ORDINANCE No. 1722

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, REGARDING THE CITY'S PARTICIPATION IN THE SOUTH CORRECTIONAL ENTITY (SCORE); AUTHORIZING THE EXECUTION OF AN AMENDED AND RESTATED INTERLOCAL AGREEMENT RELATING TO SCORE; APPROVING THE CITY'S CAPITAL CONTRIBUTION RELATED TO REFUNDING BONDS TO BE ISSUED TO REFINANCE THE SCORE FACILITY; AND APPROVING OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Des Moines, Washington (the "City") is authorized by chapter 70.48 RCW to contract for, establish and maintain correctional facilities in furtherance of public safety and welfare, and

WHEREAS, pursuant to an ordinance adopted by the City Council and chapter 39.34 RCW, the Interlocal Cooperation Act, the City entered into a SCORE Interlocal Agreement with the other parties thereto dated February 25, 2009 and subsequently amended and restated on October 1, 2009 (as amended and restated, the "Original Interlocal Agreement"), to form a separate governmental administrative agency known as the South Correctional Entity ("SCORE"), and

WHEREAS, the South Correctional Entity Facility Public Development Authority (the "Authority"), a public corporation chartered by the City of Renton, pursuant to RCW 35.21.730 through 35.21.757, issued its Bonds, Series 2009A (the "2009A Bonds") and Bonds, Series 2009B (Taxable Build America Bonds—Direct Payment) (the "2009B Bonds", and together with the 2009A Bonds, the "2009 SCORE Bonds") on November 4, 2009, in the aggregate principal amount of $86,235,000, and

WHEREAS, proceeds of the 2009 SCORE Bonds were used to finance a portion of the costs of acquiring, constructing, developing, equipping and improving a regional misdemeanant correctional facility located in Des Moines, Washington (the "SCORE Facility"), operated by SCORE, and

WHEREAS, pursuant to an ordinance adopted by the City Council, the City pledged its full faith and credit toward the payment of its allocable proportion of the debt service due on the 2009 SCORE Bonds issued by the Authority, and

WHEREAS, the 2009 SCORE Bonds are subject to defeasance and/or redemption prior to their stated maturity dates, and

WHEREAS, after due consideration it appears to the Board of Directors of the Authority that the 2009 SCORE Bonds may be defeased and/or redeemed prior to maturity by proceeds of refunding bonds (the "Refunding Bonds") and other legally available funds for overall debt service savings, and

WHEREAS, the City now desires to pledge its full faith and credit to the City's allocable portion of the Refunding Bonds and to amend and restate the Original Interlocal Agreement to provide for such refunding and other matters as provided herein; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON DOES ORDAIN AS FOLLOWS:

Section 1. **Definitions**. Terms defined in the recitals of this resolution are incorporated as if fully set forth herein. Terms not otherwise defined in this resolution shall have the meanings set forth in the Interlocal Agreement (defined in Section 2).

Section 2. **Approval of Interlocal Agreement**. The City hereby approves the Amended and Restated SCORE Interlocal Agreement substantially in the form attached hereto as Exhibit A and incorporated herein by this reference (the "Interlocal Agreement"). The City Manager is hereby authorized and directed to execute the Interlocal Agreement, on behalf of the City, with such changes as determined to be appropriate by such representative and in the best interest of the City. On the Effective Date, the Interlocal Agreement shall amend and restate, in its entirety, the Original Interlocal Agreement.

The City Manager is hereby designated, together with his or her designee, as the "Designated Representative" for purposes of the Interlocal Agreement. The Interlocal Agreement may be further amended from time to time as provided therein. The City hereby authorizes and confirms the authority vested in the Administrative Board as provided in the Interlocal Agreement.

Section 3. **City Contributions**. The Authority has proposed to issue one or more series of refunding bonds (the "Refunding Bonds"), the proceeds of which will be used, together with other legally available funds, to refund the outstanding 2009 SCORE Bonds for overall debt service savings.

The City hereby irrevocably covenants and agrees to pay its capital contribution in the percentage provided for in the

Interlocal Agreement, which is equal to the City's allocated owner percentage as shown in the following chart (the "Owner Percentage"), to pay debt service on the Refunding Bonds as the same shall become due and payable and to pay administrative expenses of the Authority with respect to the Refunding Bonds (the "Capital Contribution").

The Owner Percentage allocated to the City is as follows:

Owner City	**Owner Percentage**
Auburn	34.94%
Renton	40.96
Tukwila	9.64
Des Moines	6.02
Burien	4.82
SeaTac	3.62
Total	100.00%

The authorization contained in this ordinance is conditioned upon the issuance of Refunding Bonds not exceeding the aggregate principal amount of $56,000,000 without obtaining additional Council approval.

The City recognizes that it is not obligated to pay the Capital Contribution of any other Member City; the Capital Contribution of the City shall be limited to its Owner Percentage allocable share of such obligations; all such payments shall be made by the City without regard to the payment or lack thereof by any other jurisdiction; and the City shall be obligated to budget for and pay its Capital Contribution unless relieved of such payment in accordance with the Interlocal Agreement.

The City's obligation to pay its Capital Contribution shall be an irrevocable full faith and credit obligation of the City, payable from property taxes levied within the constitutional and statutory authority provided to cities without a vote of the qualified electors on all of the taxable property within the City and other sources of revenues available therefor. The City hereby obligates itself and commits to budget for and pay its Capital Contribution and to set aside and include in its calculation of outstanding nonvoted general obligation indebtedness an amount equal to the principal component of its

Capital Contribution for so long as any Refunding Bonds issued by the Authority remain outstanding.

All payments with respect to the Refunding Bonds shall be made to SCORE in its capacity as administrator and servicer of the Refunding Bonds to be issued by the Authority.

Section 4. **General Authorization; Ratification**. The City Manager, the City Finance Director, the City Clerk, and other appropriate officers of the City are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Interlocal Agreement and the issuance of the Refunding Bonds by the Authority, and to execute all closing certificates, agreements, contracts and documents required to effect the closing and delivery of the Refunding Bonds, the implementation of the Interlocal Agreement, and the withdrawal of Federal Way as a Member City of SCORE effective December 31, 2019. Such documents may include, but are not limited to, an undertaking to provide ongoing disclosure in connection with Securities and Exchange Commission Rule 15c2-12 (the "Rule") under the Securities Exchange Act of 1934, as amended; any disclosure documents delivered for purposes of the Rule in connection with the issuance of the Refunding Bonds and pertaining to the City; and documents regarding the tax status of any Refunding Bonds issued on a tax-exempt basis under the Internal Revenue Code of 1986, as amended. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

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Section 5. **Effective Date**. This ordinance shall take effect and be in force from and after passage and publication as provided by law.

PASSED by the City Council of the City of Des Moines, this 26th day of September, 2019, and signed in authentication of its passage this 26th day of September, 2019.

MAYOR

APPROVED AS TO FORM:

Assistant City Attorney

ATTEST:

City Clerk

Published: October 1, 2019

Effective Date: October 1, 2019

EXHIBIT A

Form of Amended and Restated SCORE Interlocal Agreement (attached)

AMENDED AND RESTATED SCORE INTERLOCAL AGREEMENT

among

CITY OF AUBURN,

CITY OF BURIEN,

CITY OF DES MOINES,

CITY OF RENTON,

CITY OF SEATAC,

AND

CITY OF TUKWILA, WASHINGTON

Dated as of _____, 2019

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AMENDED AND RESTATED SCORE INTERLOCAL AGREEMENT

THIS AMENDED AND RESTATED SCORE INTERLOCAL AGREEMENT is effective as of the date written below and is by and among the Cities of Auburn, Burien, Des Moines, Renton, SeaTac and Tukwila, Washington, all of which are municipal corporations under the laws and statutes of the State of Washington:

RECITALS:

WHEREAS, the Member Cities (as defined herein) are authorized by chapter 70.48 RCW to contract for, establish and maintain correctional facilities in furtherance of public safety and welfare; and

WHEREAS, chapter 39.34 RCW, the Interlocal Cooperation Act, authorizes municipalities in Washington to enter into agreements for the joint undertaking of certain projects as provided therein; and

WHEREAS, in 2009 the Member Cities formed a separate governmental administrative agency pursuant to an interlocal agreement and RCW 39.34.030(3) known as the South Correctional Entity ("SCORE") to establish and maintain a consolidated correctional facility to be located in the City of Des Moines (the "SCORE Facility") to serve the Member Cities and federal and state agencies and other local governments that may contract with SCORE in the future to provide correctional services essential to the preservation of the public health, safety and welfare; and

WHEREAS, the Member Cities now desire to amend and restate the formation interlocal agreement as provided herein;

NOW THEREFORE, it is hereby agreed and covenanted among the undersigned as follows:

Section 1. Definitions. Capitalized terms used in this SCORE Interlocal Agreement shall have the meanings given such terms in the recitals hereof and as follows:

"Administrative Board" means the governing board of SCORE created pursuant to Section 5 of this SCORE Interlocal Agreement.

"Bonds" mean bonds, notes or other evidences of borrowing issued by the SCORE Facility Public Development Authority to finance and/or refinance the SCORE Facility and for any other SCORE purpose.

"Budget" means the budget prepared by the Facility Director in consultation with the Operations Board, and submitted to the Administration Board for its approval in accordance with Section 5 and Section 9 of this SCORE Interlocal Agreement, which budget shall set forth (a) an estimate of the costs of capital improvements required to be

made to the SCORE Facility within the applicable year, (b) on a line item basis, all anticipated revenues and expenses for the operation and maintenance of the SCORE Facility for the applicable year, and (c) any information required by policies adopted by the Administrative Board pursuant to Section 9(b) of this SCORE Interlocal Agreement.

"Capital Contribution" means, for each Owner City, that Owner City's Owner Percentage multiplied by the principal of and interest on Bonds as the same shall become due and payable.

"Code" means the Internal Revenue Code of 1986, as amended.

"Costs of Maintenance and Operation" means all reasonable expenses incurred by SCORE in causing the SCORE Facility to be operated and maintained in good repair, working order and condition, and all costs of administering SCORE.

"Designated Representative" means the Mayor or the City Manager, as selected by each Member City, or his or her designee.

"Effective Date" has the meaning set forth in Section 19 of this Agreement.

"Facility Director" means the director of the SCORE Facility selected by the Administrative Board pursuant to Section 7 of this SCORE Interlocal Agreement.

"Finance Committee" means the committee formed pursuant to Section 6 of this SCORE Interlocal Agreement.

"**Host City**" means the City of Des Moines, Washington.

"Host City Agreement" means the Host City Agreement among the cities of Renton, Federal Way, Auburn and Des Moines and SCORE dated as of October 1, 2009.

"Member Cities" mean the Owner Cities and, until the date provided for in Section 20, the City of Federal Way.

"Operations Board" means the board formed pursuant to Section 6 of this SCORE Interlocal Agreement.

"Owner Cities" mean the Cities of Auburn, Burien, Des Moines, Renton, SeaTac and Tukwila, Washington.

"Owner Percentage" means the percentage assigned to each Owner City, as follows:

Owner City	Owner Percentage
Auburn	34.94%
Renton	40.96
Tukwila	9.64
Des Moines	6.02
Burien	4.82
SeaTac	3.62
Total	100.00%

"Presiding Officer" means the member of the Administrative Board selected pursuant to Section 5 of this SCORE Interlocal Agreement.

"SCORE" means the governmental administrative agency established pursuant to RCW 39.34.030(3) by the Member Cities.

"SCORE Facility" means the consolidated correctional facility acquired, constructed, improved, equipped, maintained and operated by SCORE.

"SCORE Facility Public Development Authority" means the South Correctional Entity Facility Public Development Authority chartered by the City of Renton, Washington.

"SCORE Interlocal Agreement" or **"SCORE Formation Interlocal Agreement"** means this Amended and Restated SCORE Interlocal Agreement among the Member Cities, as amended from time to time.

"Subscribing Agencies" mean the federal and state agencies, municipal corporations, and other local governments, other than the Member Cities, that contract with SCORE for correctional services at the SCORE Facility pursuant to the terms of this SCORE Interlocal Agreement.

"2009 SCORE Bonds" mean the SCORE Facility Public Development Authority Bonds, Series 2009A and Bonds, Series 2009B (Taxable Build America Bonds—Direct Payment) issued on November 4, 2009, in the aggregate principal amount of $86,235,000.

Section 2. SCORE Facility; Authority.

(a) Administrative Agency. There is hereby established a governmental administrative agency pursuant to RCW 39.34.030(3) to be known as the South Correctional Entity ("SCORE"). SCORE shall consist of the Member Cities.

(b) Powers of SCORE. SCORE shall have the power to acquire, construct, own, operate, maintain, equip, and improve a correctional facility known as the "SCORE Facility" and to provide correctional services and functions incidental thereto, for the purpose of detaining arrestees and sentenced offenders in the furtherance of public safety and emergencies within the jurisdiction of the Member Cities. The SCORE Facility may serve the Member Cities and Subscribing Agencies which are in need of correctional facilities. Any agreement with a Subscribing Agency shall be in writing and approved by SCORE as provided herein.

(c) Administrative Board. The affairs of SCORE shall be governed by the Administrative Board formed pursuant to Section 5 of this SCORE Interlocal Agreement. The Administrative Board shall have the authority to:

(1) Recommend action to the legislative bodies of the Member Cities;

(2) Approve the Budget, adopt financial policies and approve expenditures;

(3) Establish policies for investing funds and incurring expenditures of Budget items for the SCORE Facility;

(4) Review and adopt a personnel policy for the SCORE Facility;

(5) Establish a fund, or special funds, as authorized by chapter 39.34 RCW for the operation of the SCORE Facility;

(6) Conduct regular meetings as may be designated by the Administrative Board;

(7) Determine what services shall be offered at the SCORE Facility pursuant to the powers of SCORE and under what terms they shall be offered;

(8) Enter into agreements with third parties for goods and services necessary to fully implement the purposes of this SCORE Interlocal Agreement;

(9) Establish rates for services provided to members, subscribers or participating agencies;

(10) Direct and supervise the activities of the Operations Board and the Facility Director;

(11) Enter into an agreement with a public corporation or otherwise to incur debt;

(12) Make purchases or contract for services necessary to fully implement the purposes of this SCORE Interlocal Agreement;

(13) Enter into agreements with and receive and distribute funds from any federal, state or local agencies;

(14) Receive and account for all funds allocated to the SCORE Facility from its members;

(15) Purchase, take, receive, lease, take by gift, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, in the name of the SCORE Facility;

(16) Sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of property and assets;

(17) Sue and be sued, complain and defend, in all courts of competent jurisdiction in its name;

(18) Make and alter bylaws for the administration and regulation of its affairs;

(19) Enter into contracts with Subscribing Agencies to provide correctional services;

(20) Employ employees as necessary to accomplish the terms of this SCORE Interlocal Agreement;

(21) Establish policies and procedures for adding new parties to this SCORE Interlocal Agreement; and

(22) Engage in any and all other acts necessary to further the goals of this SCORE Interlocal Agreement.

Section 3. Duration of Agreement.

The initial duration of this SCORE Interlocal Agreement (commencing from February 25, 2009, the date of the original interlocal agreement relating to SCORE) shall be for a period of ten (10) years and, thereafter, shall automatically extend for additional five (5) year periods unless terminated as provided in this SCORE Interlocal Agreement. Notwithstanding the foregoing, this SCORE Interlocal Agreement shall not terminate until all Bonds issued by the SCORE Facility Public Development Authority as provided in Section 15 of this SCORE Interlocal Agreement are no longer outstanding.

Section 4. Withdrawal and Termination.

(a) Subject to Section 4(g) below, any Member City may withdraw its membership and terminate its participation in this SCORE Interlocal Agreement by providing written notice and serving that notice on the other Member Cities on or before

December 31 in any one-year. After providing appropriate notice as provided in this Section, that Member City's membership withdrawal shall become effective on the last day of the year following delivery and service of appropriate notice to all other Member Cities.

(b) Subject to Section 3 above, four (4) or more Member Cities may, at any one time, by written notice provided to all Member Cities, call for a termination of SCORE and this SCORE Interlocal Agreement. Upon an affirmative supermajority vote (majority plus one) by the Administrative Board, SCORE shall be directed to terminate business, and a date will be set for final termination, which shall be at least one (1) year from the date of the vote to terminate this SCORE Interlocal Agreement. Upon the final termination date, this SCORE Interlocal Agreement shall be fully terminated.

(c) Subject to Section 4(g) below, in the event any Member City fails to budget for or provide its applicable annual funding requirements for SCORE as provided in Section 15 hereof, the remaining Member Cities may, by majority vote, immediately declare the underfunding City to be terminated from this SCORE Interlocal Agreement and to have forfeited all its rights under this SCORE Interlocal Agreement as provided in Section 4(e). The remaining Member Cities may, at their option, withdraw SCORE's correctional services from that City, or alternatively, enter into a Subscribing Agency agreement with that City under terms and conditions as the remaining Member Cities deem appropriate.

(d) Time is of the essence in giving any termination notice.

(e) If an individual Owner City withdraws its membership in SCORE, the withdrawing City will forfeit any and all rights it may have to SCORE's real or personal property, or any other ownership in SCORE, unless otherwise provided by the Administrative Board.

(f) Upon termination of this SCORE Interlocal Agreement, all property acquired during the life of this SCORE Interlocal Agreement shall be disposed of in the following manner:

(1) All real and personal property acquired pursuant to this SCORE Interlocal Agreement shall be distributed to the Owner Cities based on the Owner Percentages; and

(2) All unexpected funds or reserve funds shall be distributed based on the percentage of average daily population at the SCORE Facility for the last three (3) years prior to the termination date of those Member Cities still existing on the day prior to the termination date.

(g) Notwithstanding any of the other rights, duties or obligations of any Member City under this Section 4, the withdrawal of any Owner City from this SCORE

Interlocal Agreement shall not discharge or relieve the Owner City that has withdrawn pursuant to Section 4(a) or been terminated pursuant to Section 4(c) of its obligation to pay debt service on Bonds issued by the SCORE Facility Public Development Authority. An Owner City may be relieved of its obligation under this SCORE Interlocal Agreement to make payments with respect to its Capital Contribution if the Administrative Board, by supermajority vote (majority plus one), authorizes such relief based on a finding that such payments are not required to pay debt service on Bonds issued by the SCORE Facility Public Development Authority.

Section 5. Administrative Board.

(a) Formation. An Administrative Board composed of the Designated Representative from each Member City shall govern the affairs of SCORE.

(b) Allocation of Votes. Each Board member shall have an equal vote and voice in all Board decisions.

(c) Voting Requirements. Votes regarding (1) debt; (2) approval of the Budget; (3) employment of the Facility Director; (4) cost allocations made prior to the issuance of Bonds; and (5) approval of labor contracts, shall require an affirmative vote of a supermajority (majority plus one) of the Member Cities, two (2) of which shall have the highest and the second highest average daily population in the SCORE Facility for the 12-month period ending June 30 (or other such date as the Administrative Board shall determine as set forth in its financial policies) of the preceding year.

Votes regarding (1) the conveyance of real property; (2) the addition of additional services pursuant to this SCORE Interlocal Agreement not directly incidental to correctional services (such as providing court services); and (3) matters addressed in Sections 4(b) and (g) and Section 15(d)(2)(iv) of this SCORE Interlocal Agreement, shall require an affirmative vote of a supermajority (majority plus one) of the Member Cities.

(d) Parliamentary Authority. Unless otherwise provided, Robert's Revised Rules of Order (newly revised) shall govern all procedural matters relating to the business of the Administrative Board.

(e) Officers of the Administrative Board. Members of the Administrative Board shall select a Presiding Officer from its members, together with such other officers as a majority of the Administrative Board may determine. Subject to the control of the Administrative Board, the Presiding Officer shall have general supervision, direction and control of the business and affairs of SCORE. On matters decided by the Administrative Board, the signature of the Presiding Officer alone is sufficient to bind SCORE.

(f) Meetings of the Administrative Board. There shall be a minimum of two (2) meetings each year. Unless otherwise designated by the Presiding Officer, the first

meeting shall be held on the second Tuesday of February of each year to review the prior years' service. The second meeting shall be on the second Tuesday of September of each year to consider and adopt a Budget for the following fiscal year. Other meetings may be held upon request of the Presiding Officer or any two members. All meetings shall be open to the public to the extent required by chapter 42.30 RCW.

Prior to January 1, 2020, five (5) members, and from and after January 1, 2020, four (4) members of the Administrative Board must be present at any meeting of the Administrative Board to comprise a quorum, and for the Administrative Board to transact any business. Proxy voting shall not be allowed. Members of the Administrative Board may participate in a meeting through the use of any means of communication by which all members and members of the public participating in such meeting can hear each other during the meeting. Any members of the Administrative Board participating in a meeting by such means is deemed to be present in person at the meeting for all purposes including, but not limited to, establishing a quorum.

(g) Bylaws. The Administrative Board shall be authorized to establish bylaws that govern procedures of the Administrative Board and the SCORE Facility's general operations.

(h) Administrative Board Review. A general or particular authorization or review and concurrence of the Administrative Board by majority vote shall be necessary for all capital expenditures or contracts in excess of $50,000.

Section 6. Operations Board; Finance Committee; Other Committees.

(a) Operations Board. There is established an Operations Board which shall be advisory to the Facility Director, staff and Administrative Board on operational matters of SCORE. The Administrative Board shall establish the specific purpose and duties of the Operations Board.

The Operations Board shall consist of up to nine (9) members selected as provided in this paragraph. One (1) member shall be designated by each of the Member Cities, and up to three (3) at-large members shall be selected, by majority vote, by the Subscribing Agencies to represent the police departments of the Subscribing Agencies. At the time set for election of the at-large members, only the representatives of the Subscribing Agencies, then in attendance, will participate in the election. The Member Cities' Operations Board representatives shall not participate in the at-large member elections. The at-large members shall serve one-year terms, unless otherwise determined by majority vote of the Operations Board. Each member of the Operations Board shall have an equal vote in all Operations Board decisions. The Operations Board shall be authorized to establish bylaws and/or procedures that govern its operations. The Operations Board shall elect a presiding officer from its members and shall determine the time and place of its meetings. All meetings shall be open to the public if and to the extent required by chapter 42.30 RCW.

(b) Finance Committee. There is established a Finance Committee, which shall be advisory to the Facility Director, staff and Administrative Board on finance matters of SCORE. The Administrative Board shall establish the specific purpose and duties of the Finance Committee. The Finance Committee shall consist of the finance directors or managers of each of the Member Cities. Each member of the Finance Committee shall have an equal vote in all Finance Committee decisions. The Finance Committee shall be authorized to establish bylaws and/or procedures that govern its operations. The Finance Committee shall elect a presiding officer from its members and shall determine the time and place of its meetings. All meetings shall be open to the public if and to the extent required by chapter 42.30 RCW.

(c) Standing or Temporary Committees. The Administrative Board may, from time to time, establish permanent and/or temporary committees to assist in its operations and operations of the SCORE Facility.

Section 7. Facility Director.

Day to day operations of SCORE and the SCORE Facility shall be administered by a Facility Director, who shall be appointed by the Administrative Board after receiving the recommendation of the Operations Board. The Administrative Board may accept or reject the Operations Board recommendation. Such Facility Director shall be responsible to the Administrative Board, shall develop the Budget in consultation with the Operations Board and shall take other appropriate means in order to fully implement the purposes of this SCORE Interlocal Agreement. The Facility Director shall administer SCORE and the SCORE Facility in its day-to-day operations consistent with the policies adopted by the Administrative Board. Such Facility Director shall have experience in technical, financial and administrative fields, and such appointment shall be on the basis of merit only.

Section 8. Personnel Policies.

(a) The Operations Board shall from time to time submit proposed personnel policies or proposed amendments to existing personnel policies to the Administrative Board for their approval, rejection or modification. All of such modifications or revisions shall be subject to the final approval of the Administrative Board.

(b) Such personnel policies shall provide for the initial appointment to the SCORE Facility's staff from the personnel presently, permanently appointed or assigned as corrections officers in the Member Cities. Additional employees shall be appointed by the Facility Director upon meeting the qualifications established by the Operations Board and adopted by the Administrative Board. None of such employees shall be commissioned members of any emergency service, but may be eligible for membership under the Public Employees Retirement Systems (PERS), or Public Safety Employees Retirement System (PSERS), as provided by law.

Section 9. Budget, Policies and Operations.

(a) The Facility Director shall distribute a proposed Budget to the Operations Board on or before August 1 of each year, which Budget, including any amendments by the Operations Board thereto, shall then be provided to the Administrative Board no later than September 1 of such year. Thereafter, the Member Cities shall be advised of the programs and objectives as contained in said Budget, and of the required financial participation for the ensuing year.

(b) The Administrative Board shall develop financial policies for SCORE as part of the budgetary process. Such policies may include, but are not limited to, (1) items to be provided for in the Budget, (2) a minimum contribution amount for each Member City to pay for Costs of Maintenance and Operation, (3) the process for allocating unexpended amounts paid by the Member Cities for Costs of Maintenance and Operation and assessing the Member Cities in the event of cost overruns, (4) establishing and maintaining reserve accounts, if any, and (5) the process for adding a new party to this SCORE Interlocal Agreement.

(c) The allocation of prorated financial participation among the Member Cities shall be calculated as provided in Section 15 hereof. Each Member City shall be unconditionally obligated to provide its allocable share of costs as provided in this SCORE Interlocal Agreement.

Section 10. Contracts and Support Services.

(a) The Administrative Board (or the Operations Board or the Facility Director, if so designated by the Administrative Board) shall, as necessary, contract with local governments for the use of space for its operations, auxiliary services including but not limited to records, payroll, accounting, purchasing, and data processing, and for staff prior to the selection of a Facility Director for the SCORE Facility.

(b) The Member Cities hereby agree to furnish legal assistance, from time to time, as approved by the Administrative Board. The Administrative Board may contract with the City Attorney of a Member City, other local government, or independent legal counsel as necessary.

Section 11. Policy and System Evaluation.

The Facility Director shall actively and continually consider and evaluate all means and opportunities toward the enhancement of operations effectiveness for correctional services so as to provide maximum and ultimate benefits to the members of the general public. The Facility Director shall present his or her recommendations to the Operations

Board from time to time. Any substantive change or deviation from established policy shall be subject to the prior approval of the Administrative Board.

Section 12. Additional Services Authorized.

The Administrative Board shall evaluate and determine the propriety of including additional correctional services for local governments, whenever so required, and shall determine the means of providing such services, together with its costs and effects. These additional services may include, but shall not be limited to the following: alternatives to incarceration, inmate transportation systems, and consolidated court services.

Section 13. Inventory and Property.

(a) Equipment and furnishings for the operation of the SCORE Facility shall be acquired by SCORE as provided by law. If any Member City furnishes equipment or furnishings for SCORE's use, title to the same shall remain with the respective local entity unless that equipment is acquired by SCORE.

(b) The Facility Director shall, at the time of preparing the proposed Budget for the ensuing year, submit to the Operations Board a complete inventory together with current valuations of all equipment and furnishings owned by, leased or temporarily assigned to SCORE. In case of dissolution of SCORE, such assigned or loaned items shall be returned to the lending governmental entity and all other items, including real property, or funds derived from the sale thereof, shall be distributed in accordance with Section 4(f) above.

(c) Title to real property purchased or otherwise acquired shall be held in the name of SCORE; provided however, that for valuable consideration received, SCORE may convey ownership of any real property as may be approved by supermajority vote (majority plus one) of the Administrative Board.

Section 14. Local Control.

Each Member City and Subscribing Agency shall retain the responsibility and authority for the operation of its police departments, and for such equipment and services as are required at its place of operation to utilize the SCORE Facility.

Section 15. SCORE Facility Financing and Construction; SCORE Facility Public Development Authority.

(a) SCORE Facility. In order to provide necessary services for the Member Cities and the Subscribing Agencies, SCORE has and/or shall acquire, construct, improve, equip, maintain and operate the SCORE Facility. The SCORE Facility is currently located in the City of Des Moines, Washington.

(b) Contracts for the SCORE Facility. The Administrative Board shall authorize, and the Presiding Officer of the Administrative Board, or his or her approved designee, will execute contracts for the development, improvement and maintenance of the SCORE Facility. These contracts may include, without limitation, contracts for architectural design and engineering, project management services, real estate acquisition, and construction.

(c) SCORE Facility Public Development Authority. In order to finance and refinance costs of acquiring, constructing, improving and equipping the SCORE Facility, the City of Renton has chartered the SCORE Facility Public Development Authority. The purpose of the SCORE Facility Public Development Authority is to issue Bonds to finance and refinance the acquisition, construction, improvement and equipping of the SCORE Facility and for any other SCORE purpose. The Administrative Board shall serve *ex officio* as the Board of Directors of the SCORE Facility Public Development Authority as further provided in the Authority's organizational charter. Upon issuance of Bonds by the SCORE Facility Public Development Authority, Bond proceeds shall be deposited on behalf of SCORE and used for the purposes set forth herein. SCORE shall be obligated to make payments to the SCORE Facility Public Development Authority at the time and in the amounts required to pay principal of and interest on the Bonds and any administrative costs of the SCORE Facility Public Development Authority.

(d) SCORE Facility Financing.

(1) *Capital Contributions*. Each Owner City shall be obligated to pay an amount equal to its Capital Contribution without regard to the payment or lack thereof by any other Owner City. No Owner City shall be obligated to pay the Capital Contribution of any other Owner City, and each Owner City shall be obligated to budget for and pay its Capital Contribution. The obligation of each Owner City to pay its Capital Contribution shall be an irrevocable full faith and credit obligation of such Owner City, payable from property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the Owner City on all of the taxable property within the Owner City and other sources of revenues available therefor. Each Owner City has or will set aside and include in its calculation of outstanding nonvoted general obligation indebtedness an amount equal to the principal component of its Capital Contribution for so long as Bonds remain outstanding, unless relieved of such payment in accordance with Section 4(g). Each Owner City's obligation to pay the Capital Contribution shall not be contingent on the receipt of any revenues from other sources, including but not limited to Subscribing Agencies or any Member Cities.

An Owner City may prepay its Capital Contribution in a manner that is consistent with the authorizing documents for the Bonds; provided, however, that any such prepayment of one or more Owner Cities shall not affect the Capital Contribution of the

remaining Owner Cities. Any Owner City that elects to prepay its Capital Contribution shall be responsible for paying all costs associated with such prepayment.

(2) *Costs of Maintenance and Operation.* Subject to the terms of the financial policies established by the Administrative Board, each Member City shall be obligated to pay its allocable portion of Costs of Maintenance and Operation of the SCORE Facility, including any debt issued to finance such costs, as determined in this subsection.

(i) Until the end of the first calendar year of operations of the SCORE Facility (estimated to be December 31, 2012), the allocable portion that each Member City shall be obligated to pay of Costs of Maintenance and Operation in such year shall be equal to the Member City's 2007 average daily population in all correctional facilities (as provided in the SCORE financial policies) multiplied by the Costs of Maintenance and Operation.

(ii) Commencing with the calendar year following the first calendar year of operations, the allocable portion that each Member City shall be obligated to pay of Costs of Maintenance and Operation shall be based on the Member City's average daily population in the SCORE Facility, as supplemented as necessary with the average daily population allocable to the Member Cities in all correctional facilities, for the 12-month period ending June 30 of the preceding year.

(iii) Commencing with the third calendar year of operations, the allocable portion that each Member City shall be obligated to pay of Costs of Maintenance and Operation shall be based on the Member City's average daily population in the SCORE Facility for the 12-month period ending June 30 (or other such date as the Administrative Board shall determine as set forth in its financial policies) of the preceding year.

(iv) Commencing with the calendar year beginning January 1, 2020, the allocable portion that each Member City shall be obligated to pay of Costs of Maintenance and Operation shall either (A) be based on the Member City's average daily population in the SCORE Facility for the 12-month period ending June 30 (or other such date as the Administrative Board shall determine as set forth in its financial policies) of the preceding year, or (B) be based on the methodology approved by an affirmative vote of a supermajority (majority plus one) of the Member Cities.

(e) Billing and Allocation of Revenues. Each Member City shall be billed for its Capital Contribution and its portion of Costs of Maintenance and Operation, as applicable, on a semiannual basis, or more frequently as determined by the Administrative Board, calculated as provided above. Revenues received in a calendar year from

Subscribing Agencies or from sources other than the contributions described above shall be allocated among the Member Cities either as set forth in the SCORE financial policies or as follows: (i) each Member City shall receive a credit against its obligation to pay Costs of Maintenance and Operation based on that Member City's proportional average daily population as calculated as provided above, and (ii) each Owner City shall receive a credit against its Capital Contribution based on that Owner City's proportional Owner Percentage.

(f) Host City. Pursuant to RCW 35.21.740, the City of Des Moines, as the Host City, hereby authorizes the City of Renton to operate the SCORE Facility Public Development Authority within the corporate limits of the City of Des Moines in a manner consistent with the terms of this SCORE Interlocal Agreement.

(g) Tax-Exemption. The Member Cities shall not (1) make any use of the proceeds from the sale of Bonds issued on a tax-exempt basis or any other money or obligations of the SCORE Facility Public Development Authority or the Member Cities that may be deemed to be proceeds of such Bonds pursuant to Section 148(a) of the Code that will cause such Bonds to be "arbitrage bonds" within the meaning of said Section and said regulations, or (2) act or fail to act in a manner that will cause such Bonds to be considered obligations not described in Section 103(a) of the Code.

(h) Additional Financing. Notwithstanding anything to the contrary in this SCORE Interlocal Agreement, bonds, notes or other evidences of borrowing may be issued from time to time by the SCORE Facility Public Development Authority or another issuer pursuant a separate agreement between one or more Member Cities and other entities to provide additional financing for the SCORE Facility on terms as agreed upon by the parties thereto.

(i) Special Facility Designation. The SCORE Facility, including all equipment, furnishings, and fixtures is critical to the ability of the Member Cities and the Subscribing Agencies to provide necessary and secure correctional services and assure public safety. Consequently, the SCORE Facility is essential to the preservation of the public health, safety, and welfare. As a result, the SCORE Facility's equipment, furnishings, and fixtures are special facilities subject to unique standards. Accordingly, based on the facts presented in this subsection, it is hereby resolved that the established policy of the Member Cities is that the SCORE Facility constitutes a "special facility" under RCW 39.04.280(1)(b), and all purchases of any kind or nature for the SCORE Facility shall be exempt from competitive bidding requirements as prescribed by Washington State statute but shall be governed by the procurement policy established by the Administrative Board as amended from time to time.

Section 16. Compliance with Continuing Disclosure Requirements.

To the extent necessary to meet the conditions of paragraph (d)(2) of United States Securities and Exchange Commission Rule 15c2-12 (the "Rule"), as applicable to a participating underwriter or remarketing agent for the Bonds, each Owner City will enter into an undertaking in a form acceptable at the time to the participating underwriter or remarketing agent, as the case may be.

Section 17. Miscellaneous.

(a) Interlocal Agreement. The Member Cities agree:

(1) This SCORE Interlocal Agreement is intended to create a separate administrative entity within the meaning of RCW 39.34.030(3) and not a "joint board" within the meaning of RCW 39.34.030(4)(a);

(2) The Designated Representative of each Member City is appointed as the "administrator" within the meaning of RCW 39.34.030(4)(a) responsible for administering the Member City's rights and duties set forth in this SCORE Interlocal Agreement; and

(3) The Parties will file or post this Agreement as required by RCW 39.34.040.

(b) Governing Law. This SCORE Interlocal Agreement shall be governed by and construed in accordance with the laws of the State of Washington. If any dispute arises between the Member Cities under any of the provisions of this SCORE Interlocal Agreement, resolution of that dispute shall be available only through the jurisdiction, venue and rules of the King County Superior Court, King County, Washington.

(c) Non-Waiver of Breach. The failure of any Member City to insist upon strict performance of any provision of this SCORE Interlocal Agreement or to exercise any right based upon a breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any right under this SCORE Interlocal Agreement.

(d) Compliance with all Laws. SCORE and the Member Cities shall comply with all federal, state and local laws, rules, regulations, resolutions and ordinances applicable to the performance of this SCORE Interlocal Agreement.

(e) Continuation of Performance. In the event that any dispute or conflict arises between the Member Cities while this SCORE Interlocal Agreement is in effect, the Member Cities hereto agree that, notwithstanding such dispute or conflict, they shall continue to make a good faith effort to cooperate and continue work toward successful completion of assigned duties and responsibilities.

Section 18. Severability.

If any part, paragraph, section or provision of this SCORE Interlocal Agreement is adjudged to be invalid by any court of competent jurisdiction such adjudication shall not affect the validity of any remaining section, part or provision of this SCORE Interlocal Agreement.

Section 19. Effective Date; Amend and Replace Original Interlocal Agreement.

This SCORE Interlocal Agreement shall become effective on _____, 2019, the date of defeasance (the "Effective Date") of all of the outstanding 2009 SCORE Bonds. On the Effective Date, this SCORE Interlocal Agreement shall amend and restate, in its entirety, the Amended and Restated SCORE Interlocal Agreement effective October 1, 2009.

Section 20. Federal Way Refunding Bonds; Agreement Between SCORE and Federal Way.

The City of Federal Way ("Federal Way") and SCORE will enter into an agreement (the "SCORE/Federal Way Agreement") to be dated the date of defeasance of all of the outstanding 2009 SCORE Bonds. Pursuant to the SCORE/Federal Way Agreement: (a) Federal Way acknowledges that the parties hereto will enter into this SCORE Interlocal Agreement; (b) until the effective date of its withdrawal from SCORE (December 31, 2019), Federal Way will be considered a "Member City" for purposes of this SCORE Interlocal Agreement, but shall not be considered an "Owner City" and shall not in any way be responsible for paying any share of any Bonds or other debt obligations of SCORE or the SCORE Facility Public Development Authority; (c) Federal Way agrees to issue bonds and to use the proceeds thereof to repay its capital contribution with respect to the 2009 SCORE Bonds (the "Federal Way Refunding Bonds"); and (d) for as long as the Federal Way Refunding Bonds, and any bonds issued to refund such bonds, issued on a tax-exempt basis are outstanding (which as of their date of issuance are scheduled to mature on January 1, 2039), SCORE covenants that it will not provide to nongovernmental persons special legal entitlements to use the SCORE Facility in a manner that will adversely impact the tax-exempt status of any such bonds. SCORE shall monitor the use of the SCORE Facility to ensure that it complies with the terms of the SCORE/Federal Way Agreement for so long as such Federal Way Refunding Bonds, or any bonds issued to refund such bonds, are outstanding. The parties hereto approve SCORE entering into the SCORE/Federal Way Agreement.

Section 21. Termination of Host City Agreement.

Pursuant to Section 5 of the Host City Agreement, the parties hereto agree that the Host City Agreement shall terminate as of the Effective Date of this SCORE Interlocal

Agreement. As of the Effective Date of this SCORE Interlocal Agreement, Des Moines shall be an Owner City of SCORE with the same rights and privileges as the other Owner Cities as provided herein.

Section 22. Execution and Amendment.

This SCORE Interlocal Agreement shall be executed on behalf of each party hereto by its Designated Representative, or other authorized officer, and pursuant to an appropriate motion, resolution or ordinance of such party.

This SCORE Interlocal Agreement may not be effectively amended, changed, modified or altered, except by an instrument in writing duly executed by the Designated Representative, or other authorized officer, of each party hereto and pursuant to an appropriate motion, resolution or ordinance of such party. Notwithstanding the foregoing, so long as the Bonds are outstanding, any such amendment, in the opinion of the SCORE Facility Public Development Authority or its counsel, shall not materially adversely affect the owners of the Bonds or affect the tax-exempt status of the interest paid on the Bonds.

Section 23. Third Party Beneficiaries.

The SCORE Facility Public Development Authority and the holders from time to time of the Bonds shall be third party beneficiaries hereof and the commitments made in Section 15 herein shall be for their further benefit.

Section 24. Hold Harmless.

The parties to this SCORE Interlocal Agreement shall defend, indemnify and save one another harmless from any and all claims arising out of the performance of this SCORE Interlocal Agreement, except to the extent that the harm complained of arises from the sole negligence of one of the participating members. Any loss or liability resulting from the negligent acts errors or omissions of the Administrative Board, Operations Board, Finance Committee, Facility Director and or staff, while acting within the scope of their authority under this SCORE Interlocal Agreement shall be borne by SCORE exclusively.

Section 25. Counterparts

This SCORE Interlocal Agreement may be executed in any number of counterparts, each of whom shall be an original, but those counterparts will constitute one and the same instrument.

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

[execution pages to follow]