

**INTERLOCAL AGREEMENT (NON-RENEWING)
FISCAL YEARS 2024-2025**



**EDUCATIONAL SERVICE DISTRICT NO 112
2500 NE 65th Avenue
Vancouver WA 98661-6812**

Parties to the Contract:

Educational Service District No. 112, hereinafter referred to as “ESD112”, and Shoreline School District No. 412, 18560 1st Ave. NE, Shoreline, WA 98155, hereinafter referred to as the “District”.

IN WITNESS WHEREOF, the District and ESD112 (the Parties) have executed this Agreement on the date and year indicated below. Signed versions of this Agreement transmitted by facsimile copy or electronic mail shall be the equivalent of original signatures on original versions.

SHORELINE SCHOOL DISTRICT NO 412

AUTHORIZED SIGNATURE:

DATE:

EDUCATIONAL SERVICE DISTRICT NO 112

AUTHORIZED SIGNATURE:

DATE:

Summary Statement-Contract Purpose

FINANCIAL ADVISORY SERVICES FOR BOND ISSUANCE

To provide independent financial advisory services intended to assist the District with obtaining efficient funding for the District’s capital facilities.

Contract Number: 25124-114

Financial Terms: Payments under this contract shall be based on the schedule Exhibit A, Section 3.1

Contract Period

Initial Term Start: Latest signature date above

Initial Term End Date: Execution & Payment of Bond Issuance Invoice for the sale of bonds related to planning starting in 2025.

Invoice Schedule: To be billed upon successful closing of bond issuances

Attachments: This Agreement consists of this signature page and the following exhibits, which constitute the entire understanding of the Parties.

Exhibit A: Terms for Services Provided

Exhibit B: General Terms & Conditions

ESD112 INFORMATION

REV ACCT NO: 8985 83 0100

DEPT APPROVAL Mark Prussing

BUDGET APPROVAL Mark Prussing

BUS SVC APPROVAL T Brittain

**IF OPTING OUT OF ELECTRONIC
SIGNATURE:**

Send scanned copy of contract with
executed signature by email to:
districtcontracts@esd112.org

EXHIBIT A
TERMS FOR SERVICES PROVIDED

1. Purpose.

1.1 ESD112 and the District are entering into this Agreement for the purpose of providing independent financial advisory services to the District as described in Section 4 below. Financial Advisory Services are intended to assist the District with obtaining efficient funding for the District's capital facilities.

1.2 The provision of educational, instructional or specialized services in accordance with this Agreement will improve student learning or achievement.

2. Term. This Agreement shall be effective upon approval of this Agreement, defined as the latest signature date by the Parties, and continue through issuance of the District's Unlimited Tax General Obligation and Refunding Bonds, as approved by the District's Board of Directors, unless terminated in accordance with Exhibit B, Section 4.

3. Finance, Budget and Property.

3.1 Contract Amount. The District shall pay ESD112 a fixed fee, based on the following schedule for services provided under this Agreement as described in Section 1.1 above and Section 4.1 below, for the District's issuance of Unlimited Tax General Obligation Bonds.

Par Value	Base Fee	Plus \$ Per \$1,000	Over
Up to \$5,000,000	\$ 17,500	-	-
\$5,000,001 to \$15,000,000	17,500	1.00	\$ 5,000,000
\$15,000,001 to \$100,000,000	27,500	0.75	15,000,000
\$100,000,001 and above	91,250	0.20	100,000,000

3.1.1 Definitions-refunding issues: par value shall be based on the par of bonds refunded. If combined with new money issues, fees will be calculated separately for each bond issue component.

3.1.2 Definitions-new money issues: par value shall be based on the bond authorization utilized by the sale.

3.2 Invoicing. ESD112 shall invoice the refunding trustee upon a successful closing of the financing as described in Section 3.1 above. Invoices shall be paid within thirty (30) days of receipt.

3.3 Budget. A separate budget for services under this Agreement is not necessary and therefore is not being prepared. Expenses and revenues shall be addressed in the District's and ESD112's budget.

3.4 Property. All personal property and assets acquired or received in connection with the obligations under this Agreement, including but not limited to equipment, materials, supplies and funds, shall be owned and retained by ESD112, both during the term of this Agreement and after the Agreement is terminated, partially or completely. Real property shall not be acquired.

4. **Scope of Services and Parties' Obligations.** The parties agree to fulfill the following obligations for delivery of services under this Agreement:

4.1 Responsibilities of ESD112. ESD112 shall:

- 4.1.1 Employ and /or contract with qualified staff to provide Financial Advisory Services under this agreement. Staff shall exercise independent, professional judgement in advising the District on bond-related matters, capital markets, capital facilities planning and funding. While we will use our best efforts to do so, ESD112 is not guaranteeing or making any covenants or representations that the District will secure the most favorable financing terms. ESD112 staff shall:
 - 4.1.1.1 Serve as the District's independent, financial advisor in a fiduciary capacity to provide advice and recommendations which are solely in the interests of the District.
 - 4.1.1.2 As requested, participate in meetings with, and make presentations to, District staff, committees, Board, and/or rating agencies on subjects related to the municipal financial markets such as financing alternatives, tax rate analysis, and recommended financial strategies.
- 4.1.2 Provide bond issuance services, as follows:
 - 4.1.2.1 Prepare or review a financing plan, including issuance goals and develop or review a bond structure in relation to identified goals: tax rates, maturity structure and dates, construction cash flow, debt service fund impact
 - 4.1.2.2 If requested, evaluate the method of sale (competitive, negotiated, or private placement) and make recommendations on the most beneficial method of accessing capital markets.
 - 4.1.2.3 Prepare or review a schedule of events in relation to market and economic activity.
 - 4.1.2.4 Review and comment on the Preliminary Official Statement, Bond Resolution, and Bond Purchase Agreement for the District's issuance
 - 4.1.2.5 Prepare or assist with rating agency presentations and participate in conversations with bond rating agencies.
 - 4.1.2.6 Assist in negotiating underwriter compensation that is fair in relation to services provided and is competitive in the current market, giving consideration to the overall amount of issuance, takedown (sales commission) structure, management fee and expenses
 - 4.1.2.7 Evaluate the market during the weeks leading up to the day of sale of the District's issuance in relation to the defined issuance goals. Provide input on call provisions and how they impact pricing.
 - 4.1.2.8 For negotiated sales:
 - 4.1.2.8.1 Participate in pre-pricing call discussions with the underwriting team
 - 4.1.2.8.2 Provide recommendations for appropriate financing terms: maturity structure, coupon rates, investor yields, call provision

- 4.1.2.8.3 Provide recommendations to District administration regarding acceptance of financing terms offered by the underwriter
- 4.1.2.9 For competitive sales:
 - 4.1.2.9.1 Establish bidding parameters
 - 4.1.2.9.2 Assist with preparation of the official Notice of Sale
 - 4.1.2.9.3 Coordinate public bidding process
 - 4.1.2.9.4 Evaluate bid results in relation to defined issuance goals
 - 4.1.2.9.5 Provide recommendations to District administration regarding acceptance of financing terms.
- 4.1.2.10 Assist with post-sale accounting and budget information: financial statement impact, debt service fund budget, identify & discuss post-issuance compliance responsibilities
- 4.1.3 Provide other financial consulting on special projects and advisory services as mutually agreed upon. While no such services are anticipated at this time, the scope of services, fees, and billing for such services shall be identified prior to undertaking any services by amendment to this Agreement, in accordance with Exhibit B, Section 3.
- 4.1.4 Invoice the District in accordance with Section 3 above.

4.2 Responsibilities of the District. The District shall:

- 4.2.1 Provide information, as requested by ESD112 Financial Advisory Services staff, and as may be necessary, to keep ESD112 apprised of financial and bond-related issues.
- 4.2.2 Assume full responsibility for deciding what financing mechanisms will be sought for different projects, engaging the District superintendent, fiscal officer and board of directors in decision processes.
- 4.2.3 Assume full responsibility for, and pay all costs incurred or charged by the District's underwriter, bond counsel or others that are providing services to the District associated with District financing or projects.
- 4.2.4 Pay out-of-pocket costs incurred by ESD112 Financial Advisory Services staff for items such as travel, postage, copying, and telephone, if separately identified and agreed to by the District.
- 4.2.5 Pay costs incurred for any necessary legal review or advice, as agreed to by the District.
- 4.2.6 Discuss any additional services that may be needed which are beyond the scope of this Agreement, and execute mutually agreed upon amendments to this Agreement to address additional services and the cost, in accordance with Exhibit B, Section 3.

5. **Agreement Contacts.** In the table below, if contact is the same as another listed, “same” may be noted. Signature Authority / Notice contact must be completed; other contact information is optional information.

	<u>THE DISTRICT</u>	<u>ESD 112</u>
SIGNATURE AUTHORITY / NOTICE CONTACT-Required		
Name:	Angela Von Essen	Tim Merlino
Position:	Assistant Superintendent for Business and Operations	Superintendent
Phone:	(206) 393-4514	360.750.7500
Email:	angela.vonessen@ssd412.org	Tim.merlino@esd112.org
PROGRAM CONTACTS		
Name:	Arthur Clarke	Mark Prussing
Position:	Director of Finance & Business Services	Executive Director, FAS
Phone:	(206) 393-4118	360.713.3355
Email:	art.clarke@ssd412.org	Mark.prussing@esd112.org
FISCAL / BUDGET CONTACTS		
Name:	Same as above	Mark Prussing
Position:		Same as above
Phone:		
Email:		
ACCOUNTING / BILLING CONTACTS		
Name:	Same as above	Christy Stalcup
Position:		AR Specialist II
Phone:		360.952.3490
Email:		christy.stalcup@esd112.org

EXHIBIT B
GENERAL TERMS & CONDITIONS

1. Authority & Organization.

- 1.1** This Agreement is entered into in accordance with the authority granted in the Interlocal Cooperation Act, RCW 39.34.030 and provisions that authorize educational service districts and school districts to contract with each other for services, specifically 28A.310.010, 28A.310.180, 28A.310.200, 28A.320.080 and 28A.320.035.
- 1.2** A separate legal entity is not being created. ESD112 shall administer the joint undertaking described in the terms of this Agreement.

2. General Responsibilities of the Parties. ESD112 and the District shall:

- 2.1** Conduct background checks on any officials, employees, volunteers or agents who may perform obligations under this Agreement and who may have contact with children in a public school or ESD112 facility. No party/person who has plead guilty to, or been convicted of, a felony crime specified in RCW 28A.400.322 will be allowed to do work under this contract if they may have contact with children in a public school or ESD112 facility. Failure to comply with this provision is grounds for immediate termination.
- 2.2** Comply with federal, state, and local laws in performing obligations under this Agreement, and any policies or regulations adopted by the Parties' boards of directors.
- 2.3** Obtain and maintain general liability coverage, including contractual liability and automobile coverage in an amount not less than \$1,000,000 per occurrence. The Parties shall, upon request, provide each other suitable evidence of coverage required.
- 2.4** Obtain any licenses or permits that are required to perform their respective obligations under the Agreement.
- 2.5** Maintain books, records, documents, data and other materials compiled and related to the performance of obligations under this Agreement for the time period required under law or any applicable grant agreement. Both Parties agree to provide access to and copies of any such books, records, documents, data or other materials to the other party upon request.
- 2.6** Take all necessary steps to protect the confidentiality of educational records and shall not disclose such records or the information obtained from having access to such records without obtaining the consent of the other party and the parent of the student whom the record pertains to.

3. Amendment. Changes to the services ESD112 is obligated to provide or fees the District is obligated to pay shall be addressed in signed amendments to this Agreement, provided forty-five (45) days before the amendment is to take effect, unless otherwise mutually agreed.

4. **Termination and Damages.** This Agreement may be terminated by either party by providing the other party thirty (30) days written notice of intent to terminate. If the Agreement is terminated, the District shall pay ESD112 for all work performed and expenses incurred up to the date the Agreement is terminated. Fees owed following termination shall be paid within thirty (30) days of receipt of an invoice.
5. **General Provisions.**
 - 5.1 **Assignment.** Neither this Agreement nor any interest therein may be assigned by either party without the prior written consent of the other party.
 - 5.2 **Attorneys' Fees and Costs.** In the event litigation arises out of this Agreement, each party shall bear its own attorney's fees and costs.
 - 5.3 **Authority.** The terms and conditions of this Agreement to which the Parties agree are being entered into by appropriate resolutions or delegation of authority by the respective boards of directors of ESD112 and the District.
 - 5.4 **Captions.** Paragraph headings have been included for the convenience of the Parties and shall not be considered a part of this Agreement for any purpose relating to construction or interpretation of the terms of this Agreement.
 - 5.5 **Conflict of Interest.** No person engaged in any activity associated with this Agreement has a personal financial interest, direct or indirect, in this Agreement. ESD112 and the District warrant that neither party presently has interests, and will not acquire interests, directly or indirectly, which would create a conflict of interest in performing the obligations under this Agreement. Any direct or indirect conflict of interest must be disclosed.
 - 5.6 **Force Majeure.** ESD112 and the District shall not be liable for any failure to perform its obligations in this Agreement, and shall not be liable for the damages in Section 4, if the failure to perform or action that gave rise to damages is a result of any act of God, riot, war, civil unrest, flood, earthquake, or other cause beyond such party's reasonable control, such as changes to federal, state or local laws, but excluding failure caused by a party's financial condition or negligence.
 - 5.7 **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Washington and any action or litigation undertaken to enforce the terms of this Agreement shall be conducted in Clark County, Washington.
 - 5.8 **Indemnification.** Both Parties agree to protect, defend, indemnify and hold the other party, and its directors, officers, agents and employees harmless from any and all claims and losses that are caused by the indemnifying party, or the indemnifying party's directors', officers', agents' or employees' negligent or malicious acts or omissions.
 - 5.9 **Intellectual Property.** Any materials ESD112 produces shall be owned by ESD112. ESD112 shall be considered the author of such materials. To the extent materials being produced in connection with this Agreement are found to be "works for hire", the District hereby irrevocably assigns all right, title and interest in such materials, including intellectual property rights, to ESD112 effective from the moment of creation. The District shall not use any materials produced for, or by, ESD112 in connection with this Agreement without obtaining ESD112's prior written consent.

- 5.10 Non-Discrimination.** Per requirements of state, local and federal laws, including 13 CFR 145, ESD112 and the District agree not to discriminate on the basis of race, creed, religion, color, national origin, age, families with children, sex, gender expression or identity, honorably discharged veteran or military status, marital status, sexual orientation, or non-job-related physical, sensory, or mental disabilities, or use of a trained guide dog or service animal. Inquiries regarding compliance and/or grievance procedures for ESD112 may be directed to ESD112 at its address above.
- 5.11 Notice.** Whenever notice is required under this Agreement, it shall be provided by emailing, with receipt confirmation, or mailing notice to the contacts designated in Exhibit A. Notice shall be deemed effective upon the earlier of actual receipt or three (3) days after notice is deposited in the United States Postal Service mail, by certified mail, postage prepaid.
- 5.12 Severability.** If any term of condition of this Agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other terms, conditions, or applications of the Agreement which can be given effect without the invalid term, condition, or application and, to this end, the terms and conditions of this Agreement are declared severable.
- 5.13 Waiver.** No provision of this Agreement, or the right to receive reasonable performance of any act called for by its terms, including but not limited to the right of a performing party to notify a non-performing party there has been a unilateral early termination, shall be deemed waived by a party's failure to enforce the provision or rights to performance in a particular transaction or occurrence. Any and all waivers shall be in writing and signed by the party waiving the provision or its rights to performance. Any waiver that is not in writing shall not be binding or effective.
- 5.14 Whole Agreement.** The Parties agree that this Agreement, together with all appendices, if any, constitute the entire agreement between the Parties and supersedes all prior or existing written or oral agreements between the Parties and may not be amended other than in writing signed by the Parties.
- 6. Exclusion, Debarment and Suspension Certification.** Per the requirements of Executive Order 12549, ESD112 and the District certify that neither they, nor their officers, directors, general managers or persons having primary management or supervisory responsibilities, are on the Excluded Parties List Report (web address: <http://www.sam.gov>) and that they are not presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded for the award of contracts by any Federal governmental agency or department. ESD112 and the District shall provide immediate written notice to each other if, at any time during the term of this Agreement, including any renewals hereof, they learn that this certification has become erroneous by reason of changed circumstances.