

EXHIBIT A

CHARTER

**OF THE GREATER WENATCHEE REGIONAL EVENTS CENTER
PUBLIC FACILITIES DISTRICT**

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CHARTER
OF THE
GREATER WENATCHEE REGIONAL EVENTS CENTER PUBLIC FACILITIES DISTRICT
ARTICLE I

Commencement, Name, Seal, Definitions

Section 1.1 Commencement. This public facilities district shall commence its existence upon the date of adoption of the Interlocal Agreement dated as of _____, 2006 (the "Interlocal Agreement"), among the City of Wenatchee ("Wenatchee"), the City of East Wenatchee ("East Wenatchee"), the City of Entiat ("Entiat"), the City of Cashmere ("Cashmere"), the City of Rock Island ("Rock Island"), the City of Chelan ("Chelan"), the Town of Waterville ("Waterville"), Chelan County, and Douglas County (hereinafter referred to as the "Members").

Section 1.2 Name. The name of this public facilities district shall be the GREATER WENATCHEE REGIONAL EVENTS CENTER PUBLIC FACILITIES DISTRICT (hereinafter referred to as the "District").

Section 1.3 Seal. The District's seal shall be a circle with the name "GREATER WENATCHEE REGIONAL EVENTS CENTER PUBLIC FACILITIES DISTRICT" inscribed therein.

Section 1.3 Definitions. All capitalized terms used but not defined herein shall have the meanings set forth in Interlocal Agreement.

ARTICLE II

Authority and Limit on Liability

Section 2.1 Authority. The District is a public facilities district organized pursuant to RCW 35.57.010 and the Interlocal Agreement.

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 the Members, their assets, credit, or services, on account of any debts, obligations, liabilities or acts or omissions of the District, unless otherwise consented to in writing by a Member.

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. 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 GREATER WENATCHEE REGIONAL EVENTS CENTER PUBLIC FACILITIES DISTRICT is organized pursuant to RCW 35.57.010 and the Interlocal Agreement among the City of Wenatchee ("Wenatchee"), the City of East Wenatchee ("East Wenatchee"), the City of Entiat ("Entiat"), the City of Cashmere ("Cashmere"), the City of Rock Island ("Rock Island"), the City of Chelan ("Chelan"), the Town of Waterville ("Waterville"), Chelan County, and Douglas County (the "Members"). The Interlocal Agreement 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 Members, 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 herein and in the Interlocal Agreement.

ARTICLE IV

Purpose

The purpose of the District is to provide a legal entity under RCW 35.57.010 and the Interlocal Agreement to acquire, construct, own, remodel, maintain, equip, reequip, repair,

finance, and operate one or more regional centers as defined in RCW 35.57.020,¹ together with related parking facilities.

ARTICLE V

Powers

Section 5.1 Powers. The District shall have and may exercise all lawful powers conferred by Washington State law, the Interlocal Agreement, this Charter and its Bylaws.

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 person to any assets, services, resources, or credit of the Members. 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 Members on account of any debts, obligations, liabilities, acts, or omissions of the District without the written consent of such Member;
- C. All revenue, receipts, assets, or credit of the District shall be applied toward or expended upon services, projects, and activities authorized by State law, the Interlocal Agreement and this Charter.
- D. The following District powers are subject to review or approval by the legislative bodies of the respective Members:

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.

i. The District shall not impose any taxes under chapters 35.57 RCW or 82.14 RCW (except for sales and use taxes imposed pursuant to RCW 82.14.390 and admissions and parking tax) without prior approval of the Members; and

ii. The District shall prepare, maintain and provide to the Members a financial and activities report not less than quarterly, and otherwise as directed by the Members.

ARTICLE VI

Board of Directors and Corporate Officers

Section 6.1 Powers. The Board of Directors (the “Directors”) 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 Directors except as may be otherwise provided in this Charter, the Interlocal Agreement or State law.

Section 6.2 Board Composition. Pursuant to RCW 35.57.010 and the Interlocal Agreement, the Members have established that the Board of Directors shall have seven members. The County Commissioners of Chelan County, the County Commissioners of Douglas County and the City Council of East Wenatchee shall each appoint one Director. The Directors appointed by East Wenatchee, Chelan County and Douglas County shall not be a member of their respective legislative bodies. Wenatchee shall appoint four Directors based on the recommendations received from local organizations that may include, but are not limited to, the local chamber of commerce, local economic development council, local labor council and a neighborhood organization that is directly affected by the location of the regional center in their area. Members of the District Board shall be residents of the Public Facilities District at all times during their term of service on the District Board. Members of the District Board need not be residents of their appointing jurisdiction.

Section 6.3 Terms of Office.

A. The terms of office of the initially appointed Directors shall commence on the date of their appointment and shall be staggered as follows. Of the four members appointed by

Wenatchee, 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.

B. Vacancies during and at the expiration of the term of the Directors shall be filled in the same manner as initial appointments.

C Except for the initial Directors, 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 three consecutive full terms.

D. Terms shall expire on December 31.

Section 6.4 Quorum and Manner of Action. At all meetings of the Directors a majority of the Directors then in office shall constitute a quorum. The Directors may adopt resolutions of the Board only by an affirmative vote of a majority of those Directors present at a meeting at which there is a quorum.

Section 6.5 Officers and Division of Duties.

A. The initial officers of the District shall be the President, Vice President and Secretary and shall be selected by a majority of those Directors present at a meeting at which there is a quorum. In no event shall there be less than two officers designated, nor shall the same person occupy more than one office. 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 Directors as provided in the Bylaws, shall manage the daily affairs and operations of the District.

C. The Directors shall oversee the activities of the corporate officers, establish and/or implement policy, participate in corporate activity, and shall have stewardship for management and determination of all corporate affairs.

Section 6.6 Removal of Directors. Every Director appointed by the legislative body of a city or a county to the Board of Directors may be removed at will by his or her appointing city

or county and a new member appointed to fill the unexpired term in the same manner as the initial appointment.

ARTICLE VII

Meetings

Section 7.1 Meetings.

A. The Directors shall meet at least quarterly each year. Regular and special meetings may be called as provided in chapter 42.30 RCW (the "Open Public Meetings Act").

B. The Directors shall be the governing body of a public agency as defined in RCW 42.30.020, and all meetings of the Directors shall be held and conducted in accordance with the Open Public Meetings Act. Notice of all regular and special meetings shall be given in a manner consistent with the Open Public Meetings Act.

C. All meetings of the Directors, including executive and all other permanent and ad hoc committee meetings, shall be open to the public to the extent required by the Open Public Meetings Act. The Directors and committees may hold executive sessions to consider matters enumerated in the Open Public Meetings Act, 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 Directors either orally or by written petition. Voting by proxy is not permitted.

Section 7.2 Telephonic Participation. Directors may participate in a regular or special meeting through the use of any means of communication by which all Directors and members of the public participating in such meeting can hear each other during the meeting. Any Director participating in a meeting by such means is deemed to be present in person at the meeting for all purposes including, but not limited to, establishing a quorum.

Section 7.3 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 this Charter or with the special rules of order of the District set forth in the Bylaws, if any.

Section 7.4 Minutes. Copies of the minutes of all regular or special meetings of the Directors shall be available to any person or organization that requests them. The minutes of all meetings of the Directors shall include a record of individual votes on all matters requiring Director approval.

ARTICLE VIII

Procedural Requirements

Section 8.1 Board Review.

A. At least quarterly, the Directors shall review monthly statements of income and expenses, which compare budgeted expenditures to actual expenditures.

B. General or particular authorization or review and concurrence of the Directors by motion or resolution shall be necessary for any significant transaction including execution of any contract for an amount more than \$5,000, adoption of an annual budget, which such adoption shall occur no later than December 1 of the year prior to the budget year, certification of reports and statements to be filed with Wenatchee as true and correct in the opinion of the Directors except as noted, and proposed amendments to this Charter and Bylaws.

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 Wenatchee, which may include the Wenatchee City Hall;

B. File and maintain with the Wenatchee City Clerk a current listing of all officials of the Board of Directors, their positions and their home addresses, their business and home phone numbers (which information is personal nondisclosable information), the address of 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, chapter 40.14 RCW.

Section 8.3 Access to Records.

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

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 District money shall be deposited and invested in the same manner as would be lawful for the deposit or investment of public 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 Members containing 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; and a list of District officials.

Section 8.6 Audits and Inspections. The District shall, at any time during normal business hours and as often as the Wenatchee City Finance Director or his designee, the Members or the State Auditor deem necessary, make available to the Wenatchee City Finance Director or his designee, the Members or the State Auditor for examination all of its financial records. The District shall permit the Wenatchee City Finance Director or his designee, the Members or State Auditor to audit, examine and make excerpts or transcripts from such records, and to make audits of all records relating to all the aforesaid matters. The District shall review with the Wenatchee City Finance Director within 45 days of receipt and take immediate corrective action to address any audit findings or qualifications in its audit reports.

Section 8.7 Insurance. The District shall maintain in full force and effect customary 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 Members as an additional insured, if such insurance shall be

available. If insurance is not maintained the District shall maintain adequate reserves, as determined by the Directors, 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 10 days after filing with the Wenatchee City Clerk, unless such amendment(s) shall have been passed by unanimous vote of the Directors and an earlier effective date shall have been set.

Section 8.9 Conflict of Interest.

A. A Director or employee of the District may not participate in decisions of the Board of Directors if that person or a member of that person's immediate family has a financial interest in the issue being decided.

B. A Director 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.

C. No Director 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 Director 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.

D. The Directors may adopt additional conflict of interest and ethical rules it considers appropriate.

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

Section 8.10 Discrimination.

A. Membership to the Board of Directors may not directly or indirectly be based upon or limited by creed, age, race, color, religion, sex, sexual orientation, 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, sexual orientation, 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 Directors may propose to the Members that this Charter be amended by resolution of the Directors passed by a procedure outlined in the District's Bylaws at a regular or special meeting of the Directors for which 30 days' advance written notice was given.

B. When required by law, the Directors shall propose to the Members an amendment to this Charter that will conform to and be consistent with such law.

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

Section 9.2 Charter Amendments. This Charter may be amended only with the approval of the Members. 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 adopted or amended from time to time by a resolution passed by a majority of the Directors in office at the time. Any Director may introduce necessary amendments to the Bylaws to the Directors for

consideration. As provided in the Interlocal Agreement, as necessary and appropriate in the discretion of the Members, the Members may amend the Bylaws.

ARTICLE X

Reserved

ARTICLE XI

Dissolution

Section 11.1 Dissolution Process.

A. Involuntary Dissolution. The District shall dissolve on February 1, 2007 in the event that construction of a Regional Center has not commenced, or earlier in the event that the District recommends and the Wenatchee City Council determines that there is no viable Regional Center project located within Wenatchee that is likely to begin construction before February 1, 2007. In addition, if all the Members find, following a public hearing or hearings, that the continued existence of the District would no longer serve the purposes of the Interlocal Agreement, the Members may by resolution unanimously approved by all Members and in such manner as may be required by State law order that the District be dissolved.

B. Voluntary Dissolution Upon the Request of the Directors. If the Directors make an affirmative finding that dissolution is necessary or appropriate because the purposes of the District may not be fulfilled for any reason, the Directors may adopt a resolution requesting the Members to dissolve the District. Notwithstanding the foregoing in this subsection or subsection (A), so long as the District has any debt outstanding, or the District has entered into a binding commitment to acquire a Regional Events Center, the District shall continue to exist solely for the purpose of honoring its commitment to acquire a Regional Events Center, continuing to levy and collect any taxes pledged to the repayment of debt and to take any other actions as necessary to allow it to repay any remaining debt.

C. Dissolution Statement. Upon adoption of a motion by any of the Members requesting the following information, or upon adoption of a resolution by the Directors

requesting its own dissolution, the District shall file a dissolution statement with the Members 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 resolution of the Board of Directors 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. Superior Court jurisdiction over dissolution arises in the event the dissolution resolution enacted by the respective Members requests Superior Court trusteeship. In the event that a dissolution resolution so requests Superior Court trusteeship, the Superior Court of Chelan County shall have jurisdiction and authority to appoint trustees or receivers of corporate property and assets and supervise such trusteeship or receivership.

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 this 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 Wenatchee City Ordinance No. ___ adopted on _____, 2006, East Wenatchee City Ordinance No. ___ adopted on _____, 2006, Entiat City Ordinance No. ___ adopted on _____, 2006, Cashmere City Ordinance No. ___ adopted on _____, 2006, Rock Island Ordinance No. _____ adopted on _____, 2006, Chelan Ordinance No. _____ adopted on _____, 2006, Waterville Ordinance No. _____ adopted on _____, 2006, Chelan County Resolution No. _____ adopted on _____, 2006, and Douglas County Resolution No. ___ adopted on _____, 2006.

EXHIBIT B
BYLAWS OF THE
GREATER WENATCHEE REGIONAL EVENTS CENTER
PUBLIC FACILITIES DISTRICT

ARTICLE I

Board

Section 1.1. General. The City of Wenatchee ("Wenatchee"), the City of East Wenatchee ("East Wenatchee"), the City of Entiat ("Entiat"), the City of Cashmere ("Cashmere"), the City of Rock Island ("Rock Island"), the City of Chelan ("Chelan"), the Town of Waterville ("Waterville"), Chelan County, and Douglas County (together, the "Members") shall appoint the seven members of the Greater Wenatchee Regional Events Center Public Facilities District (the "District") Board of Directors ("Directors") in accordance with the terms of chapter 35.57 RCW, the Interlocal Agreement dated as of _____, 2006 (the "Interlocal Agreement") and the Charter of the District (the "Charter").

Section 1.2. Vacancies. Subject to Section 2.5 hereof, vacancies during and at the expiration of the term of a Director shall be filled in the same manner as initial appointments. A vacancy or vacancies on the Board of Directors shall be deemed to exist in the case of the death, disability, resignation or removal from office of any Director as provided herein. Upon such an occurrence, the Directors shall notify the Wenatchee City Clerk.

ARTICLE II

Officers and Committees

Section 2.1. Officers Designated. The officers of the District shall be a President, Vice President, and Secretary, each of who shall be elected by the Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the 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 Directors may prescribe.

Section 2.2. Election, Qualifications and Term of Office. The Directors shall elect each of the officers from among the Directors. The officers shall be elected by the Directors at the first regular meeting after the term of new or reappointed Directors 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 Directors at its organizational meeting shall elect the first officers of the Board of Directors.

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 Directors. The President shall preside at all meetings of the Directors. The President may sign and execute, in the name of the District, deeds, mortgages, leases, bonds, contracts and other instruments duly authorized by the 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 Directors.

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 Directors or the President.

c) Secretary. The Secretary shall:

1. Certify and keep at the office of the District, or at such other place as the Directors 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 Directors may order, a book of minutes of all meetings of the Directors, recording therein the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, and the proceedings at such meeting;

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 Wenatchee City Treasurer, the *ex officio* treasurer of the District; and
7. In general, perform all duties of the office of Secretary, 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 Directors or the President.

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

Section 2.5. Vacancies. The Directors 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 Directors, by resolution, may designate from among its members one or more committees, each consisting of at least three members, to represent the Directors and, except as prohibited by the Charter, act for and on behalf of the Directors. The designation of any such committee and the delegation thereto of authority shall not operate to relieve any member of the Directors of any responsibility imposed by law.

Section 2.7. Compensation and Reimbursement. Any compensation received by Directors shall only be pursuant to authority provided by chapter 35.57 RCW and by District resolution. Directors who participate in a regular or special meeting of the Directors in person or by telephonic means are entitled to compensation. Any such compensation is in addition to

reimbursement for travel or other business expenses incurred on behalf of the District and paid pursuant to chapter 35.57 RCW and District resolution.

ARTICLE III

Meetings

Section 3.1. Regular Meetings. Regular meetings of the Directors shall be held at least once every quarter on the first Tuesday of each January, April, July, and October at 5:15 p.m. at City Hall, 129 S. Chelan, Wenatchee, Washington; provided, however, that the Directors may alter such regular meeting time and place by resolution.

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

Section 3.3. Notice of Regular 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 Directors as above provided. Notice of such changed regular meeting shall be given by the Secretary 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 U.S. mail, postage prepaid, to the last known address of each Director. At any regular meeting of the Directors, any business may be transacted and the Directors may exercise all of its powers.

Section 3.4. Notice of Special Meetings. Notice of all special meetings of the Directors shall be given by the Secretary or by the person or persons calling the special meeting in accordance with RCW 42.30.080 by delivering personally, by email or by mail written notice at least 24 hours prior to the time of the meeting to each Director, to each local newspaper of general circulation and to each radio or television station that has requested notice and to any other 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 Director who at or prior to the time the meeting convenes files with the Directors a written waiver of notice or who is actually present at the meeting at the time it convenes. Notice concerning proposed amendments to the Charter or Bylaws and votes on such amendments may not be waived.

Section 3.6. Notice to Wenatchee. Notice of all meetings of the Directors (together with the agenda for the meeting) shall be delivered to the Wenatchee City Clerk at least three days prior to any regular meeting and at least 24 hours prior to any special meeting. In addition, the minutes of the Directors shall be emailed or mailed to the Wenatchee City Clerk within 15 days after approval by the Directors.

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 Director 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 each Director 15 days prior to any regular meeting or any special meeting of which 30 days' advance notice has been given, then the 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 Directors may not vote on the proposed amendment until the next regular 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 4.3. Vote Required for Amendments to Charter or Bylaws. Resolutions of the Directors approving proposed amendments to the Charter or approving amendments to the Bylaws require an affirmative vote of a majority of the Directors then in office as provided in the Charter. As provided in the Charter, as necessary and appropriate in the discretion of the Members, the Members may agree to amend the Bylaws by resolution adopted at or after a public meeting held with notice to the District.

Section 4.4. Approval of Proposed Charter Amendments. Proposed Charter amendments adopted by the Directors shall be submitted to the Wenatchee City Clerk. 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 Directors and its committees having any of the authority of the Directors.

Section 5.2. Indemnification of Directors. The District elects to defend and indemnify its present and former Directors 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 Director or officer and his or her spouses and marital communities 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 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 Wenatchee City Hall, 129 S Chelan Ave, Wenatchee, Washington.

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, 2006.

ARTICLE VI
Approval of Bylaws

APPROVED by Wenatchee City Ordinance No. ___ adopted on _____, 2006, East Wenatchee City Ordinance No. ___ adopted on _____, 2006, Entiat City Ordinance No. ___ adopted on _____, 2006, Cashmere City Ordinance No. ___ adopted on _____, 2006, Rock Island Ordinance No. ___ adopted on _____, 2006, Chelan Ordinance No. ___ adopted on _____, 2006, Waterville Ordinance No. ___ adopted on _____, 2006, Chelan County Resolution No. ___ adopted on _____, 2006, and Douglas County Resolution No. ___ adopted on _____, 2006.