

**INTERLOCAL AGREEMENT FOR SHORT-TERM LOAN
OF FUNDS FROM KITTITAS COUNTY TO
KITTITAS COUNTY TELEVISION RECEPTION IMPROVEMENT TV DISTRICT**

THIS AGREEMENT is made between **KITTITAS COUNTY, WASHINGTON**, a political subdivision of the State of Washington, (hereinafter referred to as "**COUNTY**"), and **KITTITAS COUNTY TELEVISION RECEPTION IMPROVEMENT TV DISTRICT**, a municipal corporation or quasi-municipal corporation duly organized under chapter RCW 36.95 and existing under and by virtue of the laws of the State of Washington (hereinafter referred to as "**TV DISTRICT**").

Recitals

A. This Agreement is entered into pursuant to the Interlocal Cooperation Act, Chapter 39.34 of the Revised Code of Washington.

B. The Board of Kittitas County Commissioners, at a public meeting held on November 9, 2009 at 3:00 p.m., by motion voted to approve and authorize the terms of this Agreement.

C. The TV District Board, at the same public meeting held on November 9, 2009 at 3:00 p.m., also approved and authorized the terms of this Agreement.

D. The TV District has a need to borrow up to Forty-Thousand Dollars (\$40,000.00).

E. The County has funds available to invest in an amount equal to the anticipated needs of the TV District.

F. By virtue of RCW 39.59.020(4), the County is authorized to invest its funds in interest-bearing investments as allowed by law.

G. By virtue of RCW 39.50.020, the TV District is authorized to contract indebtedness and borrow money, in anticipation of receiving revenues, taxes or grants, and the proceeds of such indebtedness or borrowed money may be used for any lawful purpose of the TV District.

H. It is in the best interests of the County, the TV District, and the citizens of Kittitas County that the parties enter into this loan agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and pursuant to the laws of the State of Washington as above set forth, it is hereby covenanted and agreed by and between the County and the TV District, as follows:

1. The County agrees to loan to the TV District a sum not to exceed Forty Thousand and No One/Hundredths Dollars (\$40,000.00) on or before December 15, 2009.

2. The TV District agrees to repay such loan in full as follows:

- (a) Maximum \$40,000.00 plus then accrued interest to be paid on or before December 15, 2010, subject to a possible renewal of this loan as provided in Paragraph 12 of this Contract.

3. As evidence of the TV District's good faith intent to repay any indebtedness created hereunder, the TV District agrees to provide an updated list of District television set owners pursuant to RCW 36.95.080 and to deliver such updated list to the Kittitas County Treasurer on or before December 7, 2009.

4. As further evidence of the TV District's good faith intent to repay any indebtedness created hereunder, the TV District agrees to provide the County with a copy of its recent application for grant funds, which funds the TV District expects to receive in order to complete its purchase of updated television reception equipment.

5. The County shall charge interest on the maximum \$40,000.00 loan at the State Pool current market rate of Thirty One Hundredths of a Percent (00.30%).

6. As security for said loan, the TV District does hereby promise and pledge to update and complete its taxpayer list and deliver the list to the Kittitas County Treasurer by no later than December 7, 2009. In addition to the updated list developed and provided by the TV District, the District shall accompany the list with an additional request to the Kittitas County Treasurer, for the Treasurer to process said list by issuing a tax roll and sending tax notices pursuant to chapter 36.95 RCW for the year 2010. Failure on the part of the TV District to complete and update its taxpayer list and to deliver said list to the County Treasurer for processing shall be cause for denial by the County to fund the loan on December 15, 2009.

7. As further security for said loan, the TV District does hereby pledge to make available any and all funds and monies to be received by the TV District while said indebtedness remains unpaid, including any grant funds or monies the TV District has or shall during the term of said loan receive. In the event of the TV District's failure to make payment as agreed herein, the TV District grants the Kittitas County Treasurer full authority to collect such payment by setoff against any and all TV District funds on deposit or to be deposited with the Kittitas County Treasurer, including deposits of the aforementioned grant funds to be received by the TV District. The TV District grants the Kittitas County Treasurer full authority to make such setoffs without judicial process or additional authorization from the TV District's Board of Commissioners.

8. The Kittitas County Treasurer shall direct the call and repayment of the loan made pursuant to this Agreement. **PROVIDED, HOWEVER,** the TV District may repay the loan at any time without penalty.

9. In consideration of the County's agreement to loan the sum not to exceed \$40,000.00, the TV District and its officers who have affixed their signatures hereto do represent and certify as follows:

- (a) That the Kittitas County Television Improvement TV District is a duly organized municipal corporation or quasi-municipal corporation of the State of

Washington, and the persons signing this Agreement on behalf of the TV District are duly and lawfully elected or appointed and are authorized to execute this Agreement on behalf of the TV District.

(b) That all action necessary or appropriate to authorize the issuance of the loan herein described has been done and performed in the time and manner required by law and by this Agreement; that receipt of said loan will not cause the indebtedness of the TV District to exceed any statutory or constitutional limitation; and that the TV District possesses the legal authority to incur the indebtedness for which the loan described herein is made.

(c) That no litigation of any nature is now pending or, to the TV District's knowledge, threatened, which would restrain or enjoin the TV District from incurring the debt described herein, or in any manner bring into question the proceedings and authority under which said loan is to be made, received, and repaid.

10. This Contract has been and shall be construed as having been made and delivered within the State of Washington, and it is agreed by each party hereto that this Contract shall be governed by the laws of the State of Washington, both as to interpretation and performance.

11. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract or any of the provisions thereof, shall be instituted and maintained only in a court of competent jurisdiction in Kittitas County, Washington.

12. The TV District shall have the option to renew this Agreement and the underlying loan described herein for an additional one (1) year, subject to the following terms and conditions:

(a) The TV District agrees to reduce the principal amount of the unpaid balance of the loan plus interest by at least \$20,000.00 principal per year payable as follows: \$20,000.00 principal plus then accrued interest on December 15, 2010 and, if the loan is renewed and remains outstanding, an additional \$10,000.00 principal plus then accrued interest on June 1, 2011, and an additional \$10,000.00 principal plus then accrued interest on December 15, 2011. Failure to meet these requirements shall constitute default and all remaining unpaid amounts, both principal and interest, shall then be immediately due and payable to the County.

(b) Any loan renewal allowed by the County shall begin on December 16, 2009 and such loan renewal shall be issued in the amount of the then outstanding principal balance of the loan with interest fixed at .5% over the State Pool Rate in effect on the date of renewal.

(c) The entire loan, both principal and interest, shall be repaid in full no later than December 15, 2011.

13. The parties agree that this Contract is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded.

14. Any modification of this Contract shall be in writing and signed by both parties.

15. Failure to comply with any of the provisions stated herein shall constitute a material breach of contract and shall be cause for termination. The parties understand and agree that any forgiveness by the County of any nonperformance of this Contract by the TV District does not constitute a waiver of the provisions of this Contract.

16. Both parties understand and agree that time is of the essence of the provisions of this Contract.

17. Should either party find it necessary to commence suit to enforce the terms of this Contract, the prevailing party shall be entitled to recovery of reasonable attorney fees in addition to the costs of litigation.

18. A copy of this Contract shall be publicly filed pursuant to the requirements of RCW 39.34.040.

IN WITNESS WHEREOF, the parties herein have executed this Agreement through their respective duly authorized officers, on this 1st day of December, 2009.

**KITTITAS COUNTY BOARD
OF COUNTY COMMISSIONERS**

KITTITAS COUNTY TV DISTRICT



Alan Crankovich, Chair



Jim Mapes, Board Chair

ABSENT


Paul Jewell, Vice Chair



James Carkner, Board Member

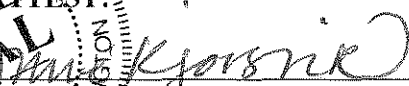


Mark McClain, Commissioner



Ben Kern, Board Member



ATTEST:



Julie Kjosvick, Clerk of the Board

ATTEST:


Kelly Bacon, TV District Board Clerk

APPROVED:


Deanna Panattoni, Kittitas County Treasurer

APPROVED AS TO FORM ONLY:


Deputy Prosecuting Attorney