entities for maintaining, upgrading and improving the Mission Ridge Ski Area;
2. to apply for and administer federal, state and county and private grant programs, and to receive and administer federal, state, county and other public funds relating to the Mission Ridge Ski Area;
3. to perform all manner and type of community services relating to the Mission Ridge Ski Area; and
4. to provide and implement such municipal services and functions as the Board of County Commissioners may direct relating to the Mission Ridge Ski Area.

To the extent appropriate and consistent with the needs and objectives of the County and to facilitate or provide for the Chartered Activities, the Authority will undertake and accomplish all activities necessary or convenient for the development, operation and implementation of the Chartered Activities. The Authority shall have no purpose other than the development, operation and implementation of the Chartered Activities

For the purpose only of securing the exemption from federal income taxation for interest on obligations of the Authority, the Authority constitutes an authority and instrumentality of the County (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 of the Internal Revenue Code of 1986, as amended).

### ARTICLE V: POWERS

**Section 5.01. Powers.** The Authority shall have and may exercise all lawful powers conferred by state laws, the Resolution, this Charter and its Bylaws. The Authority in all of its activities and transactions shall be subject to the powers, procedures, and limitations contained in the Resolution.

**Section 5.02. Indemnification.** To the extent permitted by law, the Authority shall protect, defend, hold harmless and indemnify any person who becomes a director, officer, employee or agent of the Authority, and who is a party or threatened to be made a party to a proceeding by reason related to that person's conduct as a director, officer, employee or agent of the Authority, against judgments, fines, penalties, settlements and reasonable expenses (including attorneys' fees) incurred by him or her in connection with such proceeding, if such person acted

in good faith and reasonably believed his or her conduct to be in the Authority's best interests and if, in the case of any criminal proceedings, he or she had no reasonable cause to believe his or her conduct was unlawful. The indemnification and protection provided herein shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract or by vote of the Board of Directors. The Authority may purchase and maintain appropriate insurance for any person to the extent provided by the applicable law.

## ARTICLE VI: BOARD OF DIRECTORS

**Section 6.01. *Board of Directors Composition.*** Management of all Authority affairs shall reside in a five-member board of directors (the "Board of Directors"). All directors shall be appointed by the Board of County Commissioners; provided, no person who serves on the Board of County Commissioners or city council of any city or town in the County may serve on the Board of Directors. The terms of the Directors shall be determined as follows:

1. Within two months of the issuance of this Charter, the initial Board of Directors shall by resolution divide the members of the Board of Directors into three classes (designated Class I, Class II, and Class III) containing two members each (except Class III, which shall contain one member).
2. The initial terms of those Directors that are in Class I shall be three years. The initial terms of those Directors that are in Class II shall be five years. The initial terms of those Directors that are in Class III shall be seven years.
3. At the regular meetings of the Board of Directors that coincides most closely with the third anniversary of the issuance of this Charter, the terms of those Directors that are in Class I shall expire, provided that they shall continue in office until their successors are selected and qualified as provided in the Bylaws.
4. This re-appointment procedure shall continue biennially as to successive classes, so that at the regular meeting of the Board of Directors that coincides most closely with each odd numbered anniversary of the issuance of this Charter, a new class of Directors shall take office; provided, however, that each person so selected shall hold office for the six-year term for which he or she is selected and until his or her successor shall have been selected and qualified; and provided that there shall be no restriction on Directors serving successive terms.

**Section 6.02. *Board of Directors Concurrence and Quorum Defined.*** "Board of Directors concurrence, "as used in this Article VI, may be obtained at any regular or special Board of Directors meeting by an affirmative vote of the Directors voting on the issue, provided that such majority equals no less than three votes.

A quorum to commence a Board of Directors meeting shall be no fewer than three Directors. The bylaws of the Authority may prescribe Board of Directors quorum restrictions that equal or exceed the quorum restrictions imposed in this Section 6.02. Directors present at a duly convened meeting may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum.

**Section 6.03. *Officers and Division of Duties.*** The Authority shall have four or more officers. The initial officers of the Authority shall be the President, the Vice President, the Secretary and the Treasurer, each of which shall be a different person. Such officers shall be appointed by the Board of Directors. Additional officers may be provided for in the Bylaws of the Authority. The President shall be the agent of the Authority for service of process. The Bylaws may designate additional corporate officials as agents to receive or initiate process. The corporate officers shall manage the daily affairs and operations of the Authority and may delegate such tasks as the Board of Directors deems advisable to other officers, employees and agents of the Board of Directors. The Board of Directors shall oversee the activities of the corporate officers, establish and/or implement policy, participate in corporate activity in matters prescribed by County resolution, and shall have stewardship for management and determination of all corporate affairs.

**Section 6.04. *Committees.*** The appointment of other committees shall be provided for in the Bylaws.

## ARTICLE VII: MEETINGS

**Section 7.01. *Board of Directors Meetings.*** The Board of Directors shall meet as necessary, but not less than every other month. Special meetings of the Board of Directors may be called as provided in the Bylaws.

**Section 7.02. *Open Public Meetings.*** Notice of meetings shall be given in a manner with the Open Public Meetings Act (chapter 42.30 RCW). In addition, the Authority shall routinely provide reasonable notice of meetings to any individual specifically requesting it in writing. At such meetings, any citizen shall have a reasonable opportunity to address the Board of Directors either orally or by written petition. Voting by telephone or by proxy is not permitted.

**Section 7.03. *Parliamentary Authority.*** The rules of *Robert's Rules of Order* shall govern the Authority in all cases to which they are applicable, where they are not inconsistent with this Charter or with the special rules of order of the Authority set forth in the Bylaws.

**Section 7.04. *Minutes.*** The Secretary shall keep, or cause to be kept, minutes of all regular or special meetings of the Board of Directors. Such minutes shall be available to any person or organization that requests them as required by state law. Minutes with respect to closed executive sessions need not be made available. The minutes of all Board of Directors meetings shall include a record of individual votes on all matters requiring Board of Directors concurrence.

## ARTICLE VIII: BYLAWS

The initial Bylaws may be amended to provide additional or different rules governing the Authority and its activities as are not inconsistent with the laws of the State of Washington, the Resolution or this Charter. The Board of Directors may provide in the Bylaws for all matters

related to the governance of the Authority, including but not limited to matters referred to elsewhere in this Charter for inclusion therein.

## **ARTICLE IX: AMENDMENTS TO CHARTER AND BYLAWS**

### **Section 9.01. *Proposals to Amend Charter and Bylaws.***

1. Proposals to amend this Charter or the Bylaws shall be presented in a format which strikes over material to be deleted and underlines new material.
2. Any Director may introduce a proposed amendment to this Charter or the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting of which ten days' advance notice has been given to members of the Board of Directors.

**Section 9.02. *Board of Directors Consideration of Proposed Amendments.*** If notice of a proposed amendment to this 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 of Directors 15 days prior to any regular Board of Directors meeting or any special meeting of which 30 days' advanced notice has been given, then the Board of Directors 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 of Directors may not vote on the proposed amendment until the next regular Board of Directors 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 Directors. 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 9.03. *Vote Required for Amendments to Charter or Bylaws.*** Resolutions of the Board of Directors approving proposed amendments to this Charter or to the Bylaws require an affirmative vote of a majority of the Directors voting on the issue, provided that such majority equals not less than three votes.

**Section 9.04. *Board of County Commissioners Approval of Proposed Charter Amendments.*** Proposed Charter amendments adopted by the Board of Directors shall be submitted to the Board of County Commissioners. This Charter may be amended only by resolution as provided in the Resolution.

## **ARTICLE X: COMMENCEMENT**

The Authority shall commence its existence effective upon the issuance of its Charter, as sealed and attested by the Clerk.

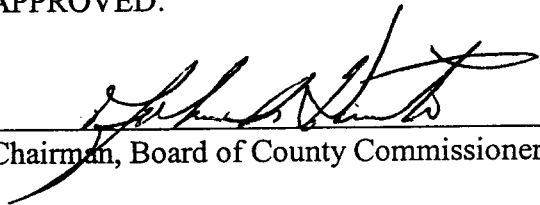
**ARTICLE XI: DISSOLUTION**

Dissolution of the Authority shall be in the form and manner required by state law, County resolution, and the Bylaws.

**ARTICLE XII: APPROVAL OF CHARTER**

APPROVED by Resolution No. 2000-106, adopted by the Board of County Commissioners of Chelan County, Washington, the 18<sup>th</sup> day of September, 2000.

APPROVED:

  
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Chairman, Board of County Commissioners

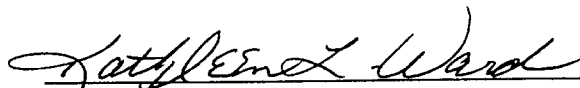
**CERTIFICATE**

I, Kathleen L. Ward, Clerk of the Board of County Commissioners of Chelan County, Washington, hereby certify that the attached CHARTER OF THE MISSION RIDGE PUBLIC DEVELOPMENT AUTHORITY is a true and correct original of such charter as authorized by Resolution No. 2000-106 of the Board of County Commissioners.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of said Chelan County on the 18<sup>th</sup> day of September, 2000.

CHELAN COUNTY, WASHINGTON



  
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Kathleen L. Ward, Clerk of the Board  
Chelan County Commissioners

## EXHIBIT "B"

### BYLAWS of the

#### MISSION RIDGE PUBLIC DEVELOPMENT AUTHORITY

#### ARTICLE I: MISSION RIDGE PUBLIC DEVELOPMENT AUTHORITY

**Section 1.01. *Existence; Bylaws.*** The Mission Ridge Public Development Authority (the "Authority") is a public authority created by Chelan County, Washington (the "County"), pursuant to RCW 35.21.730 through 35.21.757, and Resolution No. 2000-106 (the "Resolution"), adopted by the Board of County Commissioners on September 18, 2000. These Bylaws are subject to any limitations contained herein or in the Charter issued to the Authority by the County.

#### ARTICLE II: BOARD OF DIRECTORS

**Section 2.01. *Quorum.*** At least three members of the Board of Directors must be present at any regular or special meeting to comprise a quorum. A lesser number in attendance at such a meeting may adjourn the meeting and reconvene it within forty-eight 48 hours of the adjourned meeting without further notice.

#### ARTICLE III: OFFICERS AND COMMITTEES

**Section 3.01. *Officers Designated.*** The officers of the Authority shall be the President, the Vice President, the Secretary and the Treasurer, which officers shall be appointed by the Board of Directors. Such other offices as may be deemed necessary may be created by resolution of the Board of Directors. 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 of Directors may prescribe.

#### **Section 3.02. *Powers and Duties.***

A. ***President.*** The President shall be the chief executive officer of the Authority and shall have general supervision over the business of the Authority, subject, however, to the control of the Board of Directors. The President shall preside at all meetings of the Board of Directors. The President may sign and execute, in the name of the Authority, deeds, mortgages, leases, bonds, contracts and other instruments duly authorized by the Board of Directors, 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 of Directors.

B. ***Vice President.*** In the event the President is unable to perform such functions and duties as are mandated by law, the Resolution, the Charter or these Bylaws to be performed by the

President, whether due to illness, vacation or other absence, the Vice President shall act as President and perform all acts required to be performed by the President. In so acting, the Vice President shall be deemed to be the President for all purposes.

C. *Secretary.* The Secretary shall:

1. certify and keep at the office of the Authority, or at such other place as the Board of Directors may order, the original or a copy of the Bylaws, as amended or otherwise altered;
2. keep at the office of the Authority, or at such other place as the Board of Directors may order, a book of minutes of all meetings of the Directors and of the resolutions of the Board of Directors, recording therein the time and place of holding such meetings, 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 Authority;
5. exhibit at all reasonable times to any Director, upon application, the Bylaws and minutes of the proceedings of the Board of Directors; and
6. in general perform such office by the Board of Directors or the President.

D. *Treasurer.* The Treasurer shall receive and have charge of all funds of the Authority and shall disburse such funds only as directed by the Board of Directors; perform all duties incident to the office of chief financial officer of the Authority; and in general perform such other duties as may from time to time be assigned to such office by the Board of Directors or the President.

**Section 3.03. *Terms.*** The Board of Directors shall establish, by resolution, the terms of office for its officers.

**Section 3.04. *Removal.*** Upon reasonable prior notice to all Directors of the alleged reasons for dismissal, the Board of Directors, by an affirmative vote of the majority of the whole Board of Directors, may remove any officer from his office whenever in its judgment the best interests of the Authority will be served thereby.

**Section 3.05. *Vacancies.*** The Board of Directors shall request the Board of County Commissioners to 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.

**Section 3.06. *Establishment of Committees.*** The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members one or more committees, each consisting of at least two or more members, to represent the Board of Directors and, on matters other than those described in Section 12 of the Resolution, act for and on behalf of the Board of Directors. The designation of any such committee and the delegation thereto of authority shall not operate to relieve any member of the Board of Directors of any responsibility imposed by law.

## ARTICLE IV: MEETINGS

**Section 4.01. *Regular Board of Directors Meetings.*** All meetings of the Board of Directors shall be special meetings.

**Section 4.02. *Special Board of Directors Meetings.*** Subject to Article VII of the Charter of the Authority and Section 10 of the Resolution, special meetings of the Board of Directors may be held at any place at any time whenever called by the President or a majority of the members of the Board of Directors.

**Section 4.03. *Notice of Regular Board of Directors Meetings.*** 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 of Directors 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 Director 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 Director. In addition, the Authority shall routinely provide reasonable notice of meetings to any individual specifically requesting it in writing. At any regular meeting of the Board of Directors, any business may be transacted and the Board of Directors may exercise all of its powers.

**Section 4.04. *Notice of Special Board of Directors Meetings.*** Notice of all special meetings of the Board of Directors 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 Director and to each local newspaper of general circulation and to each radio or television station that has requested notice as provided in the Open Public Meetings Act (chapter 42.30 RCW), as now or hereafter amended. In addition, the Authority 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 4.05. *Waiver of Notice.*** Notice as provided in Section 4.03 and 4.04 hereof may be dispensed with as to any member of the Board of Directors who at or prior to the time the meeting convenes files with the Board of Directors of the Authority 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 4.06. Notice to the Board of County Commissioners.** Notice of all meetings and minutes of such meetings of the Board of Directors shall be given to the Clerk of the Board of County Commissioners.

## ARTICLE V: ADMINISTRATIVE PROVISIONS

**Section 5.01. Books and Records.** The Authority shall keep current and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors and its committees having any of the authority of the Board of Directors.

**Section 5.02. Indemnification of Directors.** The Authority elects to defend and indemnify its present and former officials and their successors, spouses and marital communities to the full extent authorized by the Charter. In addition, the right of indemnification shall inure to each Director or officer and his or her spouse and marital community upon his or her appointment to the Board of Directors 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 Director or officer of the Authority 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 5.03. Principal Office.** The principal office of the Authority shall be  
C/O CHELAN COUNTY COMMISSIONERS, Wenatchee, Washington 98801.  
350 OREGON AVE.  
WENATCHEE, WA. 98801