

**INTERLOCAL AGREEMENT
BETWEEN SPOKANE SCHOOL DISTRICT NO. 81
AND EAST VALLEY SCHOOL DISTRICT NO. 361**

This Interlocal Agreement ("Agreement") is made and entered into by and between Spokane School District No. 81, Spokane County, Washington ("Spokane") and East Valley School District No. 361, Spokane County, Washington ("East Valley"). Spokane and East Valley are sometimes collectively referred to herein as the "Parties" and each a "Party." This Agreement is made pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW (the "Act") and has been authorized by the governing body (*i.e.*, Board of Directors) of each Party. Each of the Parties is a "public agency" as defined in the Act. In consideration of the mutual covenants and promises hereinafter set forth, the Parties agree as follows.

1. Recitals.

1.1. Pursuant to the Act, a Washington school district may enter into an interlocal agreement with another Washington school district to perform any governmental service, activity or undertaking that each school district entering into the agreement is authorized by law to perform in a manner that will accord best with geographic, economic, population and other factors influencing the needs and developments of local communities.

1.2. Washington school districts are authorized by law to establish, maintain and operate public schools and educational programs, and to lease facilities for educational purposes.

1.3. East Valley is currently providing the "Keys" choice program for students enrolled at St. Charles Catholic School ("St. Charles"), 4515 N. Alberta St., Spokane, WA 99205, which is within the geographic boundaries of Spokane.

1.4. The Parties recognize that students, parents, teachers, community members, businesses, local governments and the State of Washington (the "State") benefit substantially from cooperative, coordinated and shared approaches to promoting student achievement, and particularly with respect to choice options for students.

1.5. This Agreement is not intended to impact or change the boundaries of either Spokane or East Valley but is intended to provide a mechanism to allow East Valley to provide a choice educational program within the geographic boundaries of Spokane in accordance with the terms of this Agreement.

2. Operational Responsibility

2.1. Except as provided in this Agreement, and upon its full execution, East Valley shall have the right and obligation to maintain sole control over the Keys choice program at St. Charles, including all teaching, curriculum, resources, personnel, and instructional responsibilities.

2.2. East Valley shall provide to Spokane, a complete program description, course offerings, copies of the St. Charles admission form "KEYS Program Statements of Understanding" and any other parent handbook/communication regarding the educational program.

2.3. East Valley shall organize meetings between the representatives for Spokane, East Valley and St. Charles school during the 2013-2014 school year to provide for a smooth transition of services for students and Spokane.

2.4. Spokane has determined: (a) to authorize East Valley to operate the Keys choice program at St. Charles school within the boundaries of Spokane according to the terms of this Agreement; and (b) to enter into this Agreement.

3. Enrollment of Spokane Students

As of the date of this Agreement, no currently enrolled Spokane student is enrolled in the Keys choice program at St. Charles.

4. Duration of Agreement and Termination.

4.1 It is the intent of the Parties that this Agreement continues until and expires no later than June 30, 2014 and that choice transfer releases for the Keys choice program at St. Charles remain in effect for the 2013-2014 school year. Considering this intent, this Agreement shall remain in effect from the date the last agreeing Party affixes its signature hereto (the "Effective Date") through June 30, 2014.

4.2 Nothing in the Agreement is intended to create a contract for a term that is longer than the term that is permitted by applicable law. To the extent that the language of the Agreement does create a longer term than is permitted by law, the contract shall be reformed so that the term is no longer than the term that is permitted by law.

4.3 Upon termination of this Agreement, any authority for East Valley to offer choice educational programs within the boundaries of Spokane ceases.

5. Project and Purpose.

5.1. The governmental service, activity or undertaking to be performed under this Agreement shall consist of operating the Keys program for St. Charles according to the terms of this Agreement.

5.2. This Agreement sets forth the powers, rights, objectives, and responsibilities of the Parties with respect to the Keys choice program for students at St. Charles.

6. Project Authorized.

Spokane confers upon East Valley the authority to operate the Keys choice program within the geographic boundaries of Spokane School District. East Valley shall have sole responsibility for operating the Keys choice program at St. Charles. Any contracts, obligations, taxes, fees and/or debts incurred for the Keys choice program are the sole responsibility of East Valley. Spokane shall incur no indebtedness nor authorize any expenditure for or on behalf of East Valley.

7. Administration.

No separate legal entity or administrative agency is created by this Agreement. Administration of this Agreement shall be by the Superintendent of Spokane and the Superintendent of East Valley.

8. Finance and Budget Maintenance.

8.1. The Keys program at St. Charles shall be funded from legally available funds of East Valley, including, but not limited to: (a) existing funds in the East Valley General and/or Capital Projects Fund; (b) private gifts, grants and donations; (c) funds from other local, State and federal governments; and (d) other legally available money. No money from Spokane shall be required or contributed for the Program, unless otherwise separately agreed by the Parties.

8.2. East Valley shall be the "reporting entity" for applicable audit and fiscal controls for purposes of RCW 43.09.285 and the *Accounting Manual for Public School Districts*. East Valley shall incorporate in its General Fund and Capital Projects Fund Budget, as applicable, the money required for the Keys program and will account for the expenditures of these budgets as all other expenditures in the East Valley General and Capital Projects Fund are accounted.

9. Acquiring, Holding and Disposing of Real and Personal Property for the Keys Program.

No real and/or personal property shall be jointly acquired through this Agreement. East Valley shall be solely responsible for acquiring, holding and disposing of all real and personal property for the Keys program. All real and/or personal property acquired or to be acquired by East Valley for the Keys program, including, but not limited to, technology, furniture, equipment, apparatus, fixtures and appurtenances, shall be and remain the property of East Valley. Spokane shall have no right or interest in the real and/or personal property acquired or to be acquired by East Valley for the Keys program.

10. Distribution of Assets Upon Termination.

No assets will be distributed upon termination of this Agreement. Upon Agreement termination, all real and/or personal property acquired by East Valley for the Keys program, including, but not limited to, technology, furniture, equipment, apparatus, fixtures and appurtenances, shall be and remain the property of East Valley, and such property may be leased, sold or used for other purposes, all as deemed necessary or advisable by East Valley and as permitted by law.

11. Dispute Resolution.

11.1. In the event of a dispute between the Parties concerning any matters arising under this Agreement, the Parties shall first attempt to negotiate a settlement of such a dispute between themselves. Absent such a settlement, such dispute shall be considered by a three-member mediation panel ("Mediation Panel"). The Parties shall each appoint a member to the Mediation Panel and the third member shall be appointed by the Superintendent of Northeast Washington Educational Service District 101. A decision of a Mediation Panel shall be nonbinding and inadmissible in any arbitration or litigation.

11.2. If the Mediation Panel does not resolve the issue to the satisfaction of either or both Parties, either Party may seek resolution of the dispute through litigation, the venue of which shall be in Spokane County Superior Court.

11.3. Nothing in this Agreement shall impair a Party's right to seek injunctive relief from the Spokane County Superior Court if immediate and irreparable injury, loss or damage to any rights arising from this Agreement will occur before the mediation described in Section 11.1 of this Agreement can be conducted.

12. Indemnification/Hold Harmless.

12.1. To the extent permitted by law, East Valley shall indemnify, defend and hold harmless Spokane, its elected and appointed officials, officers, employees and agents from all claims, losses, suits, actions, legal or administrative proceedings, costs, attorneys' fees, litigation costs, expenses, damages, penalties, fines, judgments or decrees by reason of any death, injury or disability to or of any person or party, including employees, and/or damage to any property or business, including loss of use (collectively "damages") to the extent caused by any negligent act, error or omission of East Valley or its elected and appointed officials, officers, employees, agents, contractors or subcontractors ("East Valley's Functionaries"), when acting within such designated capacity, arising out of the Keys program. East Valley's obligation shall include, but not be limited to, defending all claims arising out of the Keys program and alleging damages from any negligent action, error or omission or breach of any common law, statutory or other delegated duty by East Valley and East Valley's Functionaries.

East Valley will provide information to Spokane, and Spokane will provide information to East Valley, regarding all claims.

12.2. To the extent permitted by law, Spokane shall indemnify, defend and hold harmless East Valley, its elected and appointed officials, officers, employees and agents from all claims, losses, suits, actions, legal or administrative proceedings, costs, attorneys' fees, litigation costs, expenses, damages, penalties, fines, judgments or decrees by reason of any death, injury or disability to or of any person or party, including employees, and/or damage to any property or business, including loss of use (collectively "damages") to the extent caused by any negligent act, error or omission of Spokane or its elected and appointed officials, officers, employees, agents, contractors or subcontractors, when acting within such designated capacity, relating to or in the performance of this Agreement.

12.3. East Valley agrees to acquire and maintain insurance in form and amounts as it determines is consistent with the coverage of comparable facilities and undertakings related to said facilities as contemplated under this Agreement. Such insurance may, without limitation, include self-insurance and/or pool insurance.

13. Filing Agreement.

Prior to its entry into force, this Agreement shall be filed with the county auditor or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source by the Parties.

14. Notices.

All notices or other communications shall be deemed sufficient hereunder if made in writing and delivered both by first-class mail, postage prepaid, to each Party at its respective address set forth below, or such other address as such Party may hereafter designate to the others in writing:

To East Valley:
Superintendent
East Valley School District No. 361
12325 E. Grace
Spokane, WA 99216

To Spokane:
Superintendent
Spokane School District No. 81
200 N. Bernard
Spokane, WA 99201

Notices sent by mail shall be deemed given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence.

15. Audits and Inspections.

The records and documents with respect to all matters covered by this Agreement shall be subject to and available for inspection, review, or audit by East Valley or Spokane during the term of this Agreement and for as many years after as required by applicable record retention schedules.

16. Revision, Amendment or Supplementation.

This Agreement may be revised, amended or supplemented by agreement of the Parties. Any revision, amendment or supplement shall be in writing, signed by the authorized officers of each Party. No revision, amendment or supplement shall take effect if it impairs any contractual obligation of either Party.

17. Miscellaneous.

17.1. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, because it conflicts with any provisions of any constitution, statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provisions in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

17.2. The Parties acknowledge that they have read and understand this Agreement, including any supplements or attachments hereto, and do agree thereto in every particular item.

17.3. The Parties further agree that this Agreement constitutes the entire Agreement between the Parties and supersedes all communications, written or oral, related to the subject matter of this Agreement.

17.4. Section headings have been inserted in this Agreement only as a matter of convenience of reference, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

17.5. The Parties shall comply with all applicable federal and state laws and regulations. Nothing in this Agreement shall be construed to limit or alter the underlying statutory authority or the responsibilities of East Valley or Spokane.

17.6. No rights or responsibilities required or authorized by this Agreement may be assigned by any Party hereto.

17.7. This Agreement is solely for the benefit of the Parties hereto and no third party shall be entitled to claim or enforce any rights hereunder.

17.8. This Agreement shall be interpreted and construed under the provisions of the laws of the State of Washington. Except as otherwise required by applicable law, any legal action under this Agreement shall be brought in Spokane County Superior Court.

17.9. The waiver by any Party of any breach of any term, covenant, or condition of this Agreement shall not be deemed a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition of this Agreement.

17.10. The Effective Date of this Agreement is the date the last agreeing Party affixes its signature hereto.

17.11. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

IN WITNESS WHEREOF, this Agreement has been executed by each Party as set forth below:

EAST VALLEY SCHOOL DISTRICT NO. 361

By: [Signature] Date: 3/8/14
President, Board of Directors

By: [Signature] Date: 3/8/14
Superintendent and Secretary to the Board of Directors

SPOKANE SCHOOL DISTRICT NO. 81

By: [Signature] Date: 2-12-14
President, Board of Directors

By: [Signature] Date: 2-12-14
Superintendent and Secretary to the Board of Directors

08/30/2013