Special Meeting of the Board of Commissioners

TUKWILA POOL METROPOLITAN PARK DISTRICT

De'Sean Quinn, *President of the Board*
Kate Kruller, *Clerk of the Board*

Board Members: ▸ **Joe Duffie** ▸ **Dennis Robertson** ▸ **Allan Ekberg** ▸ **Verna Seal** ▸ **Kathy Hougardy**

Saturday, July 19, 2014, 8:30 AM
Tukwila School District Administration Building Boardroom

1. CALL TO ORDER		
2. BUSINESS ITEMS	a. Objectives of the Special Meeting b. Evaluating operational models: Self-performing vs. Contracting out c. Planning for the operational transition d. Next regular meeting is July 23, 2014.	**Pg. 1**
3. MISCELLANEOUS		
4. CITIZEN COMMENTS (Limited to 2 minutes)		
5. ADJOURNMENT		

The Tukwila School District Building is wheelchair accessible.

Reasonable accommodations are available at public hearings with advance notice to the City Clerk's Office (206-433-1800 or TukwilaCityClerk@tukwilawa.gov). This notice is available at www.tukwilawa.gov, and in alternate formats with advance notice for those with disabilities.

TUKWILA
Metropolitan Park District
POOL
We're All In!

The vision of the TPMPD is to provide a sustainable and efficient pool that exceeds the community's needs.

POOL OPERATIONAL MODEL COMPARISON

SELF PERFORMING MODEL
The TPMPD would control and manage all aspects of operations. The TPMPD would function as a business, with all of the associated responsibilities and liabilities. Certain tasks may be contracted (for example, accounting tasks & major repairs) but the TPMPD would be responsible for the hiring and managing of all staff and contractors as well as be responsible for all programming, safety and maintenance. A self-operated model is perpetual, unless a decision is made by the governing board to change the operational model

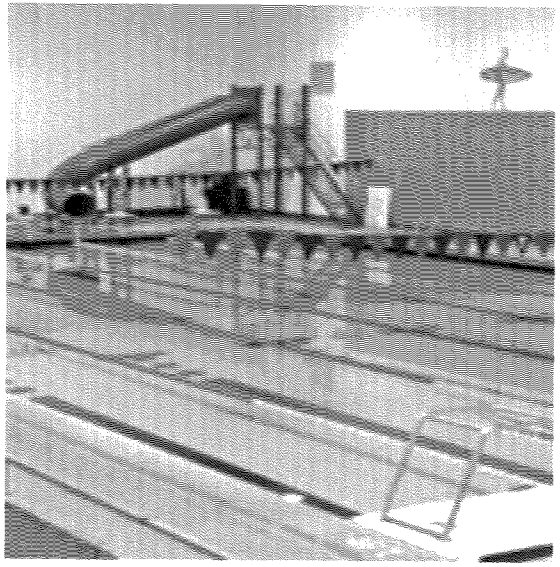
CONTRACTED MODEL:
The TPMPD would negotiate a contract with a separate party to operate the pool. The contract, would specify the responsibilities of the operator as well as the amount of any negotiated subsidy that the TPMPD would pay the operator. The contract should clearly communicate the programming, safety and staffing expectations, operational and maintenance costs for which the contractor is responsible, as well as any overhead or capital improvements for which the TPMPD is responsible. A contracted model is governed by the contract, and thus is limited by those terms agreed upon by both parties. The TPMPD would be responsible for oversight of the Contractor and would remain ultimately liable for patron safety.

COMPARISON OVERVIEW OF FOUR POOLS

	Tukwila Pool	William Shore Pool	City of Redmond Hartman Pool	Mercer Island Mary Wayte Pool
Operator	City of Tukwila	MPD Self-Performing	3rd Party Not For Profit Contractor	3rd Party For Profit Contractor
Hours Open per Week	91.75	92.5	87	88.5
2013 Tax-payer Operational Subsidy	$378,571 (10 months operation) $35,068/month	$305,528 (12 months operation) $25,460/month	$0 (12 months operation) $0/month	$125,000 (12 months operation) $10,417/month
2013 Earned Revenue	$234,149 (10 months operation) $23,419/month	$289,608 (12 months operation) $24,134/month	$539,673 (12 months operation) $44,973/month	$442,992 (12 months operation) $36,916/month
2013 Total Operational Costs	$587,795 (10 months operation) $58,779/month $147.83/hour	$595,136 (12 months operation) $49,594/month $123.73/hour	$514,297 (12 months operation) $42,858/month $113.68/hour	$569,446 (12 months operation) $47,484/month $123.74/hour

Tukwila Pool

Tukwila Pool MPD

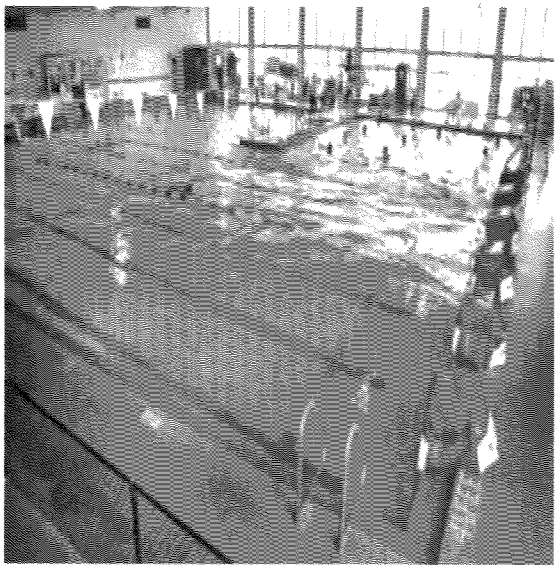


- *City of Tukwila contracted operator*
- *2013 Levy Revenue: $681,288*
- *2013 Earned Revenue: $234,149**
- *2013 Operational Expenses: $587,795**
- *2013 Maintenance/Repair Expenses: $27,889**
- *2013 Staff expenses: $436,195**
- *2013 Marketing expenses: $7,901**
- *Programming: lap swim, water exercise, rentals, community events (single-gender swim, $1 swim, movie nights, etc,).*
- *Free passes offered to community groups*
- *Drop in fee: $3.00-$6.00*
- *Swim lesson fee: $5.50-$6.50/class*

*Tukwila Pool 2013 revenue and expenses are reduced due to 10 months of operations (2 month closure for capital improvements)

William Shore Memorial Pool

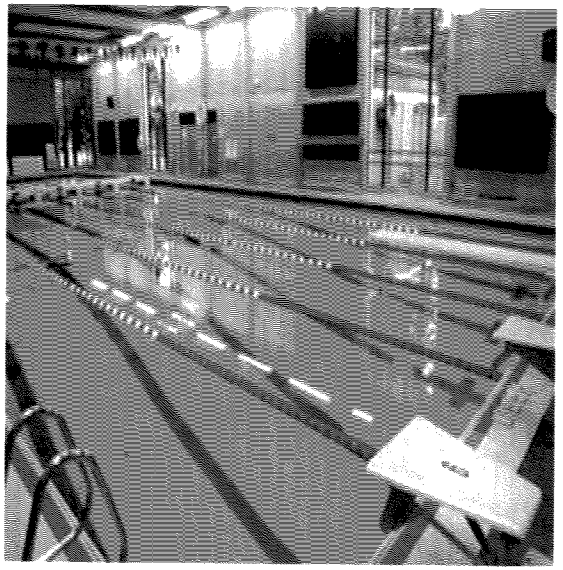
William Shore Memorial Pool District



- *MPD Self Operated*
- *2013 Levy Revenue: $468,907*
- *2013 Earned Revenue: $289,608*
- *2013 Operational Expenses: $595,136*
- *2013 Maintenance/Repair Expenses: $21,436*
- *2013 Staff Expenses: $404,733*
- *2013 Marketing Expenses: $2,454*
- *Programming: lap swim, water exercise, swim & dive teams, rentals, community events (movie nights)*
- *Drop in fee: $3.25-$6.50*
- *Swim lesson fee: $5.00/class*

Hartman Pool

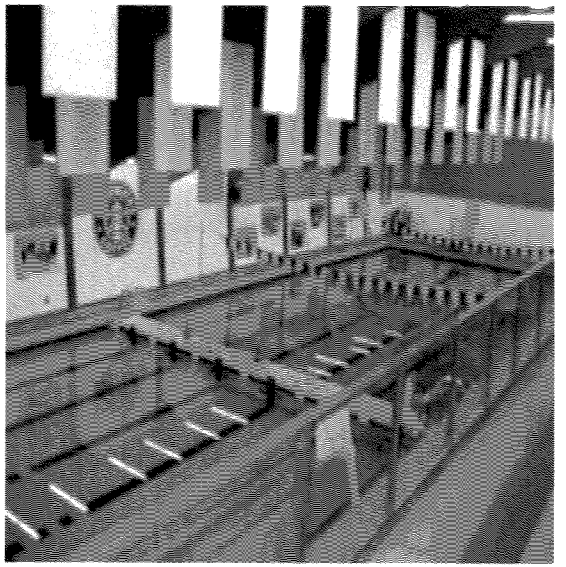
City of Redmond



- *3rd Party Not For Profit Operator: WAVE Aquatics*
- *$0 annual subsidy.*
- *City receives 50% of any profits after expenses*
- *2013 Earned Revenue: $539,673*
- *2013 Operational Expenses: $595,136*
- *2013 Maintenance/Repair Expenses: $21,564*
- *2013 Staff Expenses: $373,863*
- *2013 Marketing Expenses: $1,080*
- *Programming: lap swim, triathlon training, swim & synchronized swim team, SKWIM, water exercise, rentals, swim camps*
- *Drop in fee: $3.60-$15.00*
- *Swim lesson fee: $16.50-$20.00/class*

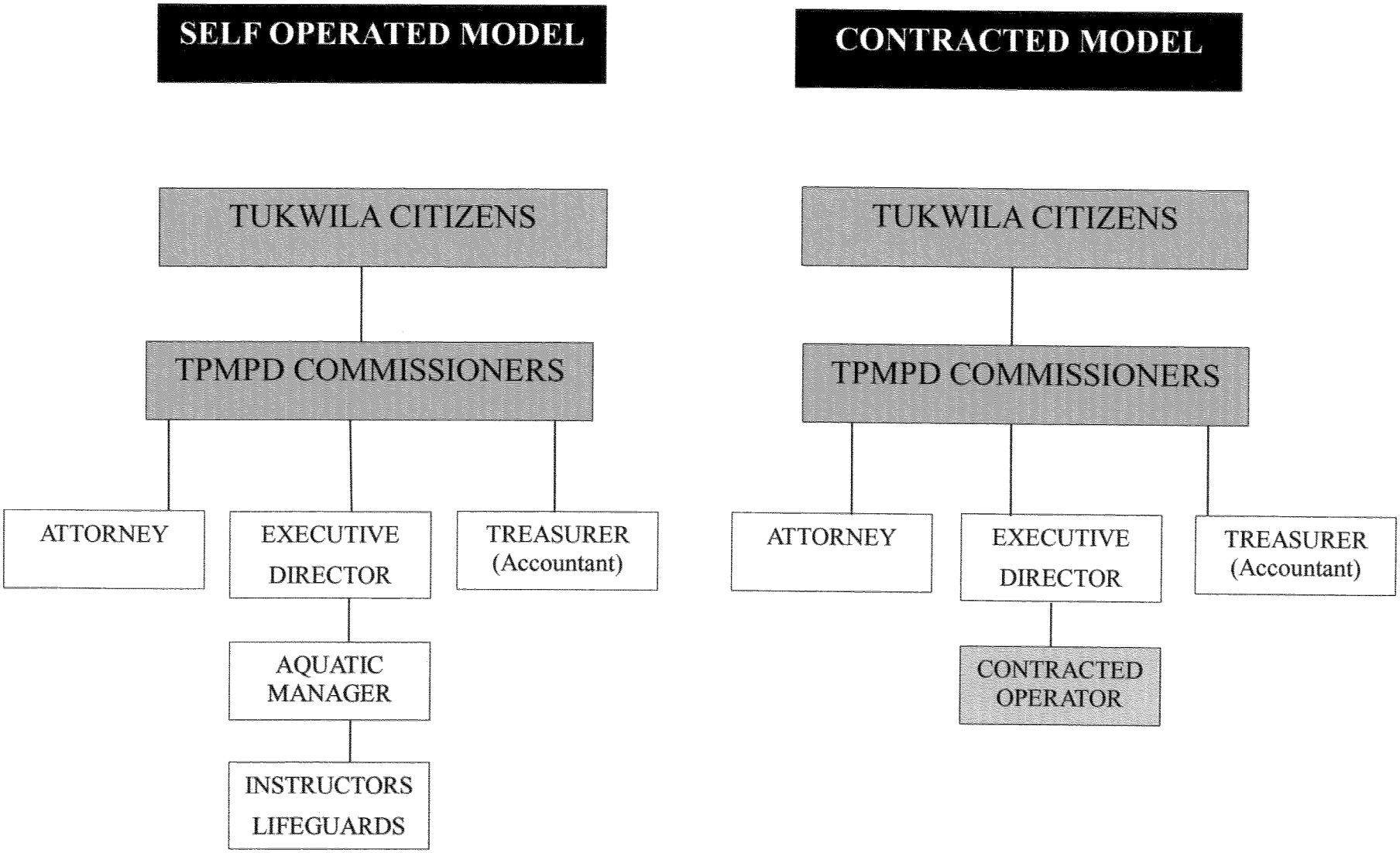
Mary Wayte Pool

Mercer Island School District



- *3rd Party For Profit Operator: Olympic Cascade Aquatics*
- *$100,000 annual operations subsidy*
- *2013 Earned Revenue: $442,992*
- *2013 Operational Expense: $569,446*
- *2013 Maintenance/Repair Expense: $32,892*
- *2013 Staff Expenses:*
- *2013 Marketing Expenses:*
- *Swim lessons, lap swim, water exercise, rentals, community events (movie nights)*
- *Drop in fee: $1.00-$7.50*
- *Swim lesson fee: $6.50/class*
- *Swim lessons: $6.50/class*

ORGANIZATIONAL CHART OF MODELS



Self Operational Estimated Budget

5 YR Projected

REVENUE	2015	2016	2017	2018	2019
Programs (3% annual growth)	193,000.00	198,790.00	204,753.00	210,896.00	217,223.00
Sponsorships	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Donations	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Rentals (3% annual growth)	31,000.00	31,930.00	32,888.00	33,874.00	34,890.00
Tax Revenue (1% annual growth)	715,000.00	722,150.00	729,372.00	736,665.00	744,032.00
REVENUE TOTALS	**$950,000.00**	**$963,870.00**	**$978,013.00**	**$992,435.00**	**$1,007,145.00**

EXPENSES	2015	2016	2017	2018	2019
TPMPD Expenses					
Debt (Loans, Bonds)	234,588.00	234,588.00	234,588.00	234,588.00	234,588.00
Equipment Maintenance & Replacement	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00
Professional fees - Accountant	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Professional fees - Transcription Services	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Professional fees - Attorney	8,000.00	8,000.00	7,000.00	7,000.00	7,000.00
Travel and meetings	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Operational Expenses					
Salaries - .75FTE Executive Director (+3% COLA)	60,000.00	61,800.00	63,654.00	65,563.00	67,530.00
Salaries - 1 FTE Pool Mgr. (+3% COLA)	50,000.00	51,500.00	53,045.00	54,636.00	56,275.00
Salaries -1 FTE Asst. Pool Mgr(s). (+3% COLA)	45,000.00	46,350.00	47,740.00	49,172.00	50,647.00
Salaries -Pool staff (+3% COLA)	140,000.00	144,200.00	148,526.00	152,987.00	157,571.00
Employment Taxes & Benefits	46,500.00	47,895.00	49,331.00	50,811.00	52,335.00
Leases & Facility Usage	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
Utilities	70,000.00	72,100.00	74,263.00	76,491.00	78,786.00
Marketing/advertising	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Insurance	11,440.00	11,989.00	12,374.00	12,868.00	13,383.00
Communications/IT	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Office Equipment	4,000.00	500.00	500.00	500.00	500.00
Supplies & Chemicals	19,000.00	19,500.00	20,000.00	20,500.00	21,000.00
Scholarships	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Point of Sale (POS) system	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Credit Card fees	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Miscellaneous	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
EXPENSE TOTALS	**$844,028.00**	**$853,922.00**	**$866,521.00**	**$880,616.00**	**$895,115.00**

	2015	2016	2017	2018	2019
Revenue	$950,000.00	$963,870.00	$978,013.00	$992,435.00	$1,007,145.00
Expenses	($844,028.00)	($853,922.00)	($866,521.00)	($880,616.00)	($895,115.00)
Net (100% to be placed in Reserve)	$105,972.00	$109,948.00	$111,492.00	$111,819.00	$112,030.00

Operational Contractor Estimated Budget

5 YR Projected

REVENUE	2015	2016	2017	2018	2019
Tax Revenue (1% annual growth)	715,000.00	722,150.00	729,372.00	736,665.00	744,032.00
REVENUE TOTALS	**$715,000.00**	**$722,150.00**	**$729,372.00**	**$736,665.00**	**$744,032.00**

EXPENSES	2015	2016	2017	2018	2019
TPMPD Expenses					
Debt (Loans, Bonds)	234,588.00	234,588.00	234,588.00	234,588.00	234,588.00
Equipment Maintenance & Replacement	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00
Professional Fees - Accountant	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Travel and meetings	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Professional fees - Attorney	15,000.00	8,000.00	7,000.00	7,000.00	7,000.00
Professional fees - Transcription services	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Operational Expenses					
Operational Contractor Subsidy	175,000.00	182,000.00	189,000.00	196,000.00	203,000.00
Salaries - .50 FTE Executive Director (+2% COLA)	45,000.00	45,900.00	46,818.00	47,754.00	48,709.00
Employment Taxes & Benefits	11,250.00	11,475.00	11,704.00	11,938.00	12,177.00
Leases & Facility Usage	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
Insurance	11,440.00	11,989.00	12,374.00	12,868.00	13,383.00
Communications/IT	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Office Equipment	500.00	500.00	500.00	500.00	500.00
Scholarships	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Miscellaneous	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
EXPENSE TOTALS	**$628,778.00**	**$630,452.00**	**$637,984.00**	**$646,648.00**	**$655,357.00**

	2015	2016	2017	2018	2019
Revenue	**$715,000.00**	**$722,150.00**	**$729,372.00**	**$736,665.00**	**$744,032.00**
Expenses	**($628,778.00)**	**($630,452.00)**	**($637,984.00)**	**($646,648.00)**	**($655,357.00)**
Net (100% to be placed in Reserve)	$86,222.00	$91,698.00	$91,388.00	$90,017.00	$88,675.00

AREAS OF RESPONSIBILITY

Self-Performing Model

TPMPD staff are responsible for performing all aspects of operations. Certain tasks might be contracted out as noted:

Self-Performing Model

TPMPD staff are responsible for performing all aspects of operations. Certain tasks might be contracted out as noted:

- Contract Management (Except ED)
- Human Resources (Except ED)
  - Hiring
  - Terminations/Disciplinary Actions
  - Staff Training
  - Staff Reviews
  - Benefits
  - 1099's
  - Employee Handbook
- Finances (Accountant)
  - Reports (Monthly/Quarterly/Annual)
  - Outstanding Debt Services (Loans)
  - State Taxes
  - Payroll
  - Reconciliations
- Taxes (Accountant)
  - Managing levy proceeds
  - Filing applicable taxes
- Budgeting
  - TPMPD staff submit an annual budget to the Board for approval
- Programming
  - Lessons
  - Adult programs
  - Rentals
  - Special Events
- Maintenance
  - Regular
  - Periodic (Contracted Maintenance Service)
  - Capital Improvements (Contracted)
  - Maintenance Reports
  - Emergency
- Safety
  - Operations Policies & Handbook
  - Insurance
  - Certifications
  - Ongoing training
  - Communicating with patrons
- Customer Service
  - Ensure adequate staffing during all operating hours
  - All customer issues are resolved with a positive customer experience outcome
- Utilities
  - Gas, electric, water, sewer, etc.
- Marketing / Revenue Generating
  - Advertising
  - Social Media
  - Website/IT
  - Communications

Contracting Out Model

TPMPD negotiates a contract with a 3rd Party Operator for the operations of the pool. Existing contracts that have been reviewed show what items usually fall under the purview of the Operator and what items tend to fall elsewhere:

- Human Resources
  - Contractor solely responsible for all:
    - Hiring
    - Terminations/Disciplinary Actions
    - Staff Reviews
    - Staff Training
    - Benefits
    - all other HR related tasks
  - TPMPD responsible for defining contractual expectations in the areas of:
    - Minimum rate of pay
    - Minimum training standards
    - Supervision expectations
- Finances
  - Contractor's Reports (Monthly/Quarterly/Annually)
  - TPMPD manages all Debt Services (Loans)
  - Contractor responsible for
    - Daily deposits
    - Reconciliations
    - State taxes owed from revenue
    - Payroll
  - TPMPD would be responsible for organizational accounting
- Taxes
  - TPMPD responsible for managing levy proceeds
  - TPMPD responsible for any reports needed by the state government governing MPD's
- Budgeting
  - Contractor negotiates subsidy necessary to offer the level of service detailed in the contract
  - TPMPD develops an organizational budget
- Programming
  - Contractor responsible for providing programming as defined in the contract
- Maintenance
  - Contractor responsible for minor maintenance as agreed upon in the contract
  - Capital Improvement or Major Maintenance additional subsidy may be detailed in the contract or the TPMPD handles them directly
- Safety
  - Contractor responsible for all staff training, certifications and safety procedures
  - Contractor carries insurance.
  - TPMPD defines required safety policies and standards for the Contractor
  - Extra insurance may be opted for by the TPMPD
- Customer Service
  - Contractor responsible for all customer service related activities.
  - Contract would detail the operator response loop.
- Utilities
  - Contractor responsible for all utility costs (gas, electric, water sewer, etc) as defined in contract
- Marketing / Revenue Generating
  - Contractor responsible for operational marketing as defined in the contract
  - Contractor responsible for operational website and IT as defined in the contract
  - TPMPD responsible for Annual Report

Responsibility	Self-Performing Model		Contractor Model		
	TPMPD (Staff)	Other Contractors	TPMPD (Staff)	Operational Contractor	Other Contractors
Contract Management	X		X		
Human Resources	X			X	
Financial Reporting		X		X	
Daily Bookkeeping		X			X
Taxes		X			X
Budgeting	X		X		
Programming	X			X	
Daily Maintenance	X			X	
Repairs and upkeep		X		X	X
Capital improvements		X			X
Safety	X		X	X	
Customer Service	X		X	X	
Utilities	X			X	
Marketing	X			X	

Self-Performing Task list
July 20 to Dec 31, 2014

Tasks:

TASKS	TIMELINE	RESPONSIBILITY
Hire an Aquatics Manager	• Post position by August 1 • Interviews completed by early September • Final candidate approved at Sept 24 Board meeting	Hiring committee, approved by full Board
Decide/implement financial accounting system (Engage accountant)	• Develop & publish scope of responsibilities by early September • Interviews completed by early October • Final candidate approved at October 22 Board meeting	Hiring committee, approved by full Board
Decide/implement a POS software program to replace the City-owned CLASS software	• Complete review of POS options by mid-November • Decision by end of November • Testing, training and implementation wrap-up by December 30	Aquatics Manager, ED
Hire additional staff	• Develop and post position descriptions by early November • Interviews completed by end of November • Successful candidates are processed and paperwork is completed by December 30	Aquatics Manager, ED
Develop basic policies and procedures	• Prioritize needs and set a schedule for development by September 1 • Research and propose those with highest priority to EDC by October meeting • Refine and submit recommended highest priority policies to full Board by November meeting	ED, ED Committee, TPAC
Replace all City-owned equipment (phones, computers, printers, etc.)	• Inventory current property and create a list of needed equipment by early November • Research options and choose venders by end of November • Schedule delivery/installation and any necessary training for first week of January(?)	Aquatics Manager, ED

Decide/implement maintenance and or service contracts	• Review current vendors and assess need for additional vendors by early November • Research additional vendors and choose as needed by end of November • Draft and sign new contracts/agreements by January 1	Aquatics Manager, ED
Develop/sign new rental agreements	• Contact all current renters (including TSD) to asses standing by November 1 • Draft and sign new contracts/agreements by January 1	Aquatics Manger, ED
Submit/Approve appropriate Budget	• Draft initial priorities, submit to Board for review by September meeting • Revise as directed and submit a complete draft by October meeting • Revise as directed and submit a final Resolution for approval at November meeting	ED, Board

Aquatic Manager

Job Description
Plans, organizes and coordinates a variety of aquatic activities for all age and ability groups. Activities include, but are not limited to, swim lessons, open swims, rentals, American Red Cross classes, special events as well as co-sponsored community group programs. Coordinates use of the aquatic facility as well as assists in supervision of the facility. Leads, directs, and trains aquatic employees and volunteers. Assists the Executive Director with promotion and publicity of the District's aquatic programs. Formulates and implements community aquatic programs.

Qualifications - Current certification in the following: (and/or ability to obtain within three months of employment)

- Minimum four years in an aquatic program leadership role.
- Previous experience in scheduling and coordinating activities.
- Previous experience in organizational and staff management in an aquatic facility.
- A degree in recreation or closely related field.
- Four years of swim lesson instruction.
- Experience teaching lifeguard training or other related ARC classes.
- Ability to use computer and formulate reports, correspondence, etc.
- American Red Cross Lifeguard & Lifeguard Instructor certification.
- American Red Cross Water Safety Instructor Trainer certification (obtainable within six months of hire)
- CPR for the Professional Rescuer.
- Community First Aid.
- Valid Washington State Driver's License and good driving record as verified by a three-year driving abstract by time of hire.

Responsibilities

- Enforces all facility rules, regulations, policies and procedures.
- Handles emergency situations, rescues and other incidents which may occur by following FPFC procedures.
- Schedules all staff for all pool programs.
- Schedules all water aerobic and water exercise instructors.
- Trains and evaluates lifeguards and instructors for job responsibilities.
- Finds coverage for any aquatic job that may need filling due to staff illness, emergency or lack of staff.
- Job-shares training and scheduling of swim instructors.
- Interviews potential candidates for aquatic positions.
- Hires and trains aquatic staff within the department.
- Offers Lifeguard and Water Safety Instructor class to staff & community.
- Conducts staff meetings and training sessions.
- Organizes aquatic records, equipment, and manuals.
- Prepares press releases and public relations materials for recreational programs within the department.

- Develops, organizes, implements, schedules and evaluates all Aquatic Programs.
- Works closely with all program managers and director in implementation of programs and activities.
- Assists in preparation of annual budget for department activities.
- Recommends the purchase of aquatic equipment.
- Inspects program equipment and facilities for safety hazards and recommends corrective action.
- Assists with development and maintenance of District's quarterly brochure.
- Updates and implements departmental procedures manual.
- Performs other related work as required.

Physical Requirements

- Ability to stand, sit, walk and swim throughout an eight hour day.
- Strong swimming skills.
- Ability to sit and type on a computer for up to four hours a day.
- Ability to lift 20 pounds.

Responsible To

Executive Director

Job Conditions

Full-time salaried and exempt. Hours are weekdays, five days per week; however, some weekend or evening work may be required.

Candidates must pass a Washington State Patrol Identification and Criminal History Check.

Engaging a Contract Operator Task list
July 20 to December 31, 2014

Develop basic policies & procedures	• Prioritize needs and set a schedule for development by August 1 • Research and propose those with highest priority to EDC by August meeting • Refine and submit recommended highest priority policies to full Board by August meeting	ED, ED Committee, TPAC
Decide/implement financial accounting system (Engage accountant)	• Develop scope of responsibilities by September • Interviews completed by early October • Final candidate approved by Board at October 22 meeting	Hiring committee, approved by full Board
Develop complete and detailed standards for operation of the pool	• By August 27 Board meeting	ED, Board
Publish RFP & Hold info meeting(s)	• Publish on August 28 • Hold informational meeting(s) by September 5	ED
Review for qualifications	• Begin on October 1 • Complete by October 15	ED and RFP Review Committee
Choose Contractor	• At October 22 Board meeting	Board
Write/Sign the contract	• By October 31	ED, Board President
Submit/Approve appropriate Budget	• Draft initial priorities, submit to Board for review by September meeting • Revise as directed and submit a complete draft by October meeting • Revise as directed and submit a final Resolution for approval at November meeting	ED, Board

City of Tukwila
6200 Southcenter Boulevard, Tukwila WA 98188

Agreement Number: 12-008(a)
Board Approval: 3/18/13

INTERLOCAL AGREEMENT

Amendment # 1 to Interlocal Agreement #12-008 for the Tukwila Metropolitan Park District and Agreement # 12-143 for the City of Tukwila

That portion of the Interlocal Agreement between the City of Tukwila and the Tukwila Metropolitan Park District is amended as follows:

Section 1.7 is amended to read as follows:

The Tukwila City Council has adopted Ordinance No. 2394 authorizing the issuance of not to exceed $1,000,000 Limited Tax General Obligation Bonds, 2013 and the execution of this Agreement to provide for the financing of the Pool Improvement Project.

Section 2 is amended to read as follows:
For purposes of this Agreement, the following words shall have the following meanings, unless another meaning is clearly intended. Capitalized terms not defined below shall have the meanings given in the Bond Ordinance.

"Agreement" means this Interlocal Agreement for the funding of the Tukwila Pool Improvement Project, entered into by and between the City and TMPD under the authority of RCW 35.61.290 and 67.20.010.

"Bond Counsel" means a firm of nationally recognized Bond Counsel selected by the City.

***"Bond Ordinance"* means Ordinance No. 2394 of the City of Tukwila authorizing issuance of the City's Limited Tax General Obligation Bonds, 2013 (Pool Improvement Project).**

"Business Day" means any day that is not a Saturday, Sunday, holiday or other day on which commercial banking institutions in Washington state are authorized or obligated by law or executive order to be closed.

"City" means the City of Tukwila, Washington.

"Code" means the Internal Revenue Code of 1986, as amended, together with all administrative rulings and regulations promulgated or issued thereunder.

"Debt Service Payment" means any payment of principal or interest (or both) with respect to Pool Improvement Project Bonds plus any premium, prepayment penalty, credit enhancement, remarketing or similar fee coming due and payable on any principal or interest payment date and not paid on issuance of the bonds.

2nd of 2 originals

"Gross TMPD Revenues" means all taxes, fees, charges and other revenues received by TMPD from any source whatsoever.

"Pool Improvement Project" or *"Project"* means the Tukwila Pool Improvement Project described in Exhibit A and incorporated by this reference.

"Pool Improvement Project Bonds" the City's Limited Tax General Obligation Bonds, 2012, authorized by the Bond Ordinance.

"Parties" means the City and TMPD.

"Tukwila Metropolitan Park District" or *"TMPD"* means The Tukwila Metropolitan Park District, a municipal corporation created pursuant to chapter 36.120 RCW and a vote of the people held on August 16, 2011.

"TMPD Board' means the governing board of TMPD.

"TMPD Payment" means one or more payments made by TMPD under this Agreement to fund the City.

Exhibit B is amended as follows:
Exhibit B to the Interlocal Agreement is deleted and hereby replaced with Exhibit B-2. Exhibit B-2 is fully incorporated for all purposes of this Agreement.

All other provisions of the contract shall remain in full force and effect.

Dated this 18th day of March, 2013.

CITY OF TUKWILA

Jim Haggerton, Mayor

APPROVED AS TO FORM

Shelley M. Kerslake,
City Attorney

TUKWILA METROPOLITAN PARK DISTRICT

Verna Seal, Board President

APPROVED AS TO FORM

Lisa M. Marshall,
Commission Attorney

City of Tukwila
Cashmere LTGO Bond Amortization Schedule

EXHIBIT B-2

PAYMENT PERIOD	BEGINNING	PRINCIPAL	INTEREST RATE	INTEREST	ENDING	CASH FLOW
2/1/2013					1,000,000.00	1,000,000.00
6/1/2013	1,000,000.00	(50,731.67)	0.02	(5,833.33)	949,268.33	(56,565.00)
12/1/2013	949,268.33	(48,258.90)	0.02	(8,306.10)	901,009.43	(56,565.00)
6/1/2014	901,009.43	(48,681.17)	0.02	(7,883.83)	852,328.26	(56,565.00)
12/1/2014	852,328.26	(49,107.13)	0.02	(7,457.87)	803,221.13	(56,565.00)
6/1/2015	803,221.13	(49,536.82)	0.02	(7,028.18)	753,684.31	(56,565.00)
12/1/2015	753,684.31	(49,970.26)	0.02	(6,594.74)	703,714.05	(56,565.00)
6/1/2016	703,714.05	(46,537.07)	0.03	(10,027.93)	657,176.98	(56,565.00)
12/1/2016	657,176.98	(47,200.23)	0.03	(9,364.77)	609,976.75	(56,565.00)
6/1/2017	609,976.75	(47,872.83)	0.03	(8,692.17)	562,103.92	(56,565.00)
12/1/2017	562,103.92	(48,555.02)	0.03	(8,009.98)	513,548.90	(56,565.00)
6/1/2018	513,548.90	(49,246.93)	0.03	(7,318.07)	464,301.97	(56,565.00)
12/1/2018	464,301.97	(49,948.70)	0.03	(6,616.30)	414,353.27	(56,565.00)
6/1/2019	414,353.27	(48,277.93)	0.04	(8,287.07)	366,075.34	(56,565.00)
12/1/2019	366,075.34	(49,243.49)	0.04	(7,321.51)	316,831.85	(56,565.00)
6/1/2020	316,831.85	(50,228.36)	0.04	(6,336.64)	266,603.49	(56,565.00)
12/1/2020	266,603.49	(51,232.93)	0.04	(5,332.07)	215,370.56	(56,565.00)
6/1/2021	215,370.56	(52,257.59)	0.04	(4,307.41)	163,112.97	(56,565.00)
12/1/2021	163,112.97	(53,302.74)	0.04	(3,262.26)	109,810.23	(56,565.00)
6/1/2022	109,810.23	(54,368.80)	0.04	(2,196.20)	55,441.43	(56,565.00)
12/1/2022	55,441.43	(55,441.43)	0.04	(1,108.83)	0.00	(56,550.26)
				(131,285.26)		

INTERLOCAL AGREEMENT
by and between
CITY OF TUKWILA and TUKWILA METROPOLITAN PARK DISTRICT

This Agreement, dated this 19th day of November, 2012, is entered into by and between the **City of Tukwila, Washington** (the "City"), a code city organized under the laws of the State of Washington, and the **Tukwila Metropolitan Park District** ("TMPD"), a municipal corporation organized under the authority of Chapter 35.61 RCW (collectively, the "Parties"). This agreement is entered into under the authority of RCW 35.61.290, .300 and 67.20.010.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Recitals – Purpose of Agreement

1.1. The City of Tukwila is a code city operating under chapter 35A RCW and other applicable state law, and the Tukwila Metropolitan Park District is a municipal corporation created pursuant to a vote of the people held in August 16, 2011 under chapter 35.61 RCW with responsibility for ownership and operation of the Tukwila Pool.

1.2. The City and the TMPD are in need of funds with which to undertake needed improvements, repairs and upgrades to the pool and related facilities owned and operated by the TPMPD (the "Pool Improvement Project" or the "Project"), all as more specifically described in Exhibit A, which is incorporated by this reference.

1.3. RCW 67.20.010 authorizes "Any city...any separately organized park district...shall have power, acting independently or in conjunction with...[any] city, [or] park district...to build, construct, care for, control, supervise, improve, operate and maintain parks, playgrounds, gymnasiums, swimming pools, field houses and other recreational facilities...".

1.4. RCW 35.61.290 authorizes the City and the TMPD to "enter into an agreement embodying such terms and conditions of any such grant or loan [to provide for the continuous operation, maintenance and/or improvement of metropolitan park district property] as may be mutually agreed upon."

1.5. The City Council finds that is likely to result in the lowest cost of borrowing and is in the best interests of the City to issue bonds and to loan the proceeds of those bonds to the TMPD to carry out the Pool Improvement Project.

1.6. RCW 35.61.100 provides that the limitation on nonvoter approved general obligation indebtedness is equal to 0.25% of the value of the taxable property in the metropolitan park district, which available debt capacity is currently $11,509,975.65, based on the 2012 assessed valuation of $4,603,990,258. The TMPD currently has no nonvoter approved general obligation indebtedness outstanding. The indebtedness created under this Agreement is incurred within the TMPD's available debt capacity.

2nd of 2 originals

1.7. The Tukwila City Council has adopted Ordinance No. 2390 authorizing the issuance of not to exceed $1,100,000 Limited Tax General Obligation Bonds, 2012 and the execution of this Agreement to provide for the financing of the Pool Improvement Project.

Section 2. Definitions.

For purposes of this Agreement, the following words shall have the following meanings, unless another meaning is clearly intended. Capitalized terms not defined below shall have the meanings given in the Bond Ordinance.

"*Agreement*" means this Interlocal Agreement for the funding of the Tukwila Pool Improvement Project, entered into by and between the City and TMPD under the authority of RCW 35.61.290 and 67.20.010.

"*Bond Counsel*" means a firm of nationally recognized Bond Counsel selected by the City.

"*Bond Ordinance*" means Ordinance No. 2390 of the City of Tukwila authorizing issuance of the City's Limited Tax General Obligation Bonds, 2012 (Pool Improvement Project).

"*Business Day*" means any day that is not a Saturday, Sunday, holiday or other day on which commercial banking institutions in Washington state are authorized or obligated by law or executive order to be closed.

"*City*" means the City of Tukwila, Washington.

"*Code*" means the Internal Revenue Code of 1986, as amended, together with all administrative rulings and regulations promulgated or issued thereunder.

"*Debt Service Payment*" means any payment of principal or interest (or both) with respect to Pool Improvement Project Bonds plus any premium, prepayment penalty, credit enhancement, remarketing or similar fee coming due and payable on any principal or interest payment date and not paid on issuance of the bonds.

"*Gross TMPD Revenues*" means all taxes, fees, charges and other revenues received by TMPD from any source whatsoever.

"*Pool Improvement Project*" or "*Project*" means the Tukwila Pool Improvement Project described in Exhibit A and incorporated by this reference.

"*Pool Improvement Project Bonds*" the City's Limited Tax General Obligation Bonds, 2012, authorized by the Bond Ordinance.

"*Parties*" means the City and TMPD.

"*Tukwila Metropolitan Park District*" or "*TMPD*" means The Tukwila Metropolitan Park District, a municipal corporation created pursuant to chapter 36.120 RCW and a vote of the people held on August 16, 2011.

"*TMPD Board*" means the governing board of TMPD.

"*TMPD Payment*" means one or more payments made by TMPD under this Agreement to fund the City.

Section 3. TMPD Responsibilities.

3.1. TMPD Payments. TMPD agrees to make TMPD Payments to the City from Gross TMPD Revenues at the times in the amounts set forth in Exhibit B, which is incorporated by this reference. TMPD shall make each TMPD Payment to the City by wire transfer or other electronic transfer on each June 1 and December 1. The City is not required to bill TMPD for these payments. If any payment date is not a Business Day, the payment shall be due and payable on the next preceding Business Day. Prepayments may be made by the TMPD only pursuant to a defeasance plan agreed to in writing by both Parties. If TMPD fails to make any TMPD Payment in a timely manner, its obligation to make that payment shall accrue interest at the rate of investment earnings on the City's consolidated cash pool until the TMPD Payment and the interest accruing under this subsection are fully paid.

3.2. Pledge of Gross TMPD Revenues. For so long as any Pool Improvement Project Bonds remain outstanding, TMPD irrevocably pledges to levy and collect the taxes and to collect the other revenues included in Gross TMPD Revenues in an amount sufficient, together with other money legally available for this purpose, to make when due all TMPD Payments under this Agreement. TMPD agrees that the City may (but is not required to) rely on this pledge and may offer it as security for Pool Improvement Project Bonds.

3.3. TMPD Covenants. For so long as any Pool Improvement Project Bonds remain outstanding, TMPD will not create or suffer to be created any lien against Gross TMPD Revenues that is prior and superior to the lien created or contemplated in connection with this Agreement. Further, TMPD will not issue indebtedness or incur any obligations payable from Gross TMPD Revenues unless and until it has given due regard to its ability to meet its obligations under this Agreement and all other outstanding obligations. As used in this Subsection 2.3, "due regard" has the same meaning as it is given in the context of RCW 39.46.150.

Section 4. City Responsibilities.

4.1. Application of TMPD Payments. The City agrees to apply all amounts received as TPMPD Payments solely: (1) to pay or reimburse the City for costs of the Pool Improvement Project not expected to be paid with bond proceeds; or (2) to make Debt Service Payments on Pool Improvement Project Bonds, or to refund or defease such bonds (including, without limitation, paying costs of issuance, purchasing securities for the funding of any defeasance escrow and administrative costs associated with a refunding or defeasance, if any). If and to the extent that amounts allocable to TMPD Payments remain in a Pool Improvement Project debt service fund or account after the Pool Improvement Project Bonds are no longer outstanding, such amounts shall be applied to additional costs of the Pool Improvement Project or as otherwise directed in the Bond Ordinance, consistent with applicable law.

4.2. Pool Improvement Project Bonds. The City agrees to issue Pool Improvement Project Bonds to finance the Pool Improvement Project. Timing of any such issuance is at the sole discretion of the City. The City may in its sole discretion issue bonds that refund Pool Improvement Project Bonds. Any such refunding bonds issued by the City under this section shall be treated as "Pool Improvement Project Bonds" for all purposes of this Agreement, and the terms and conditions of this Agreement shall remain in full force and effect.

4.2.1. *Description of Pool Improvement Project Bonds.* Pool Improvement Project Bonds may be issued as general obligation bonds, may be secured (in whole or in part) by the pledge of TMPD in Section 2.2 of this Agreement, and may be combined with any other series of bonds issued by the City. Pool Improvement Project Bonds shall have a final maturity date no more than 20 years after their date of issuance; shall bear interest at the rates and on the basis set forth in the Bond Ordinance; and may be subject to such optional and mandatory redemption provisions and other terms (including but not limited to credit enhancement devices) as the City deems necessary or convenient.

4.2.2. *Application of Bond Proceeds.* If and when it does issue Pool Improvement Project Bonds, the City agrees to apply the proceeds, after payment of costs of issuance, solely to the Pool Improvement Project and related costs.

4.2.3. *Allocation of TMPD Payments.* As described in Section 3.1, the City expects that a portion of the TMPD Payments may be used for Debt Service Payments and a portion may be applied to ongoing costs of the Pool Improvement Project. In light of this, the City may at any time make an allocation indicating what portion of TMPD Payments will be used for Debt Service Payments on that issue, and only that portion of TMPD Payments shall be treated as "pledged funds" within the meaning of the Code. To the extent that TMPD Payment amounts are in excess of the amount necessary to meet the allocated portion of Pool Improvement Project Bond Debt Service Payments, such amounts shall not be considered pledged to the Pool Improvement Project Bonds and may be used for capital costs of the Pool Improvement Project that are not expected to be financed with bond proceeds.

Section 5. Tax Exemption; Continuing Disclosure.

5.1. Tax Exemption. It is the intention of TMPD and the City that interest on any Pool Improvement Project Bonds will be and remain excluded from gross income of the owners of those bonds under federal tax law. To that end, TMPD covenants that it has not taken or permitted to be taken and will not take or permit to be taken any action that will cause the interest on the Pool Improvement Project Bonds to become included in gross income for federal tax purposes pursuant to the Code or to become "arbitrage bonds" within the meaning of Section 148 of the Code. TMPD acknowledges and agrees that Bond Counsel to the City will rely upon the facts, estimates and circumstances in existence on the issue date and the reasonable expectations of TMPD as to future events respecting TMPD Payments to enable them to conclude that the Pool Improvement Project Bonds are governmental obligations the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code. By virtue of this covenant to comply with future laws or regulations, TMPD does not intend nor shall either be deemed to waive any rights or defenses that it may have to contest the application of such laws or regulations to the Pool Improvement Project on the grounds that such

application would constitute a prohibited impairment of contract or on any other applicable grounds. Nevertheless, while contesting the application of any such laws or regulations, TPMPD shall take such actions deemed necessary in the opinion of Bond Counsel to maintain the exclusion from gross income of interest on the Pool Improvement Project Bonds. TMPD's responsibilities under this section shall be limited to actions within its control. None of the covenants and agreements herein contained shall require TMPD to enter an appearance or intervene in any administrative, legislative or judicial proceeding in connection with any changes in applicable laws, rules or regulations or in connection with any decisions of any court or administrative agency or other governmental body affecting the taxation of interest on the Pool Improvement Project Bonds.

5.2. Official Statement. The Parties acknowledge that the City may participate in preparing an official statement or other offering document in connection with the offer and sale of the Pool Improvement Project Bonds. To the extent that the TMPD Payments are pledged to repayment of the Bonds, TMPD agrees to cooperate with the City in providing such information as may be necessary for inclusion in the document and further agrees to certify that the information pertaining to TMPD and presented in such document is fair and accurate.

5.3. Continuing Disclosure. To the extent that Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC") requires TMPD, as an "obligated person," to provide a written undertaking (the "Undertaking") for the benefit of the holders of the Pool Improvement Project Bonds, TMPD agrees to execute such a written Undertaking prior to the issue date of the Bonds. For purposes of this Undertaking, the term "holders of the bonds" shall have the meaning intended for such term under the Rule.

Section 6. Miscellaneous.

6.1. Term of Agreement. This Agreement shall take effect as of the date first written above and shall expire when all TMPD Payments due under the TMPD Payment schedule in Exhibit B have been paid in full, including all interest due on delinquent payments.

Binding Effect; Assignment; Third Party Beneficiaries. Neither Party may assign its interest or obligation under this Agreement without the prior written consent of the other Party, except that the City may at its sole option pledge its interest in the TMPD Payments for the benefit of owners of Pool Improvement Project Bonds as provided in Section 2.2. This Agreement shall inure to the benefit of and shall bind the respective assignees. There are no other third party beneficiaries of this Agreement, and its terms are not intended to establish nor to create any rights in any persons or entities other than the City, TPMPD, and the respective successors and assigns of each.

6.3. Amendments; Reliance. No amendment of any provision of this Agreement is valid unless set forth in a written amendment signed by the Parties. The Parties acknowledge that the City will issue the Bonds in reliance on this Agreement. If Pool Improvement Project Bonds are rated by a rating agency, then no amendment shall be permitted unless written confirmation from each rating agency has been obtained to the effect that the proposed amendment will not result in a reduction or withdrawal of the rating on the Pool Improvement Project Bonds. If the Pool Improvement Project Bonds are not rated by a rating agency, then no

amendment will be permitted unless, in the opinion of Bond Counsel to the City, such amendment will not adversely affect the owners of the Pool Improvement Project Bonds.

6.4. Waiver. No provision of this Agreement may be waived except if expressly given in writing, and no implied or oral waiver may be used to materially impair the force and effect of any substantive provision of this Agreement. Any waiver of a Party's right with respect to a default under this Agreement, or with respect to any other matter arising in connection therewith, shall not be deemed a waiver with respect to any subsequent default or matter.

6.5. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

6.6. Applicable Law and Venue. This Agreement shall be governed by the laws of the State of Washington. The venue for any legal action arising from a dispute under this Agreement is the Superior Court for King County.

6.7. Entire Agreement. This Agreement constitutes the entire and exclusive agreement between the Parties relating to the specific matters covered in this Agreement. All prior or contemporaneous oral or written agreements, understandings, representations or practices relative to the foregoing are superseded, revoked and rendered ineffective for any purpose. This Agreement may be altered, amended or revoked only as set forth in Section 5.3. No oral agreement or implied covenant may be held to vary the terms of this Agreement, any statute, law or custom to the contrary notwithstanding.

6.8. Time of the Essence. Time and all terms and conditions shall be of the essence of this Agreement.

6.9. Notices. All notices required to be in writing shall be given using the notice addresses in this section. A Party may designate a different notice address by providing written notice to the other Party.

If to TMPD:
MPD Board President
c/o Rick Still, Parks and Recreation Director
12424 42nd Avenue South
Tukwila, WA 98168
Telephone: 206-767-2344
Email: Rick.Still@TukwilaWA.gov

If to the City:
The City of Tukwila
Department of Finance
6200 Southcenter Blvd.
Tukwila, WA 98188
Telephone: 206-433-1835
Email: Peggy.McCarthy@TukwilaWA.gov

6.11. Execution in Counterparts. This Agreement may be executed in one or more counterparts. The Parties agree to execute a release or other appropriate instruments as shall be necessary to certify compliance with the terms of this Agreement upon full and complete satisfaction of the terms of this Agreement.

6.11 Indemnification of the City. The Park District shall indemnify and hold City and its agents, employees, and/or officers, harmless from and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against City arising out of, in connection with, or incident to the making of the Loan that is the subject of this Agreement and/or Park District's performance or failure to perform any aspect of this Agreement; provided, however, that if such claims are caused by or result from the concurrent negligence of City, its agents, employees, and/or officers, this indemnity provision shall be valid and enforceable only to the extent of the negligence of Park District; and provided further, that nothing herein shall require Park District to hold harmless or defend City, its agents, employees and/or officers from any claims arising from the sole negligence of City, its agents, employees, and/or officers. No liability shall attach to City by reason of entering into this Agreement except as expressly provided herein.

6.12 Interlocal Cooperation Act Provisions. It is not intended that a separate legal entity be established to conduct this cooperative undertaking. No special budget or funds are anticipated, nor shall any be created. The parties are each responsible for their own finances in connection with this Agreement, and nothing in this Agreement shall be deemed or construed otherwise. The parties do not intend to acquire, hold, or dispose of any real or personal property pursuant to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized officers and representatives as of the date indicated above.

THE CITY OF TUKWILA

By: _____
Jim Haggerton, Mayor

Approved as to Form:

_____
for Shelley M. Kerslake,
City Attorney

TUKWILA METROPOLITAN PARK DISTRICT

By: _____
Verna Seal, Board President

Approved as to Form:

_____
Lisa M. Marshall,
Commission Attorney

Exhibit A

Project Description:

"*Project*" or "*Pool Improvement Project*" means certain improvements, repairs and upgrades to the pool and related facilities owned by the Tukwila Metropolitan Park District, and other capital purposes as deemed necessary and advisable by the MPD Board of Commissioners. Incidental costs incurred in connection with carrying out and accomplishing the Project, consistent with RCW 39.46.070, shall be included as costs of the Project. The term "Project" includes acquisition, construction and installation of all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances.

11-006(a)
Board Approval 12/16/13

MEMORANDUM OF UNDERSTANDING TO INTERLOCAL AGREEMENT FOR LOAN AND REPAYMENT BETWEEN THE CITY OF TUKWILA AND THE TUKWILA POOL METROPOLITAN PARK DISTRICT

This Memorandum of Understanding is made and between the City of Tukwila ("City") and the Tukwila Pool Metropolitan Park District ("MPD"), both of whom are Washington municipal corporations, to clarify the Interlocal Agreement for Loan and Repayment.

WHEREAS, the City and the MPD have a fully executed interlocal agreement regarding the loaning of funds by the City to the MPD on a pre-determined schedule; and

WHEREAS, the MPD wishes to borrow funds on an "as needed" basis thereby reducing the total amount of interest cost incurred; and

WHEREAS, the City acknowledges that it would be beneficial to both the City and the MPD to lend funds only as needed by the MPD,

NOW, THEREFORE, BE IT UNDERSTOOD THAT THE CITY AND THE MPD AGREE TO THE FOLLOWING:

SECTION 1: Loan Amount and Disbursement. The City agrees to lend sufficient funds from its General Fund to the MPD Fund and agrees to disburse funds in a total principal sum not to exceed $1,100,000.00 (the "Loan") which principal is subject to interest at a rate of two percent per year. The following loan amounts have been remitted to the MPD:

a. October 15, 2011 - $191,294.00
b. April 15, 2012 - $225,000.00
c. October 15, 2012 - $433,706.00
d. January 15, 2013 - $250,000.00

SECTION 2: Loan Repayment Terms and Schedule. The MPD agrees to assume and accept the financial obligation to repay the Loan in the maximum amount of $1,100,000.00, plus interest thereon at the rate of two percent per year, for a ten-year period. The Park District obligation hereunder constitutes a non-voted general obligation of the Park District to which its full faith, credit and resources are pledged.

This Loan will be repaid in monthly payments to the City beginning in 2013. The first payment will be due May 15, 2013 and will be due every month on the 15th of each month, thereafter. Should the MPD desire to pre-pay any of the loan amount, pre-payment shall include accrued interest, through the date of payment.

EXECUTED this 18TH day of December, 2013.

2nd of 2 originals

CITY OF TUKWILA

PMC

By: _____
Jim Haggerton, Mayor

Dated: 12-18-13

Attest:

_____
Christy O'Flaherty, CMC, City Clerk

Approved as to Form:

_____
Shelley M. Kerslake, City Attorney

TUKWILA POOL METROPOLITAN PARK DISTRICT

By: _____
Verna Seal, Board President

Dated: 12/16/13

Attest:

_____
De'Sean Quinn, Clerk of the Board

Approved as to Form:

_____
Snure Law Office, PSC, Attorney for TPMPD

11-006
Board Approval 10/10/11

CITY OF TUKWILA – TUKWILA METROPOLITAN PARK DISTRICT INTERLOCAL AGREEMENT FOR LOAN AND REPAYMENT

THIS INTERLOCAL AGREEMENT made and entered into, pursuant to the Interlocal Cooperation Act, Chapter 39.34 of the Revised Code of Washington, on the 20th day of October, 2011, by and between the CITY OF TUKWILA, a municipal corporation of the State of Washington (hereinafter referred to as "City"), and the TUKWILA METROPOLITAN PARK DISTRICT, a municipal corporation of the State of Washington (hereinafter referred to as "Park District").

W I T N E S S E T H:

WHEREAS, by Resolution No. 1738, the City Council of the City of Tukwila, Washington asked the voters to create a metropolitan park district whose boundaries would be coextensive with the boundaries of the City of Tukwila, including the authority to levy a general tax on property not to exceed 15 cents per thousand dollars of assessed valuation each year as statutorily provided; and

WHEREAS, on August 16, 2011, the voters of Tukwila approved the formation of a metropolitan park district as required and now known as the Tukwila Metropolitan Park District ("Park District"); and

WHEREAS, the general taxes levied by the Park District pursuant to RCW 35.61.210 will not be collected and available to fund Park District operations until May 1, 2013, and a loan from the City of Tukwila is needed during the interim period to fund Park District operations and shall be repaid by the Park District using its general tax revenues once those become available; and

WHEREAS, by Resolution No. 1746, the City has declared its intent to enter into an interlocal agreement with the Park District to evidence the City's commitment to loan funds to the Park District as interim financing until the Park District's general tax revenues become available; and

WHEREAS, in consideration for the City's commitment to loan funds as interim financing, upon the terms and conditions set forth herein, the Park District has declared its intent to enter into an interlocal agreement with the City, by Resolution No. 5, to repay the City pursuant to the financial covenants set forth herein;

NOW THEREFORE in consideration of the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows:

2nd of 2 originals

1. LOAN AMOUNT AND DISBURSEMENT

The City agrees to lend sufficient funds from its General Fund to the Tukwila Metropolitan Park District Fund and agrees to disburse funds in a total principal sum not to exceed $1,100,000.00 (the "Loan"), which principal is subject to interest at the rate of two percent per year, according to the following schedule:

a. October 15, 2011 - $375,000.00
b. April 15, 2012 - $375,000.00
c. October 15, 2012 - $350,000.00

Should the Metropolitan Park District find that it is not in need of some or all of the principal amounts identified above, the Park District will notify the City not less than 15 (fifteen) days prior to the scheduled loan disbursement date.

2. LOAN REPAYMENT TERMS AND SCHEDULE

The Park District agrees to assume and accept the financial obligation to repay the Loan in the maximum amount of $1,100,000.00, plus interest thereon at the rate of two percent per year, within a ten-year period. The Park District obligation hereunder constitutes a non-voted general obligation of the Park District to which its full faith, credit and resources are pledged.

This Loan will be repaid in semi-annual payments to the City beginning in 2013. The first payment will be due May 15, 2013 and will be due every November 15th and May 15, thereafter. The City will invoice the Park District for the amount owing for the relevant time period. Should the Park District desire to pre-pay any of the loan amount, pre-payment shall include accrued interest, through the date of payment.

3. EVENTS OF DEFAULT AND REMEDIES

3.1 Events of Default. Each of the following shall be a "Loan Default":

a. Monetary Defaults. Any failure by the Park District to make any required monetary payments when due to the City pursuant to Paragraph 2 of this Agreement. If an event which would constitute a Monetary Default shall occur, the City shall provide prompt telephone notice confirmed in writing (which may be by facsimile or electronic transmission) to the Park District Executive Director, and demand a cure thereof (provided, that failure by the City to send such written notice shall not constitute waiver of or prevent the occurrence of a Loan Default), and if such event is not cured within fifteen days of the scheduled payment date, then such event shall constitute a Loan Default and the City may, in its sole discretion, proceed with its remedies under Paragraph 3.2 of this Agreement.

b. Nonmonetary Defaults. Any failure on the part of the Park District to perform or observe the duties, provisions or obligations required of it pursuant to this Agreement, other than as set forth in Paragraph 3.1(a) above, if such failure shall have continued for a period of 60 days after written notice thereof has been delivered to the Park District by the City.

3.2 Remedies. Upon occurrence of any Loan Default under this Agreement, the City may bring any legal action or proceeding against the Park District to protect and enforce its rights in equity or at law, either in mandamus or for the specific performance of any covenant or agreement contained in this Agreement, or for the enforcement of any other appropriate legal or equitable remedy, as the City, being advised by counsel, may deem most effectual to protect and enforce any of its concurrent or reserved rights or interests hereunder with respect to: (1) the payment of principal, interest, fees or amounts due; (2) indemnifications and reimbursements due to the City by the Park District; and (3) receipt of reports and notices.

4. RECORDS INSPECTION AND AUDIT

All funds advanced and repaid shall be subject to adjustment for any amounts found upon audit or otherwise to have been improperly advanced or reimbursed, and all records and books of accounts pertaining to the Loan provided under this Agreement shall be subject to inspection and audit by either party for a period of up to three (3) years from the final payment by the Park District for reimbursement of the Loan provided by the City.

5. ADMINISTRATION OF AGREEMENT

This Agreement shall be administered by Peggy McCarthy, Interim Finance Director or designee on behalf of City, and by Kimberly Matej, Interim Executive Director, or designee on behalf of the Park District. Any written notices required by the terms of this Agreement shall be served on or mailed to the following addresses:

CITY OF TUKWILA
Peggy McCarthy
Interim Finance Director
Tukwila, WA 98188
Phone: 206-433-1839

PARK DISTRICT
Kimberly Matej
Interim Executive Director
Tukwila, WA 98188
Phone: 206-433-1834

6. NOTICES

All notices or communications permitted or required to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified mail, return receipt requested, and addressed, if to a party of this Agreement, to the address for the party set forth above.

Either party may change its address by giving notice in writing, stating its new address to the other party, pursuant to the procedure set forth above.

7. INDEMNIFICATION OF THE CITY

The Park District shall indemnify and hold City and its agents, employees, and/or officers, harmless from and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against City arising out of, in connection with, or incident to the making of the Loan that is the subject of this Agreement and/or Park District's performance or failure to perform any aspect of this Agreement; provided, however, that if such claims are caused by or result from the concurrent negligence of City, its agents, employees, and/or officers, this indemnity provision shall be valid and enforceable only to the extent of the negligence of Park District; and provided further, that nothing herein shall require Park District to hold harmless or defend City, its agents, employees and/or officers from any claims arising from the sole negligence of City, its agents, employees, and/or officers. No liability shall attach to City by reason of entering into this Agreement except as expressly provided herein.

8. WAIVER OF SUBROGATION

City and Park District hereby mutually release each other from liability and waive all right of recovery against each other for any loss caused by fire or other perils which can be insured against under fire insurance contracts including any extended coverage endorsements thereto which are customarily available from time to time in the State of Washington, provided, that this paragraph shall be inapplicable to the extent that it would have the effect of invalidating any insurance coverage of City or Park District.

9. COMPLIANCE WITH REGULATIONS AND LAWS

The parties shall comply with all applicable rules and regulations pertaining to them in connection with the matters covered herein.

10. ASSIGNMENT

The parties shall not assign this Agreement or any interest, obligation or duty therein without the express written consent of the other party.

11. ATTORNEYS' FEES

If a Loan Default occurs and if the City or Park District should employ attorneys or incur expenses for the enforcement of any obligation or agreement of the City or Park District contained herein, the non-prevailing party on demand will pay to the prevailing party the reasonable fees of such attorneys of the prevailing party and the reasonable costs so incurred, including, without limitation, reasonable fees and costs of court appeals.

12. MISCELLANEOUS

a. All of the covenants, conditions and agreements in this Agreement shall extend to and bind the legal successors and assigns of the parties hereto.

b. This Agreement shall be deemed to be made and construed in accordance with the laws of the State of Washington. Jurisdiction and venue for any action arising out of this Agreement shall be in King County, Washington.

c. The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.

d. Unless otherwise specifically provided herein, no separate legal entity is created hereby, as each of the parties is contracting in its capacity as a municipal corporation of the State of Washington. The identity of the parties hereto is as set forth hereinabove.

e. The performances of the duties of the parties provided hereby shall be done in accordance with standard operating procedures and customary practices of the parties.

f. No provision of this Agreement shall relieve either party of its public agency obligations and or responsibilities imposed by law.

g. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable by a final decision of any court having jurisdiction on the matter, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall

not be affected thereby and shall continue in full force and effect, unless such court determines that such invalidity or unenforceability materially interferes with or defeats the purposes hereof, at which time either party shall have the right to terminate the Agreement.

h. This Agreement constitutes the entire agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modifications or amendments of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

i. Copies of this Agreement shall be filed with the King County Auditor's Office and the respective Clerks of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF TUKWILA

Jim Haggerton,
Mayor

Attest:

Christy O'Flaherty, CMC
City Clerk

Approved as to form:

Shelley M. Kerslake,
City Attorney

TUKWILA METROPOLITAN PARK DISTRICT

Allan Ekberg
President of the Board of Commissioners

Attest:

Verna Seal
Clerk of the Board

Approved as to form:

Lisa M. Marshall,
Commission Attorney