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INTERLOCAL AGREEMENT

UPPER VALLEY PARK AND RECREATION SERVICE AREA

This agreement is made pursuant to RCW Chapter 39.34 between the County of Chelan, a municipal corporation, (hereafter "County") and the City of Leavenworth, a municipal corporation, (hereafter "City") with ratification by the Peshastin Community Council, Chumstick Community Council and the Cascade School District #228, creating the Upper Valley Park and Recreation Service Area Board of Directors pursuant to RCW 36.68.400, and setting forth the purpose, duties and responsibilities of the Board.

RECITALS

WHEREAS, the County passed Resolution No. 97-114 on the 2nd day of September, 1997 to create the Upper Valley Park and Recreation Service Area, a quasi-municipal corporation, an independent taxing authority within the meaning of Section 1., Article 7. of the Constitution and a taxing district within the meaning of Section 2., Article 7. of the Constitution, and,

WHEREAS, the boundary of the Upper Valley Park and Recreation Service Area shall be the following voter precincts in their entirety: Leavenworth 2 and Leavenworth 3, all of which lie within the corporate boundary of the City of Leavenworth; and Chumstick, Icicle and Peshastin precincts. The legal descriptions of said precincts are described on Exhibit "A" attached hereto and incorporated herein, and,

WHEREAS, the proposal to establish a Park and Recreation Service Area was approved by voters of the proposed Upper Valley Park and Recreation Service Area on November 4, 1997, and has been certified by the County in accordance with law, and,

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WHEREAS, the County and City desire to create the Upper Valley Park and Recreation Service Area for the purpose of financing, acquiring, constructing, improving, maintaining or operating any park, Senior Citizen Activity Center, zoo, aquarium and recreational facility as defined in RCW Chapter 36.69.010, and,

WHEREAS, the County and the City desire to create a Board pursuant to RCW 36.68.400 and related statutes, which Board shall include representatives of Peshastin, Chumstick and the Cascade School District as more fully set forth on Exhibit "A" attached hereto and incorporated herein.

Now, therefore, the County and the City hereby agree as follows:

Section 1. Governing Board Created. There shall be created a joint governing board called the "Upper Valley Park and Recreation Service Area Board" (hereafter Board) consisting of:

1. One Chelan County Commissioner
2. Two elected officials of the City of Leavenworth
3. One member of the Cascade School District #228 Board of Directors
4. One representative of the Peshastin Community Council
5. One representative of the Chumstick Community Council

Each agency shall appoint by appropriate means its representative(s) for a minimum term of one year by notifying the County before December 31st of each calendar year.

Section 2. Board Powers and Duties. The Board shall exercise all powers set forth in RCW 36.68.400 through RCW 36.68.620 together with all other powers expressly granted or implied by law.

The Board shall annually select a chair member, vice chair member and a secretary from among its members and shall adhere to such rules of order and business as are

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determined by the Board. The County shall appoint the County Treasurer as the "Upper Valley Park and Recreation Service Area Treasurer" who shall establish an "Upper Valley Park and Recreation Service Area Fund". Said fund shall be the repository for all proceeds of bond sales grant awards and any other funding which may be appropriately deposited. All such monies shall be accounted in a manner consistent with auditing and reporting standards of the State of Washington. Disbursements from said fund shall be made by the appropriate County official in accordance with the directives of the Upper Valley Park and Recreation Service Area Governing Board, the customs and practices of Chelan County government and subject to all applicable laws. The Treasurer shall provide financial reports to the governing Board upon request in a manner consistent with the customary practices and procedures of the Chelan County Treasurer.

Section 3. **Funding**. The Board shall finance, acquire, construct, improve, maintain and operate recreation projects in the Upper Valley Recreation Service Area (hereafter the "Area") and said Area shall be, pursuant to RCW Chapter 36.68, a quasi-municipal corporation, an independent taxing authority and a taxing district within the meaning of the Washington State Constitution and laws of the State of Washington. Any debt or other liability of the Area shall not be assumed by nor assigned to the County or City. Neither the City nor County shall be liable for current expenses, long-term debt, or any other liability whatsoever of the Area unless otherwise expressly agreed in a separate Interlocal Agreement.

Section 4. **Indemnity**. The Area shall defend at its own expense, indemnify and hold harmless the City and County and their respective agents, employees and officers from and against any and all suits, actions, claims, demands, penalties, fines and expenses including, but not limited to, attorney's fees, arising out of or in any manner caused or occasioned by any act, error, omission, fault, or negligence of the Area or any person or entity employed by or acting on its behalf, including but not limited to, contractors, their subcontractors and the employees and agents of any of the foregoing. In the event any claim, demand or cause of action is caused by or results from the concurrent negligence of the City or County or their respective agents, employees or officers and the Area and its agents, officers or employees or any person or entity acting on behalf of the any of said entities, the indemnity provisions herein shall be enforceable only to the extent on the negligence of the respective entity or its respective agents, employees, officers or those acting on its behalf.

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Section 5. Duration. The duration of this agreement shall be until the later of twenty (20) years from the date of execution of this agreement or the date of retirement of any general obligation bonds or other indebtedness financing any public works within the area unless earlier terminated by written agreement of Chelan County and the City of Leavenworth.

Section 6. Errors and Omissions Insurance. All members of the Board and all staff and employees of the Area shall at all times be covered by a comprehensive Errors and Omissions Liability Insurance policy providing for minimum limits of $2,000,000.00 per person per occurrence. Premiums for such insurance shall be paid by the Area.

Section 7. Dispute Resolution. If a dispute arises between the County or City, the dispute shall be submitted to non-binding arbitration. The arbitrator shall be appointed by the Judicial Arbitration and Mediation Service or shall be such other arbitrator as the parties may jointly appoint. The arbitrator's fees shall be shared equally.

Section 8. General Provisions:

A. This agreement shall not be binding until it has been filed with the Chelan County Auditor in accordance with RCW 39.34.040.

B. This agreement may be modified by the parties, but the modification, and any consent that is necessary to make such modification binding, must be in writing.

C. No waiver by either party of any term or condition of this agreement shall be deemed or construed to be a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or a different provision of this agreement. No waiver shall be effective unless made in writing.

D. Any notice, consent, demand or other communication hereunder shall be in writing and shall be deemed to have been given if delivered in person or deposited in any United States Postal Service mail box, first class postage prepaid, or sent by registered or certified mail, return receipt requested, addressed to the party for whom it is intended as follows:

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Chairman
Board of Commissioners
Chelan County Courthouse
Wenatchee, WA 98801

Mayor
City of Leavenworth
Post Office Box 287
Leavenworth, WA 98826

E. This agreement shall be interpreted according to and enforced under the laws of the State of Washington. Venue of any proceeding arising out of this agreement shall be in the Superior Court of the State of Washington for Chelan County.

F. Each provision of this agreement is severable from all other provisions. In the event any court of competent jurisdiction determines that any provision of this agreement is invalid or unenforceable for any reason, all remaining provisions will remain in full force and effect.

G. This agreement is a complete expression of the terms hereto and any oral representations or understandings not incorporated are excluded. This agreement merges and supersedes all prior negotiations, representations, and contracts between the parties relating to the Parcels and constitutes the entire agreement between the parties.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have signed their names in the spaces set forth below.

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"CHELAN COUNTY BOARD OF COMMISSIONERS"

By: _____
Esther Stefaniw - Chairperson

By: _____
Earl L. Marcellus - Commissioner

By: _____
Jim C. Lynch - Commissioner

Date: 4-20-98

ATTEST: Evelyn L. Arnold, Auditor and Clerk of the Board

By: _____
Deputy Auditor/Clerk of the Board

Acting under the Authority of Resolution No. 97-114

"CITY OF LEAVENWORTH, WASHINGTON"

By: _____
Elmer Larsen, Mayor

Attest: _____
Mirrell Brewer - City Clerk

Acting under the Authority of Resolution No. N.A.

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"CASCADE SCHOOL DISTRICT #228"

By: _____
- Superintendent

Acting under the Authority of
Resolution No. 97/98 - 9

"PESHASTIN COMMUNITY COUNCIL"

By: _____

"CHUMSTICK COMMUNITY COUNCIL"

By: _____ chairman

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EXHIBIT "A"

602 - Leavenworth 2

All of the area in the incorporated limits of the City of Leavenworth North of Evans Street and East of Ninth Street.

603 - Leavenworth 3

All of the area in the incorporated limits of the City of Leavenworth South of Evans Street and West of Ninth Street.

107 - Chumstick

Beginning at a point of intersection of the south line of Section 33, T25N, R17E, W.M. and the Wenatchee River, thence Northerly along the centerline of said river to its intersection with the West line of Section 35, T26N, R17E, W.M., thence south to the SW corner of said Section 35, thence East to the SE corner of Section 36, said township and range, thence northerly along the divide between the Wenatchee River and the Chumstick Creek to the North line of Section 19, T26N, R18E, W.M., thence east to the NW corner of Section 24, said township and range, thence south to the SE corner of Section 36, T25N, R18E, W.M., thence west to the NW corner of Section 5, T24N, R18E, W.M., thence south to U.S. Highway 2, thence westerly along said Highway to the city limits of Leavenworth, thence Northwesterly along said city limits to its intersection with the Wenatchee River in Section 11, said township and range, thence northwesterly along the centerline of said river to the point of beginning.

115 - Icicle

Beginning at the point of intersection of the north line of T24N, R13E, W.M., and the west boundary line of Chelan County, thence east along said North line to its intersection with US Highway 2, thence southeasterly along said highway to the city limits of Leavenworth, thence southeasterly along said city limits to its

intersection with US Highway 2 in Section 7, thence south to the SE corner of Section 19, said township and range, thence west to the NE corner of Section 25, T24N, R17E, W.M., thence south to the NE corner of Section 1, T23N, R17E, W.M., thence west to the NW corner of said Section 1, thence south to the SE corner of Section 23, said township and range, thence west to the NW corner of Section 30, said township and range, thence south to the SE corner of Section 24, T23N, R16E, W.M., thence west along the south line of said Section 24 to its intersection with the west boundary line of Chelan County, thence northwesterly along said boundary line to the point of beginning.

135 - Peshastin

Beginning at the NE corner of Section 2, T24N, R18E, W.M., thence west to the NW corner of Section 5, thence south to the Wenatchee River, thence Northwesterly along the centerline of the Wenatchee River to its intersection with the South line of the NE ¼ of the NW ¼ of Section 7, thence encompassing that portion of Section 7, lying South of the Wenatchee River known as Tax Numbers 6, 11, 16, 14, 8, 15, 10, 12, and 19, ending at the East boundary line of Section 7, thence South to the Southeast corner of Section 7, thence South to the SW corner of Section 17, thence East along the North boundary line of Section 20 to its intersection with the centerline of State Highway 2, thence following the centerline of State Highway 2 to its intersection with the East boundary line of Section 21, thence East along the South boundary line of Section 22 for ½ mile, thence North 1 mile, thence West ½ mile to the Southwest corner of Section 15, thence North to the Northwest corner of Section 15, thence East to the Northeast corner of Section 15, thence North to the Southwest corner of Section 2, thence East to the Southeast corner of Section 2, thence North to the point of beginning.