

SPD 16.5000d

ORIGINAL

CHARTER
OF
GREATER TACOMA REGIONAL CONVENTION CENTER
PUBLIC FACILITIES DISTRICT
A Public Corporation

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

ARTICLE I

NAME AND DISTRICT SEAL

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

ARTICLE II

**AUTHORITY FOR GREATER TACOMA REGIONAL CONVENTION
CENTER PUBLIC FACILITIES DISTRICT**

The District is a public corporation organized pursuant to the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23, as the same now exist or may hereafter be amended, or any successor act or acts and created pursuant to that certain interlocal agreement dated the 29th day of October 1999, (hereinafter the "Interlocal Agreement") of and between the Cities of Tacoma, Fife, University Place, and Lakewood, (hereinafter the "Cities"), which cities comprise the District.

ARTICLE III

DURATION OF DISTRICT

The corporation shall cease to exist when the District is no longer a party to an Interlocal Agreement for the construction, management, and operation of the

Greater Tacoma Regional Convention Center in Tacoma (hereinafter the "Convention Center") or any part thereof.

ARTICLE IV

PURPOSE OF DISTRICT

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

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

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

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

ARTICLE V

POWERS OF DISTRICT

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

1. Contract for any District purpose with Tacoma or any agency or department thereof.
2. Sue, and be sued, in its corporate name.
3. Own personal property.
4. Own, lease, or acquire real property; and acquire or lease personal property.
5. Contract for and accept gifts, loans of funds, or property from the United States, the State, Tacoma, other corporations, associations, individuals, or any other source, and to comply with the terms and conditions thereof not in conflict with this Charter.
6. Control the use and disposition of District property, assets, and credit.
7. Invest and reinvest its funds.
8. Impose a sales and use tax as authorized by the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 4(d) and 13, and impose admission and parking taxes as authorized by the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 4(b)&(c), 10, and 11; provided that, the imposition of admission and parking taxes shall apply only to admission to and parking at the Convention Center facility

ARTICLE VI

LIMITS ON DISTRICT POWERS

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

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

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

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

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

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

ARTICLE VII

DUTIES OF THE DISTRICT

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

1. Provide Financial Assistance. The District, through the District Board of Directors during its first meeting, shall provide financial assistance for the construction and operation of the Convention Center by imposition of a sales and

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

2. Enter into Agreements. The District shall enter into an agreement or agreements with Tacoma for the design, development, construction, and operation of the Convention Center. Such agreement or agreements shall provide that Tacoma shall advertise for, select, and enter into agreements with the contractor or contractors for the design, development and construction of the Convention Center; Tacoma shall oversee and make all decisions relative to the design, development, and construction of the Convention Center; Tacoma shall manage and administrate the contracts relative to the design, development, and construction of the Convention Center which development may include a public/private partnership;; the District will enter into an agreement or agreements with Tacoma to provide for the custody, investment, and accounting of all funds of the District, and assist in the administration of the financial affairs of the District.

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

ARTICLE VIII

ORGANIZATION OF DISTRICT

Section 1. District Board of Directors.

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

Section 2. Consecutive Absences.

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

Section 3. Removal of Board Members.

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

Section 4. Vacancy on District Board of Directors.

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

Section 5. Duties of Board Members.

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

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

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

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

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

(e) Adoption of an annual budget;

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

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

Section 6. Voting Requirements/Quorum.

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

(b) Proxy voting shall not be allowed.

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

Section 7. Right to Indemnification.

Each person who was, or is, threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by

reason of the fact that he or she is or was an official of the District, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee, or agent, or in any other capacity, shall be indemnified and held harmless by the District to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorneys' fees, judgments, fines, and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be an official and shall inure to the benefit of his or her heirs, executors, and administrators; provided, however, that except as provided in this section, with respect to proceedings seeking to enforce rights to indemnification, the District shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the District Board of Directors; provided, further, the right to indemnification conferred in this section shall be a contract right and shall include the right to be paid by the District the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceedings shall be made only upon delivery to the District of an undertaking, by or on behalf of such official, to repay all amounts so advanced if it shall ultimately be determined that such official is not entitled to be indemnified under this section or otherwise.

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

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

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

If a claim under this section is not paid in full by the District within 60 days after a written claim has been received by the District, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be 20 days, the claimant may at any time thereafter bring suit against the District to recover the unpaid amount of the claim. The claimant shall be presumed to be entitled to indemnification under this section upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the District), and thereafter the District shall have the burden of proof to overcome the presumption that the claimant

is so entitled. Neither the failure of the District to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper nor a determination by the District that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

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

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

Section 8. Conflict of Interest and Code of Ethics.

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

ARTICLE IX

OFFICERS OF DISTRICT

Section 1. Tenure of Officers.

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

Section 2. Duties of Officers.

The officers of the District shall have the following duties:

(a) President. Subject to the control of the District Board of Directors, the President shall have general supervision, direction, and control of the business

and affairs of the District. On matters decided by the District, unless otherwise required under the Interlocal Agreement or by this Charter, the signature of the President alone is sufficient to bind the corporation.

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

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

Section 3. Incapacity of Officers.

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

ARTICLE X

COMMENCEMENT OF DISTRICT

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

ARTICLE XI

CONSTITUENCY

There shall be no constituency of the District.

ARTICLE XII

AMENDMENTS TO BYLAWS/CHARTER

Any Board Member may propose an amendment to the Bylaws (which may consist of a new set of Bylaws) at any meeting (regular or special) of which 30 days' advance notice has been given. Resolutions of the District Board of Directors approving amendments to the Bylaws by unanimous vote may be implemented at such time as selected by the District Board of Directors in the Resolution without further action. Resolutions approving amendments to the Bylaws with less than a unanimous vote cannot take effect until ten days after filing with the Manager of the Interlocal Agreement. The President of the District shall file such resolution within three days of its adoption.

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

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

ARTICLE XIII

MISCELLANEOUS

Section 1. Public Records.

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

Section 2. Public Meetings.

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

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

Section 3. Audits, Dissolutions, Etc.

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

Section 4. Operations.

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

Section 5. Nonexclusive Charter.

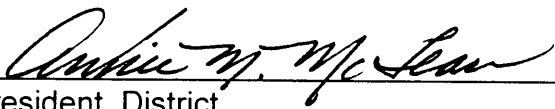
This Charter is nonexclusive and does not preclude the granting of other charters by the Cities that comprise the District to establish additional public corporations.

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

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

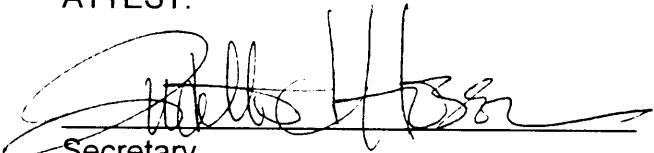
This Charter is APPROVED and ISSUED as of this 15th day of November, 1999.

Approved this 15th day of November, 1999,
as authorized by District Board Resolution
No. 990001



President, District

ATTEST:



Secretary