PARKS PROPERTY TAX LEVY AGREEMENT

between

KING COUNTY & CITY OF NORTH BEND

This Parks Property Tax Levy Agreement (the "Agreement") is made and entered into as of _____, 2014, by and between KING COUNTY, a political subdivision of the state of Washington (the "County") and the City of North Bend, a State of Washington municipal corporation ("CITY").

RECITALS

A. The County owns and operates a park system with over twenty-eight thousand (28,000) acres of regional parks and open spaces and over one hundred seventy-five (175) miles of regional trails. In addition, the County is the provider of local parks in the rural area and is the transitional provider of local parks in the urban incorporated areas.

B. Since 2003, on recommendation of the Metropolitan Parks Task Force and direction from the County Executive and County Council, the County's Parks and Recreation Division has focused on managing a system of regional parks, open spaces and trails and a limited set of regional active recreation assets.

C. Consistent with its role as a regional and local rural service provider under Countywide Planning Policies and the State Growth Management Act, the County has divested itself of local parks and facilities in urban unincorporated areas as these areas incorporate or annex to cities.

D. In November 2006, the County Executive created the Parks Futures Task Force to recommend a funding plan for the current County park system, and to examine what steps should be taken, if any, regarding future park system acquisitions.

E. In June of 2012, the County Executive convened the King County Parks Levy Task Force to recommend a funding plan for the current park system and to examine how to address the parks and recreation needs of King County residents in the future.

F. The King County Parks Levy Task Force recommended that the County replace the expiring levies and put a ballot measure before the voters in 2013 that requests a six-year inflation adjusted property tax levy lift at a total rate of $0.1901 per one thousand dollars of assessed value with a percentage of the levy proceeds to be distributed to cities for their local parks system projects.

G. On April 30, 2013, the King County Council adopted Ordinance 17568 which called for a special election in accordance with RCW 29A.04.321 to authorize an additional 6-year property tax levy for specified park purposes..

H. On August 6, 2013, King County voters approved Proposition No. 1 Parks Levy that

authorized an additional six year property tax levy at a rate of $0.1877 in the first year, with subsequent levies adjusted by inflation for the purpose of: maintaining and operating King County's parks system, improving parks, recreation and mobility by acquiring open space, expanding park and recreation opportunities, continuing to develop regional trails; repairing, replacing, and improving local parks and trails in King County's cities; and funding environmental educations, maintenance, conservation, and capital programs at the Woodland Park Zoo.

NOW, THEREFORE, in consideration of the mutual promises and undertakings hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

A. "Annual Report" shall mean the annual report prepared by the CITY and provided to the County annually by May 1 beginning in 2015 setting forth a summary of city projects for the preceding year, along with a complete financial accounting for the use of County Levy Proceeds, and a listing of all capital investments made at the CITY funded in whole or in part by County Levy Proceeds, and for the 2015 annual report the CITY shall identify the dollar amount of the CITY's Existing Funds.

B. "CITY" shall mean the City of North Bend, State of Washington, and all of its boards, commissions, departments, agencies and other subdivisions.

C. "CITY Proceeds" shall mean seven percent (7%) of the total County Levy Proceeds collected by King County and any interest earnings on these funds

D. "CITY Projects" shall mean the City's local park system projects consistent with Ordinance 17568.

E. "County" shall mean King County, State of Washington, and all of its boards, commissions, departments, agencies and other subdivisions.

F. "County Council" shall mean the County Council of King County, State of Washington.

G. "County Levy" means the annual King County property tax levy for park purposes imposed by the King County Council and authorized by Proposition No. 1 Parks Levy that was approved by the County voters on August 6, 2013 that replaced two levies expiring at the end of 2013.

H. "County Levy Proceeds" shall mean the principal amount of the County Levy collected by the County.

I. “Executive” shall mean the King County Executive or his or her functional successor.

J. "Existing funds" shall have the meaning, as defined by RCW 84.55.050.

K. "Regional trail system" shall mean the system-wide non-motorized network of designated off-road, shared-use paths, trails, or greenways for recreation and regional mobility.

2. Term of Agreement. The term of this Agreement (the “Term”) shall be for a period commencing on the Effective Date (the “Commencement Date”), and expiring on December 31, 2019 (the “Termination Date”).

3. Receipt of County Levy Proceeds.

A. Generally. Each year the County shall distribute the CITY's proportionate share of the CITY Proceeds to the CITY as authorized by Ordinance 17568, subject to Council appropriation.

B. Receipt and Distribution of Levy Proceeds.

1. Payment Schedule. Beginning in 2014 and through 2019, the County shall transfer the CITY Proceeds to the CITY on a quarterly basis. The annual amounts transferred shall never exceed the CITY's proportionate share of the CITY Proceeds actually collected and appropriated by King County.

2. Administrative Fee. The Parties agree that the County has authority to deduct a portion from CITY Proceeds for eligible expenditures related to the administration of the distribution of County Levy Proceeds, consistent with Ordinance 17568.

4. Use of County Levy Proceeds. The City shall only use the transferred City Proceeds for its City Projects. On or before May 1 of each year throughout the Term of this Agreement, the CITY shall provide the County with a copy of the Annual Report and provide any further documentation showing that the City Proceeds were expended on CITY Projects. The City shall maintain financial records to account separately for the City Proceeds.

5. Representations and Warranties. The CITY represents and warrants that all CITY Proceeds received by the CITY shall be used only for specific CITY Projects as defined in this Agreement and that such funds shall not be used to supplant Existing Funds. The CITY represents and warrants that all CITY Projects shall be consistent with the requirements in King County Ordinance 17568. The CITY represents and warrants that in addition to the CITY's proportionate share of the CITY's Proceeds, the CITY shall annually expend on CITY Projects an amount equal to the CITY's Existing Funds.

6. Title to Improvements. All appurtenances, fixtures, improvements, equipment, additions and other property attached to or installed in the City’s local parks system during the Term

shall be and remain the properties of CITY and shall not be deemed property of the County under any circumstances.

7. Notices. All notices required to be given hereunder shall be in writing and either delivered personally or sent by certified mail to the appropriate address listed below, or at such other address as shall be provided by written notice. Notice shall be deemed communicated upon actual receipt. For convenience of the parties, copies of notices may also be given be other means; however, neither party may give official or binding notice except by personal delivery or by certified mail.

If to the CITY:

CITY's Contact and Title:	Londi Lindell, City Administrator
City Name:	City of North Bend
Mailing Address1:	P.O. Box 896
City, State, Zip Code:	North Bend, WA 98045

If to King County:

Kevin R. Brown, Division Director
King County Parks and Recreation Division
Department of Natural Resources and Parks
201 South Jackson
Mailstop: KSC-NR-0700
Seattle, WA 98104

8. Compliance with Laws. The CITY shall comply and conform with all applicable laws and all governmental regulations, rules and orders.

9. CITY Agreement to Comply with Audit Finding or Repay. The CITY agrees that it is financially responsible for the lawful use of the levy funds distributed under this contract. The City agrees that if the State Auditor makes an audit finding that the levy proceeds have not been spent properly, the City shall comply with the State Auditor's audit finding and correct any improper expenditure or, at the sole discretion of the County, repay any indicated amounts to the County. This duty to comply with the audit finding or repay shall not be diminished or extinguished by the prior termination of the Agreement pursuant to the Duration of Agreement or the Termination Sections.

10. Miscellaneous.

A. Liability of the County. The County's obligations to the CITY under this Agreement shall be limited to the terms and conditions set forth herein. Notwithstanding any other provision in this Agreement to the contrary, in no event shall the County be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including without limitation lost

profits, arising out of or in connection with this Agreement or the services performed in connection with this Agreement.

B. Dispute Resolution. In the event of a dispute between the CITY and the County regarding any term of this Agreement, the parties shall attempt to resolve the matter informally through the following mechanism: the CITY (reps.) or their respective designee(s), shall meet with County (reps) or their respective designee(s) to review and discuss the matter(s) in dispute; if the CITY (reps) and County (reps) are unable to reach a mutual resolution, the Executive and the mayor, or their respective designee(s) shall meet to review and discuss the matter(s) in dispute. If such persons are unable to resolve the matter informally, either party may submit the matter to a non-binding, structured mediation procedure fashioned by persons or organizations experienced in alternative dispute resolution ("ADR") procedures. The mediation may be requested by any party and shall be initiated within thirty (30) days from the date of the request unless extended by agreement of both parties. The alternative dispute resolution procedures utilized for the mediation shall include the exchange of written claims and responses, with supporting information, at least seven (7) days prior to the actual mediation. The positions expressed and mediator's recommendations shall not be admissible as evidence in any subsequent ADR or legal proceeding. If the matter is submitted to mediation and the matter is not resolved, an affected party shall be entitled to pursue any legal remedy available. Any disputes involving the lawful expenditure of levy proceeds shall be resolved by King County Superior Court if the parties cannot agree.

C. No Implied Waiver. No failure by either party hereto to insist upon the strict performance of any obligation of the other party under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues (except in cases where this Agreement expressly limits the time for exercising rights or remedies arising out of a breach), shall constitute a waiver of such breach or of that party's right to demand strict compliance such term, covenant or condition or operate as a surrender of this Agreement. No waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of either party hereto given in any instance under the terms of this Agreement shall not relieve the other party of any obligation to secure the consent of the other party in any other or future instance under the terms of this Agreement.

D. Headings and Subheadings. The captions preceding the articles and sections of this Agreement and in the table of contents have been inserted for convenience of reference and such captions in no way define or limit the scope or intent of any provision of this Agreement.

E. Successors and Assigns. The terms, covenants and conditions contained in this Agreement shall bind and inure to the benefit of the County and the CITY and, except

as otherwise provided herein, their personal representatives and successors and assigns. There are no third party beneficiaries to this Agreement.

F. Agreement made in Washington. This Agreement shall be deemed to be made in and shall be construed in accordance with the laws of the State of Washington. Venue of any action brought by one party against the other to enforce or arising out of this Agreement shall be in King County Superior Court.

G. Integrated Agreement; Modification. This Agreement contains all the agreements of the parties hereto relating to the subject matter addressed herein, and cannot be amended or modified except by a written agreement approved by the King County Council and mutually executed between each of the parties hereto.

H. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

I. Time of Essence. Time is of the essence of each provision of this Agreement.

J. Signage. For each capital project funded with County Levy Proceeds, the CITY shall provide a sign including the following language: This project was funded (or as applicable, funded in part) with proceeds from the Proposition No. 1 Parks Levy approved by King County voters in August 2013 under an Agreement with King County Parks and Recreation Division.

DATED this ____ day of _____, 2014.

KING COUNTY, a Washington municipal corporation	CITY OF North Bend, a Washington municipal corporation
By _____	By _____
Its _____	Its _____

By authority of Ordinance No. 17568