

EXHIBIT A

**CHARTER OF THE KENT DOWNTOWN PUBLIC
MARKET DEVELOPMENT AUTHORITY**

As originally adopted
pursuant to City of Kent Ordinance No. _____

Issued and Certified by the City Clerk on
_____, 1998, at Kent, Washington.

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EXHIBIT A
**CHARTER OF THE KENT DOWNTOWN
PUBLIC MARKET DEVELOPMENT AUTHORITY**

ARTICLE I
NAME AND SEAL

Section 1.01 Name. The name of this authority shall be the Kent Downtown Public Market Development Authority (hereinafter referred to as the "Authority").

Section 1.02 Seal. The Authority's seal shall be a circle with the name "Kent Downtown Public Market Development Authority" inscribed therein.

ARTICLE II
AUTHORITY AND LIMIT ON LIABILITY

Section 2.01 Authority. The Authority is a public authority organized pursuant to RCW 35.21.730-.757, as amended (the "Act") and Ordinance ____ of the City of Kent, Washington (the "Ordinance").

Section 2.02 Limit on Liability. All liabilities incurred by the Authority shall be satisfied (a) in the case of obligations or liabilities of the Authority which are not limited recourse in nature, exclusively from the assets, credit, and properties of the Authority, or (b) in the case of obligations or liabilities of the Authority which, by their terms, are limited recourse obligations, from such assets, properties or revenues of the Authority as shall be specifically pledged thereto or otherwise identified as being the source of payment of such limited recourse obligations or liabilities, and no creditor or other person shall have any right of action against or recourse to the City of Kent, Washington (the "City"), 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 Kent Downtown Public Market Development Authority is a public authority organized pursuant to Ordinance ____, of the City of Kent and the laws of the State of Washington, RCW 35.21.730 through RCW 35.21.757. RCW 35.21.750 provides 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."

In the case of any obligations or liabilities of the Authority which, by their terms, are limited recourse in nature, in lieu of the foregoing disclaimer, the following disclaimer shall be printed or stamped on all contracts, bonds and other documents relating to or evidencing such limited recourse obligations or liabilities of the Authority:

The obligations of the Authority with respect to **[describe the contract, bond or other limited recourse obligation]** shall be and remain limited recourse obligations of the Authority payable solely and only from **[describe the particular properties, assets or revenues of the Authority from which the limited recourse obligation is payable]**. In no event shall such obligations be payable from or by recourse against any properties, assets or revenues of the Authority (other than those described in the preceding sentence), nor shall such obligations be payable from or by recourse against any properties, assets or revenues of the City of Kent, Washington, the State of Washington or any other political subdivision of the State of Washington. No person to whom such obligations are owed shall have any recourse or right of action against the Authority, the City of Kent, Washington, the State of Washington or any other political subdivision thereof on account of such obligations or any liabilities, of whatsoever nature, arising in connection therewith except to enforce for the payment thereof out of **[describe the particular properties, assets or revenues of the Authority from which the limited recourse obligation is payable]**.

ARTICLE III **DURATION**

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

ARTICLE IV **PURPOSE**

The purpose of the Authority is to provide an independent legal entity under State law and City Ordinance to undertake, assist with and otherwise facilitate or provide for the renovation and operation of the landmark Lumberman Barn located at 212 Railroad Avenue North as the new home for the Kent Downtown Public Market. Renovation of the barn to house a permanent, year-round, indoor producer's public market will serve essential public purposes by relieving blight, creating a permanent tourist attraction, expanding and reinforcing the viability of the central business district, and facilitating private investment which will build the City's tax base and create jobs, all of which are in the public interest. The Authority shall acquire and manage real property, secure financing, undertake the renovation of the barn, and enter into agreements with other not-for-profit entities for the development of the Market.

For the purpose of securing the exemption from federal income taxation for interest on obligations of the Authority, the Authority constitutes an authority and instrumentality of the City of Kent (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**

Section 5.01 Powers. The Authority shall have and may exercise all lawful powers conferred by state laws, the Ordinance, 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 Ordinance.

Section 5.02 Indemnification. To the extent permitted by law, the Authority may 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 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**

Section 6.01 Board Composition. Management of all Authority affairs shall reside in the Board. The Board shall be composed of five (5) members. The Mayor of Kent shall appoint all Board Members subject to confirmation by the Kent City Council. Two of the Board Members shall be nominated by the Kent Downtown Partnership.

Section 6.02 Terms of Office.

6.02.1. The terms of office of the initially appointed members of the Board shall commence on the effective date of this charter and shall be staggered as follows:

- a. Group I. One member for a two-year term;
- b. Group II. Two members for three-year terms; and
- c. Group III. Two members for four-year terms.

6.02.2. In making the appointments of the initial board members, the Mayor shall designate which members are assigned to the three groups identified in subsection 6.02.1 above for purposes of determining the length of terms of such initial board members.

6.02.3. 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.

6.02.4. Terms shall expire at the end of the day prior to the anniversary of the effective date of the Charter of the year in which the respective group is scheduled to terminate. New appointees or reappointees shall be processed in the manner provided herein.

Section 6.03 Board Concurrence and Quorum Defined. "Board concurrence," as used in this Article, may be obtained at any regular or special Board meeting by an affirmative vote of a majority of the Board members voting on the issue, provided that such majority equals not less than three (3) votes.

A quorum to commence a Board meeting shall be no fewer than three (3) members. The Bylaws of the Authority may prescribe Board quorum restrictions that equal or exceed the quorum restrictions imposed in this Section 6.03. Board members present at a duly convened meeting may continue to transact business notwithstanding the departure of enough members to leave less than a quorum.

Section 6.04 Officers and Division of Duties. The Authority shall have three or more officers. The same person shall not occupy both the office of President and any office responsible for the custody of funds and maintenance of accounts and finances. The initial officers of the Authority shall be the President and Secretary-Treasurer. 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 Authority shall appoint an Executive Director who shall be the chief administrative staff person to the Board of Directors. Subject to supervision by the Board of Directors, the Executive Director shall have primary responsibility for all matters involving day-to-day operations of the Authority and shall make recommendations to the Board of Directors on practices, policies and programs of the Authority. The Executive Director shall have such powers and perform such duties as may be prescribed from time to time by the Board and he or she shall be entitled to notices of all meetings of the Board of Directors. The Board shall oversee the activities of the corporate officers, establish and/or implement policy, participate in corporate activity in matters prescribed by city ordinance, and shall have stewardship for management and determination of all corporate affairs.

Section 6.05 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 6.06 Committees. The appointment of other committees shall be provided for in the Bylaws.

Section 6.07 Removal of Board Members. In addition to trusteeship and termination or dissolution, respectively, if it is determined for any reason that any or all of the Board members should be removed, with or without cause, and after appointment by the Mayor of appropriate replacements and confirmation by the City Council, the City Council may by resolution remove any or all Board members. 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 Mayor advising him or her that he or she has been removed pursuant to this section.

A vacancy or vacancies on the Authority Board of Directors shall be deemed to exist in case of the death, disability, resignation, removal, or forfeiture of membership. Vacancies on the Board shall be filled by appointment and confirmation 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.

ARTICLE VII **MEETINGS**

Section 7.01 Board Meetings.

1. The Board shall meet as necessary but not less than two (2) times a year.
2. Special meetings of the Board may be called as provided in the Bylaws.

Section 7.02 Open Public Meetings. Notice of meetings shall be given, to the extent required by law, in a manner consistent with the Open Public Meetings Act, Chapter 42.30 RCW. At such meeting, any citizen shall have a reasonable opportunity to ask to address the Board 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* (revised) shall govern the Authority 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 Authority set forth in the Bylaws.

Section 7.04 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 as required by state law; minutes with respect to closed executive sessions need not be kept or alternatively, need not be made available. The minutes of all Board meetings shall include a record of individual votes on all matters requiring Board concurrence.

ARTICLE VIII
BYLAWS

The initial Bylaws may be amended by the Board to provide additional or different rules governing the Authority and its activities as are not inconsistent with this Charter. The Board 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 the Charter for inclusion therein.

ARTICLE IX
AMENDMENT TO CHARTER AND BYLAWS

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

1. Proposals to amend the Charter or Bylaws shall be presented in a format which 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 ten (10) days' advance notice has been given to members of the Board.

Section 9.02 **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 ten (10) days prior to any regular Board meeting or any special meeting of which fifteen (15) 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 fifteen (15) days' advance notice has been given and at least ten (10) 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 9.03 **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 voting on the issue, provided that such majority equals not less than three votes.

Section 9.04 **City Council Approval of Proposed Charter Amendments.** Proposed Charter amendments adopted by the Board shall be submitted to the City Council for approval. The Authority's Charter may be amended only by ordinance as provided in the Ordinance.

ARTICLE X
COMMENCEMENT

The Authority shall commence its existence effective upon the issuance of its Charter as sealed and attested by the City Clerk and the holding of the initial board meeting.

ARTICLE XI
DISSOLUTION

Dissolution of the Authority shall be in the form and manner required by state law, City ordinance, and the Bylaws. Upon dissolution of the Authority and the winding up of its affairs, title to all remaining property or assets of the Authority shall vest in the City of Kent for use for public purposes.

ARTICLE XII
APPROVAL OF CHARTER

ORIGINAL CHARTER APPROVED by Ordinance _____ adopted by the Kent City Council
on _____.

CERTIFICATE

I, the undersigned, City Clerk of the City of Kent, Washington, DO HEREBY CERTIFY that the attached CHARTER OF THE KENT DOWNTOWN PUBLIC MARKET DEVELOPMENT AUTHORITY is a true and correct original of that charter as authorized by Ordinance _____ of the City of Kent.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the City of Kent this _____ day of _____, 1998.

Brenda Jacober, City Clerk
City of Kent, Washington

EXHIBIT B

BYLAWS OF THE KENT DOWNTOWN PUBLIC MARKET DEVELOPMENT AUTHORITY

ARTICLE I BOARD

Section 1.01. Composition of the Board. For the purpose of determining Board composition, the anniversary of the issuance of the Charter shall be [insert effective date of Ordinance] of each year.

Section 1.02. Vacancies. 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.

ARTICLE II OFFICERS AND COMMITTEES

Section 2.01. Officers Designated. The officers of the Board shall be a President and Secretary-Treasurer, each of whom shall be elected by the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board. No person may simultaneously hold more than one office. In addition to the powers and duties specified below, the officers shall have such powers and perform such duties as the Board may prescribe.

Section 2.02. Election, Qualification and Term of Office. Each of the officers shall be elected by the Board from among its members. The officers shall be elected by the Board at the first regular meeting after the term of new or reappointed Board members the unexpired term and until his or her successor shall have been duly appointed and qualified.

Section 2.03. Establishment of Committees. The Board, by resolution, may designate from among its members one or more committees, 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.

ARTICLE III MEETING

Section 3.01. Regular Board Meetings. Regular meetings of the Board shall be held at least once every other month on the _____ of each month at _____ a.m./p.m. at

_____ ; provided, however, that the Board may alter such regular meeting time and place by resolution.

Section 3.02. 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 Chairperson or a majority of the members of the Board.

Section 3.03. Notice of Regular Board Meetings. No notice of any regular meeting shall be required, except for the first regular meeting after any change in the time or place of regular meetings adopted by resolution of the Board as above provided. Notice of such changed regular meeting shall be given by personal communication over the telephone to each Board member at least twenty-four (24) hours prior to the time of the meeting or by at least three (3) days notice by mail, telegram or written communication. If mailed, notice shall be mailed by United States mail, postage prepaid, to the last known address of each Board member. At any regular meeting of the Board, any business may be transacted and the Board may exercise all of its powers.

Section 3.04. Notice of Special Board Meetings. Notice of all special meetings of the Board shall be given, to the extent required by law, pursuant to the State Open Public Meetings Act, specifically including RCW 42.30.080, as now enacted or hereafter amended

Section 3.05. Waiver of Notice. Notice as provided in Sections 3.03 and 3.04 hereof may be dispensed with as to any member of the Board who at or prior to the time the meeting convenes files with the Board of the 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. 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 3.06. Notice to City Council. Notice of all meetings and minutes of all meetings of the Board shall be given to the Kent City Council by giving notice to the City Clerk.

ARTICLE IV **AMENDMENTS TO CHARTER AND BYLAWS**

Section 4.01. Proposals to Amend Charter and Bylaws.

1. Proposals to amend the Charter or Bylaws shall be presented in a format which 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 thirty (30) days advance notice has been given.

Section 4.02. 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 fifteen (15) days prior to any regular Board meeting or any special meeting of which thirty (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 thirty (30) days advance notice has been given and at least fifteen (15) days prior to which meeting such notice and information is provided to Board members. Germane amendments to the proposed amending within the scope of the original amendment will be permitted at the meeting at which the vote is taken as provided in the Charter.

Section 4.03. Vote Required for Amendments to Charter or Bylaws. Resolutions of the Board approving proposed amendments to the Charter or amendments to the Bylaws require an affirmative vote of a majority of the Board members then in office as provided in the Charter.

Section 4.04. City Council Approval of Proposed Charter Amendments. Proposed Charter amendments adopted by the Board shall be submitted to the City Council for approval. The Authority's Charter may be amended only by ordinance as provided in Article IX of the Charter.

Section 4.05. Effective Date. Amendments to the Bylaws are effective upon adoption by the Board.

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 and its committees having any of the authority of the Board.

Section 5.02. Indemnification of Board Members. The Authority 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 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 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 Kent Downtown Public Market Development Authority shall be [address], Kent, Washington.

Section 5.04. Fiscal Year. The Fiscal Year of the Authority shall begin January 1 and end December 31 of each year, except the first fiscal year, which shall run from the date the Charter is issued to December 31, 1998.

ARTICLE VI
APPROVAL OF BYLAWS

APPROVED by Resolution No. _____ adopted by the Board of the Kent Downtown Public Market Development Authority on _____, 1998, and under the general authority given to the Board by Ordinance No. _____ adopted by the Kent City Council on _____, 1998.

By: _____
Print Name: _____
Its President

By: _____
Print Name: _____
Its Secretary-Treasurer