

AMENDMENT NO. 1 TO LIBRARY SERVICES AGREEMENT
DATED 10/24/05

This Amendment is made this 24th day of October, 2005 by and between the CITY OF LAKE STEVENS, a Washington municipal corporation (hereinafter "City") and the SNO-ISLE INTERCOUNTY RURAL LIBRARY DISTRICT, d/b/a Sno-Isle Libraries (hereinafter "Library District") as follows:

WHEREAS, the City and the Library District entered into a Library Services Agreement dated as of January 1, 1998, (executed by the City on August 3, 1998, and by the Library District on August 31, 1998) (hereinafter "Agreement"); and

WHEREAS, the City and the Library District will submit a request to the legislative authority of Snohomish County, Washington, pursuant to Chapter 27.15 RCW, to submit a ballot proposition to the requisite voters to establish a Library Capital Facility Area, contiguous with the boundaries of the Lake Stevens School District, to be known as the "Lake Stevens Library Capital Facility Area" and to submit a ballot proposition to said voters pursuant to RCW 27.15.050 to finance library capital facilities; and

WHEREAS, the City and the Library District wish to provide for an Amendment to the above-referenced Agreement, contingent upon the passage of said ballot proposition, to provide for the substitution of the library facilities to be constructed pursuant thereto for the facilities to be provided under the Agreement, and to provide for the continuation of library services in such facilities, and to provide for payment by the City for said services on a basis equivalent to that which would be paid by the taxpayers of the City if the City were annexed to the Library District;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, the sufficiency of which is hereby acknowledged, the City and the Library District agree to amend the Agreement as follows:

1. **Contingency / Effective Date.** This Amendment is contingent upon passage by the requisite voters, as required by law, of a ballot proposition to establish the Lake Stevens Library Capital Facility Area, and shall be effective immediately upon the effective passage of the ballot proposition to establish the Lake Stevens Library Capital Facility Area, without the necessity of further action by the City or the Library District; provided that if the ballot proposition fails to receive the necessary votes when submitted; then, upon request by both parties, the parties agree to submit another joint request to the legislative authority of Snohomish County, Washington to resubmit the ballot proposition to the voters.

2. **Mutual Cooperation.** Upon this Amendment becoming effective, the City and the Library District will cooperate with each other and with the Lake Stevens Library Capital Facility Area to acquire, develop, construct, equip and supply library capital facilities to serve the Lake Stevens Library Capital Facility Area, the residents of the Library District, and the residents of the City of Lake Stevens.

3. **Facilities.** Upon this Amendment becoming effective, and after passage by the voters of the Lake Stevens Library Capital Facility Area of a ballot proposition to provide sufficient financing and issuance of bonds or other instruments to provide the required funding, Section 5.0 of the Agreement shall be amended to add the following Section 5.3 entitled "Replacement Facilities".

The Library District, in cooperation with the Lake Stevens Library Capital Facilities Area and the City, shall acquire land and construct a library capital facility to replace the facility provided by the City pursuant to Section 5.1 of the Agreement. Upon receipt of any required certificate of occupancy, for such replacement facility, the obligations of the City under Sections 5.1 and 5.2 hereof shall terminate. Said replacement library capital facilities shall be owned and maintained by the Library District under an Interlocal Agreement to which the Library District, the City, and the Lake Stevens Library Capital Facility Area shall be parties.

4. **Compensation.** Upon this Amendment becoming effective, Section 6.0 and Subsections 6.1 and 6.2 and their respective Subsections of the Agreement shall be amended, respectively, as follows:

6.1 **Annual Assessments:**

6.11 **First Year:** For the first calendar year after this becomes effective, the City shall pay to the Library District an Assessment in the following amount:

(a) The amount determined for said year by using the formula set forth in Section 6.1 of the Agreement as stated prior to this Amendment EXCEPT that the clause in subsection 6.1.1 of the Agreement, as stated prior to this amendment, which reads: "... previous year's levy rate" shall be changed to read "... current year's levy rate;"; plus

(b) One quarter (1/4) of the difference between the amount determined pursuant to paragraph (a) of this Subsection 6.1.1 and the amount of the Annual Assessment that would otherwise be payable as

determined under Subsection 6.1.34 below if it were then in effect.

6.1.2 **Second Year:** For the second calendar year after this Amendment becomes effective, the City shall pay to the Library District an Assessment in the following amount:

(a) The amount determined for said year by using the formula set forth in Section 6.1. of the Agreement as stated prior to this Amendment EXCEPT that the clause in subsection 6.1.1 of the Agreement, as stated prior to this amendment, which reads: "... previous year's levy rate" shall be changed to read "... current year's levy rate;"; plus

(b) One half (1/2) of difference between the amount determined under paragraph (a) of this Subsection 6.1.2 and the amount of the Annual Assessment that would otherwise be payable as determined under Subsection 6.1.34 below if it were then in effect.

6.1.3 **Third Year:** For the third calendar year after this amendment becomes effective, the City shall pay to the Library District an Assessment in the following amount:

(a) The amount determined for said year by using the formula set forth in Section 6.1. of the Agreement as stated prior to this Amendment EXCEPT that the clause in subsection 6.1.1 of the Agreement, as stated prior to this amendment, which reads: "... previous year's levy rate" shall be changed to read "... current year's levy rate;"; plus

(b) Three fourths (3/4) of difference between the amount determined under paragraph (a) of this Subsection 6.1.2 and the amount of the Annual Assessment that would otherwise be payable as determined under Subsection 6.1.34 below if it were then in effect.

6.1.4 **After the Third Year:** The City shall pay to the Library District, each year during the term of this Agreement, after the third year referenced in subsection 6.1.2, above, an Annual Assessment equal to the amount determined by multiplying the Library District's

then current regular tax levy rate for the Library District pursuant to RCW 27.12.150 (the "Levy Rate") by the taxable value of all property located within the corporate boundaries of the City, as determined by the Snohomish County Assessor (the "Tax Base"). The amount determined each year by multiplying the Levy Rate by the Tax Base shall be the "Annual Assessment" and shall be paid by the City to the Library District in equal installments that will be due not later than April 15, July 15, October 15 and December 15 each year during the term of this Agreement.

- 6.2 **Payment:** The Library District shall send invoices to the City for the amount of the Annual Assessment at least thirty (30) days prior to the payment due date. Late payments shall be assessed interest at the rate of twelve percent (12%) per annum until paid, on the unpaid portion of such Annual Assessment remaining unpaid more than fourteen (14) days following the payment due date.
- 6.3 **Adjustment for Utility & Janitorial Expenses:** For the period between the effective date of this Amendment and the issuance of a certificate of occupancy for a new library facility the City's Annual Assessment shall be credited for all actual expenditures for the prior year by the City for utility and janitorial expenses associated with the existing library facility. The Library District may request the City to provide documentation that janitorial expenses are within market conditions. Such documentation may include, but shall not be limited to, periodic advertisements for, solicitations of and / or responses from the best-qualified provider of janitorial services at competitive prices.

The City shall submit to the Library District on or before May 1 of each year a detailed record of all utility and janitorial expenses associated with the City library facility used by the Library District for the previous year in which a credit is being claimed. The Library District may review the supporting invoices and other documentation for utility and janitorial expenses for which credit is claimed.

5. **Duration and Re-Opener.** Upon the effective date of this Amendment, Section 10.0 Subsections 10.1 and 10.2 and Section 11.8 shall be deleted in their entirety and replaced with the following Section 10.0 entitled "Term".

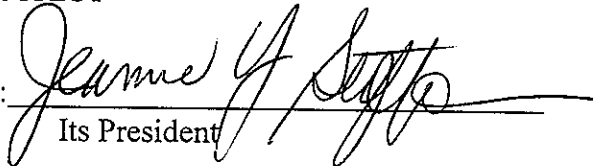
The term of this Agreement shall be not less than twenty (20) years from the effective date of Amendment No. 1 to this Agreement and

shall continue thereafter until all indebtedness incurred by the Lake Stevens Library Capital Facility Area to finance the library capital facilities has been paid in full and thereafter until either party elects to terminate this Agreement by delivering written notice to the other party at least one hundred eighty (180) days prior to the end of the calendar year in which the electing party desires to terminate this Agreement; provided, however, if the City is annexed into the Library District, this Agreement shall terminate at the end of the calendar year during which such annexation occurs; and provided, further, in the event of such annexation, the City shall not withdraw from the Library District until such time as any indebtedness incurred by the Lake Stevens Library Capital Facility Area for the library capital facilities has been paid in full.

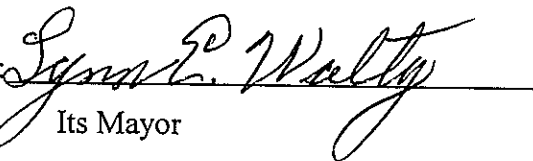
6. **Miscellaneous.** Except as modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

WHEREFORE, the parties enter into this Amendment No. 1 to the Library Services Agreement and agree to be bound by its terms and conditions and to faithfully adhere to the same.

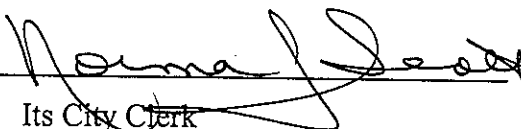
SNO-ISLE INTERCOUNTY RURAL LIBRARY
DISTRICT

By: 
Its President

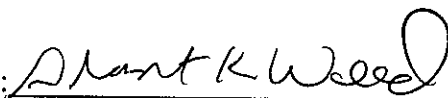
CITY OF LAKE STEVENS

By: 
Its Mayor

Attest:

By: 
Its City Clerk

Approved As to Form:

By: 
City Attorney

**LIBRARY SERVICES AGREEMENT
BETWEEN
THE CITY OF LAKE STEVENS, WASHINGTON
AND
SNO-ISLE REGIONAL LIBRARY**

SEP 03 1998
CITY OF LAKE STEVENS

1.0 Parties

THIS LIBRARY SERVICES AGREEMENT (hereinafter "Agreement") is entered into on the date set forth below between Sno-Isle Regional Library, the Intercounty Rural Library District of Snohomish and Island counties (hereinafter "Library District") and the City of Lake Stevens, a Washington municipal corporation (hereinafter "City").

2.0 Recitals

2.1 Under the provisions of RCW 27.12.180, the Library District shall render library services to the City, and in furtherance thereof, the residents of the City are entitled to the same library privileges as are provided for the residents of the Intercounty Rural Library District of Snohomish and Island counties. For purposes of this Agreement, "Library Service" is defined in the attached Exhibit A, "Policy Relative to Library Service Extended to Community Libraries."

2.2 The City desires, and the Library District agrees to continue to provide and maintain library services to the City at or above the level of service and performance the City has received to date.

2.3 Accordingly, the purpose of this Agreement is to designate the Library District as the agency responsible for providing library services for the City on a long-term basis and to set forth the terms, conditions, and scope of the library services to be provided.

2.4 The Library District and the City have determined that this Agreement is in the best interests of both Parties because it will enhance the certainty of receiving library services for the City, the long-term cost and efficiency of supplying such services by the Library District, the provision

Library Services Agreement - 1
7/23/1998

of a library facility in the City, and will carry out the growing demand for effective, regionalized government, all for the benefit of the City's and the Library District's residents.

2.5 In addition, this Agreement will enable the City to advise upon major decisions concerning the library services provided by the Library District, enabling the City to fulfill its responsibilities to ensure that desired library services are provided to the City and its residents.

Therefore, to carry out the purposes of this Agreement and in consideration of the mutual benefits to be received by each Party, receipt of which is acknowledged, the Parties agree as follows:

3.0 Contract Cities Advisory Board

3.1 Board Established; Membership. The Parties have established and shall maintain a Contract Cities Advisory Board (hereinafter "Cities Board") to facilitate this Agreement and the operations of the Library District in carrying out this Agreement. The Cities Board shall consist of one member from each city that continues to contract for library services with the Library District. The City's designated member to the Cities Board shall be the Mayor, City Administrator/Manager, or high level administrators or manager reporting directly to either the Mayor, City Administrator/Manager or Governing Body, as the case may be. Notice of change in any member assigned to the Cities Board shall be made in writing to the Library District and the other cities at least thirty (30) days prior to any changes being made.

3.2 Advisory Authority. The Board shall serve in an advisory role to the Library District and shall have the following responsibilities:

3.2.1 Review and comment on an Annual Budget for the Library District.

3.2.2 Review and comment on all proposals for changes in Library District service levels that are proposed to be effective throughout the entire Library District.

Library Services Agreement - 2
7/23/1998

3.2.3 Review the activities and level of service occurring under, and the requirements of, this Agreement to ensure that both Parties are receiving the benefits intended by this Agreement.

3.2.4 Review and comment on adjustments to the financial statements, methods of cost allocation, limits of insurance, and other elements of this Agreement.

3.2.5 Written proposals or comments shall be delivered to the Library Board of Trustees.

3.3 Meetings. The Cities Board shall meet not less than annually. The time and place for the meetings shall be established by mutual agreement of the Library District and the Cities Board to permit attendance by both. A quorum of the Cities Board shall be a majority of those cities who continue to contract for library services with the Library District.

3.4 Limitation On Authority. The Cities Board has only an advisory function and is not intended to replace or replicate the functions or service provided by the Library District Board of Trustees, or individual City's Library Boards and/or Friends of the Library. Sole and exclusive management of the Library District shall remain the responsibility of the Library District Board of Trustees.

4.0 Library Services

4.1 Description of Library Services. The Library District shall continue to provide the library services defined in the attached Exhibit A (incorporated by this reference) within the boundaries of the City at the same or better level as currently provided, including any areas that may be annexed to the City during the term of this Agreement.

5.0 Facilities

5.1 City Facilities. The City shall provide the Library District with building space, furnishings and shelving to provide Library Services as described in Exhibit A.

Library Services Agreement - 3
7/23/1998

5.2 Repairs and Maintenance. The City shall keep the library building in good order and repair at all times and provide janitorial services. Each party shall be responsible for maintaining its own furnishings and equipment.

6.0 Compensation

6.1 Contract Fee

6.1.1 Contract Fee. In consideration of the library services provided by the Library District , the City shall be assessed a sum of money determined by (1) multiplying the City's previous year's Contract Fee by the percentage rate increase of the Library District's property tax levy, limited to one hundred three percent (103%), plus (2) the value of new construction and annexation within the City multiplied by the Library District's previous year's levy rate. In no event shall the Contract Fee, on a property tax equivalent basis, exceed fifty (50) cents per one thousand dollars (\$1,000) evaluation within the City.

6.1.2 Adjustment for Utility & Janitorial Expenses. After the City's Contract Fee has been determined each year, all actual expenditures by the City for utility and janitorial expenses associated within any City library facility used by the Library District for the prior year shall be deducted from the City's Contract Fee.

At three (3) year intervals starting January 2000, the Library District may request the City to provide documentation that janitorial expenses are within market conditions. Such documentation may include, but shall not be limited to, periodic advertisements for, solicitations of, and/or responses from the best qualified provider of janitorial services at competitive prices.

The City shall submit to the Library District on or before May 1 of each year a detailed record of all utility and janitorial expenses associated with any City library facility used by the Library District for the previous year in which a credit is being claimed. The Library District may review the supporting invoices and other documentation for utility and janitorial expenses for which credit is claimed. All credits for utility and janitorial

Library Services Agreement - 4
7/23/1998

expenses shall start January 1, 1997 to be deducted from the City's 1998 Contract Fee.

6.1.3 Sample Formula. Exhibit B to this Agreement, attached and incorporated by this reference, is a mock calculation demonstrating the application of the terms of this Section 6.1.

6.2 Payment

6.2.1 Payment. The City shall pay the Annual Assessment to the Library District by the payment due date in accordance with the following schedule:

City of Lynnwood	April 15
City of Lake Stevens	July 15
City of Mill Creek	July 15
All Other Contract Cities	December 15

The Library District shall send invoices to the City for the amount of the Annual Assessment at least thirty (30) days prior to the applicable due date. Late payments shall be assessed an interest penalty at the rate of twelve percent (12%) per annum on any balance unpaid fifteen (15) days or more following the payment due date.

6.2.2 1998 Adjustment In recognition that the Cities of Lake Stevens, Lynnwood and Mill Creek will make their Annual Assessment payments as one lump-sum payment instead of two equal semi-annual payments, they will receive a credit for anticipated lost interest revenue for the year 1998. For purposes of this credit calculation the estimated interest earnings rate shall be six percent (6%). The credit shall reduce the Annual Assessment paid by each of the cities for 1998.

The following formula will be used to determine the credit:

	Estimated Interest Earnings on Assessment Paid on Semi-Annual Basis
Less:	Estimated Interest Earnings on Assessment Paid on Annual Basis
Result:	Interest Credit for 1998

Library Services Agreement - 5
7/23/1998

6.2.3 Standard Terms of Compensation. The parties have established and agree to maintain the "standard" terms of compensation as defined in section 6.0 of this Agreement for each city that contracts for library services ("Contracting City") with the Library District. The "standard" terms of compensation are not applicable to any agreements between the Library District and cities annexed to the Library District or cities that have formed a library capital facility area with the Library District. Any change provided to a Contracting City by the Library District, as it relates to Section 6.0 of this agreement, shall be reported promptly to the Cities Advisory Board and the same benefits and burdens shall be offered to all Contracting Cities with those exceptions listed in Section 6.2.4.

6.2.4 Exceptions.

6.2.4.1 New Contracting City. The Library District may modify or alter the "standard" terms of compensation for an interim period with a newly incorporated city until such time as said city is eligible to receive its regular property tax levy.

6.2.4.2 Existing Contracting City. The Library District may modify or alter the "standard" terms of compensation for an interim period for a Contracting City that can demonstrate an undue financial hardship in meeting the financial or facility obligations in accordance with this Agreement.

6.2.4.3 Interim Period Defined. In no case shall a modification or alteration to the "standard" terms of compensation exceed a duration greater than eighteen (18) months.

6.2.5 Effect of Annexation. In the event the City formally becomes part of the Library District through annexation during the term of this Agreement, the City's Annual Assessment due for the year in which annexation occurs shall continue to be paid, unless the Library District is authorized to collect taxes for library services in the City during the year in which annexation occurs. This Agreement shall then terminate as set forth in Section 10.2 below.

7.0 Annual Budget

7.1 Scope. The Annual Budget shall include only reasonable and necessary expenditures for the provision of Library Services as described in Exhibit A. For the year 1998, the Annual Budget shall include only the budget categories set forth on Exhibit C attached hereto and by this reference incorporated herein.

7.2 Schedule and Responsibility. The Library District shall submit a proposed budget to the Cities Board at the time the Library District Board first reviews the budget proposal and no later than November 1 of each year. The Cities Board shall review the proposed budget and submit written comments within twenty-five (25) days after receipt of the proposed budget. The Library District shall adopt a final Annual Budget on or before December 31 for the following year which shall be the Annual Budget for purposes of this Agreement, except for Budget Amendments as may be necessary to account for unforeseen exigencies. In such event(s) any proposed Budget Amendment will be submitted to the Cities Board with the proposed date of action noted thereon.

7.3 Budget Administration and Accountability. The Library District shall be responsible for the total administration of the Annual Budget. The Library District shall provide regular and accurate Budget reports to the City and to the Cities Board as requested, including reports of any and all amendments to the Annual Budget.

7.4 Accounting Standards. The Annual Budget shall be prepared in accordance with the statutory requirement relating to library districts and the Budgeting and Reporting System (BARS) Manual as established by the Washington State Auditor's Office.

8.0 Allocation of Liability; Indemnification

8.1 The City and the Library District, for themselves, their officers, elected and appointed officials, employees and agents (collectively "personnel") shall each at all times be solely responsible for their own acts and omissions and for all acts and omissions of their own personnel, when

Library Services Agreement - 7
7/23/1998

any such acts or omissions arise from or are connected with performance of this Agreement.

8.2 The City and the Library District agree to save, hold harmless and indemnify the other from all cost, expense, loss, liability and/or damage, including without limitation bodily injury or damage to property or the cost of consultants, defense or reasonable attorneys' fees, which may be incurred in connection with or as a result of any act or omission of the indemnifying party.

8.3 For purposes of this section, each Party expressly waives its immunity under RCW Title 51, to the extent necessary to give full effect to the provisions of Subsection 8.2.

9.0 Insurance

9.1 Property Insurance. Each Party shall procure and maintain for the duration of this Agreement property insurance coverage for their respective property, except the Library District-owned collection utilized in providing Library Services, on a replacement cost basis if available at commercially reasonable rates and otherwise on a fair market value basis.

9.2 Liability Insurance. The Library District and the City shall each procure and maintain for the duration of this Agreement liability insurance against claims for injuries to persons or damage to property which may arise from their respective actions in connection with this Agreement. The liability insurance shall minimally conform to the following requirements:

9.2.1 Certificate of Insurance. Each Party shall provide a certificate of insurance to the other Party evidencing each of the required liability coverages. The City shall be named as an additional insured on the Library District's Commercial General Liability and Public Officials Liability insurance policies, and a copy of the endorsement naming the City as an additional insured shall be attached to the certificate of insurance.

9.2.2 Automobile Liability insurance covering all vehicles of each Party shall be maintained with coverage limits of no less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

Library Services Agreement - 8
7/23/1998

9.2.3 Commercial General Liability insurance written on an occurrence basis shall be maintained with coverage limits of no less than one million dollars (\$1,000,000) combined single limit per occurrence and two million dollars (\$2,000,000) aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU), if applicable; and employer's liability.

9.2.4 Public Officials Liability insurance, including coverage for personal liability, shall be maintained with coverage limits no less than one million dollars (\$1,000,000) per claim.

9.3 Deductible. Any payment of deductible or self insured retention shall be the sole responsibility of the Party procuring the insurance.

9.4 Coverage. The insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The insurance shall be primary insurance with respect to the other Party in accordance with insurance industry conventions. Each Party shall be given thirty (30) days prior written notice of any cancellation, suspension or material change in coverage of the other Party. In the event of a default by either Party in providing the insurance set forth above, the other Party may procure any such insurance and deduct or add the cost thereof from its next Contact Fee as the case may be. All the insurance requirements of the City under 9.2, 9.2.1, 9.2.3 and 9.2.4 are considered fulfilled by the City's membership in the Washington Cities Insurance Authority, provided such membership provides required coverage for all such liability risks.

9.5 Mutual Waiver of Claims. The Library District and the City each release and relieve the other, and waive their right of recovery against the other, for loss or damage to their respective property which arises out of the occurrence of any peril normally insured against in a standard "all risk" property insurance policy. Each Party shall have its respective insurer endorse the applicable insurance policies to reflect the foregoing waiver, provided that such endorsement shall not be required if the applicable

Library Services Agreement - 9
7/23/1998

insurance policy permits the named insured to waive rights of subrogation on a blanket basis, in which case such blanket waiver shall be acceptable.

10.0 Effective Date: Duration

10.1 Original/Renewal Terms. This Agreement shall be effective on January 1, 1998, and shall continue thereafter until terminated by either Party as follows. For a period of three (3) years following the effective date of this Agreement, either Party may terminate the Agreement on any Anniversary Date (January 1) by delivering written notice not less than three hundred sixty (360) days prior to such Anniversary Date; and thereafter, either Party may terminate this Agreement by delivering written notice to the other Party not less than one hundred eighty days (180) days prior to an Anniversary Date.

10.2 Termination by Annexation. If the City annexes into the Sno-Isle Regional Library District during the term of this Agreement, then this Agreement shall be terminated following the annexation at the beginning of the first year in which the Library District begins to receive tax revenue from the annexed areas.

11.0 General Terms and Conditions

11.1 Severability. If any provision of this Agreement or its application is held invalid, the remainder of this Agreement and its application shall not be affected.

11.2 Integration; Modification. This Agreement represents the entire agreement between the Parties and supersedes all other agreements whether oral or written. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding on either of the Parties unless executed in writing by authorized representatives of the Party against whom the change, termination or waiver is claimed. This Agreement shall not be modified, supplemented or otherwise affected by course of dealings between the Parties.

11.3 Notices. All notices, requests, demands and other communications required by this Agreement shall be in writing and, except

Library Services Agreement - 10
7/23/1998

as expressly provided elsewhere in this Agreement, shall be deemed to have been given at the time of delivery if personally delivered, or at the time of mailing if mailed first class, postage prepaid and addressed to the Party at its address as stated in this Agreement or at such address as any Party may designate at any time in writing.

11.4 Authority. By and through their signatures below, each Party warrants to the other that it is fully authorized to enter into this Agreement and has performed all of the actions required for such authorization, provided that any defect in such performance or authorization shall not release that Party from its obligations under this Agreement.

11.5 No Third Party Beneficiaries. This Agreement is entered into solely for the benefit of the Library District and the City. This Agreement shall confer no benefits, direct, indirect or implied, on or to any third persons, and no third persons shall claim any such benefits.

11.6 Dispute Resolution. In the event of a dispute relating to the interpretation or application or performance of this Agreement, the Parties agree to meet within twenty (20) days of written notice of the dispute to negotiate a resolution in good faith. In the event the dispute remains unresolved thirty (30) days after such meeting, the Parties may jointly or individually apply to the Superior Court for Snohomish County for such relief as may be deemed appropriate.

11.7 Attorneys' Fees. The prevailing Party in any dispute arising under or in connection with this Agreement shall be entitled to an award of its reasonable costs and attorney fees against the non-prevailing Party.

11.8 Re-Opener By mutual agreement of the Parties, any provision of this Agreement may be re-opened for possible modification. In the event that the Library District provides another Contracting City with a modification or alteration from Section 5-Facilities, or Section 10-Duration, the Library District shall agree to re-open negotiations related to said sections with all Contracting Cities.

WHEREFORE, the Parties enter into this Agreement and agree to be bound by its terms and conditions and to faithfully adhere to same.

Library Services Agreement - 11
7/23/1998

SNO-ISLE REGIONAL LIBRARY:

CITY OF LAKE STEVENS, WA

Harold J. Dubourel
President

August 31, 1998
Date

By: Jay A. Echols
Jay A. Echols, Mayor
August 3, 1998
Date

ATTEST:

By: Nanna Scott
City Clerk / Admin. Asst.

APPROVED AS TO FORM:

By: Lisa Marshall
LISA MARSHALL

Attachments: Exhibits A, B, and C

EXHIBIT A

Policy Relative to Library Service Extended to Community Libraries

Adopted by the Sno-Isle Regional Library Board of Trustees
June 22, 1998

Library Privileges

It shall be the policy of the Sno-Isle Regional Library to extend the same library privileges to the residents of a contracting city or town as those privileges that are provided for the residents of the Library District.

Library Services

It shall be the policy of the Sno-Isle Regional Library to provide library services insofar as it is reasonably practical within the limitations of available funds:

- Staff The Library District shall employ personnel to operate the community libraries. All staff shall be selected and trained by the Library District.
- Collection and Resources The Library District shall provide collection and resources. The collection includes but is not limited to books, magazines, newspapers, audio and visual formats, as well as materials available through developing technology. The Library District will strive to offer a selection of materials formats that are traditionally associated with a public library while at the same time it will provide formats that reflect improved access to materials and information due to technology. Resources include but are not limited to reference staff and services and library programming primarily for children. The collection is the sole property of the Library District which is responsible for the selection, maintenance and disposition of all materials and resources. The Library District shall make all decisions regarding gift materials and equipment. Policies for use of the library and the collection will be set by the Library District. All residents of the Library District and contracting cities will have equal access to materials and resources in the Library District's collection.

The Library District shall provide its residents with access to materials not owned by the Library District through interlibrary loan, when appropriate and as available. In addition, Library District residents may have borrowing privileges at several district and municipal libraries in Washington State as a result of reciprocal borrowing agreements. Such reciprocal privileges shall be negotiated by the Library District.

- Mobile Services The Library District shall provide mobile services at selected locations within the service area. Such services may include bookmobile service to residents of rural and isolated areas. Outreach services will be provided to caregivers or homebound persons who qualify by place of residence, duration or permanence of disability, and other circumstances as determined by the Library District. In addition, the Library District will provide mobile services to qualified, licensed daycare facilities which are not receiving service from a community library.
- Equipment The Library District shall provide computer equipment and other equipment sufficient to maintain library services. Furnishings necessary to accommodate Library-owned equipment such as computer stands, will be provided by the Library District. The equipment and furnishings provided to maintain library services are the sole property of the Library District.
- Supplies The Library District will provide office supplies for the efficient operation of the libraries.
- Telecommunications The Library District shall provide the equipment and services necessary to support voice and data telecommunications sufficient to maintain library services. The equipment and furnishings provided for telecommunications are the sole property of the Library District.

Level of Service

Libraries receive varying levels of service based on the size of the building, population of the immediate service area and circulation (borrowing) activity. The level of service can also be affected by the designation of a library as a regional reference center or the system reference center. These libraries house larger collections and have more staff for the purpose of providing reference service to one of four regional service areas or to the entire district. As of 1998 the regional reference center libraries are located in Edmonds, Marysville, Oak Harbor, and Snohomish. The system reference center library is located in Lynnwood.

- Hours of Operation The Library District will schedule regular hours of service in a community library, based on the size and needs of the community served. The hours are to be determined by the Library District administration, in accordance with this Agreement and after consultation with the City.
- Collection Size Collection size is based on shelf space, community needs and circulation activity.
- Programming Library staff will plan and schedule library programming primarily for children based on the size of the building, community size, and hours of operation. Sno-Isle programs address the informational, cultural, and recreational needs of the public. Programs are presented by trained, qualified library staff or by other presenters who have been approved by library staff. The Library District assumes the cost of providing programming and Friends of the Library groups may also fund or co-sponsor library programs.
- Reference Services The Library District will provide on-site reference services at all libraries based on the size of the building and the function of the branch within the Library District service plan. Patrons have access to full reference services on a region-wide or system basis, depending on the need.

Reasonable advance notice of any significant change of service in a City library in accordance with this agreement shall be given to the City and to the City Library Board.

Report of Service Levels

The Library District shall provide an annual report to the City of the level of service in the City library including but not limited to the categories below:

- Hours of operation per week.
- Number of items in the collection.
- Number of library programs.
- Number of borrowers.

EXHIBIT B COMPENSATION

Contract
Section Calculation

ALLOCATION FORMULA

I.	6.1.1	Contract Fee:		
		(1) Previous Year Contract Fee	x	Sno-Isle's Property Tax Levy Increase, limited to 103%
		Plus (2) Value of New Construction within City	x	Sno-Isle's Previous Year's Levy Rate
		Plus (3) Value of Annexation within City	x	Sno-Isle's Previous Year's Levy Rate
		Total Contract Fee		
II.	6.1.2	Adjustment for Utility & Janitorial Expenses:		
		Contract Fee		
		Less Prior Year Actual Expenditures by the City for Utility and Janitorial Expenses		
		Total Annual Assessment		

SAMPLE CALCULATION

Assumptions:	Previous Year Library Assessment	700,000
	Current Year New Construction within City	20,000,000
	Current Year Annexation within City	10,000,000
	Previous Year Sno-Isle Property Tax Levy Rate	.50/1,000
	Current Year Increase in Sno-Isle Property Tax Levy	104%
	Prior Year Janitorial & Utility Expenses by City	18,000

I.	6.1.1	Contract Fee:		Amount:
		(1) 700,000	x	103%
		Plus (2) 20,000,000	x	0.50
		Plus (3) 10,000,000	x	0.50
		Total Contract Fee	736,000	
II.	6.1.2	Adjustment for Utility & Janitorial Expenses:		
		Contract Fee	736,000	
		Less Prior Year Janitorial & Utility Expenses by City	18,000	
		Total Annual Assessment	718,000	

EXHIBIT C

SNO-ISLE REGIONAL LIBRARY 1998 Budget Approved December 15, 1997

RECEIPTS

308.00	Estimated Beginning Fund Balance *		\$3,458,770
311.10	General Property Taxes		\$12,855,805
312.10	Private Timber Harvest Tax		\$65,000
318.20	Leasehold Excise Tax		\$20,000
335.02	Sale of Timber from State Land		\$250,000
338.72	Intergovernmental Charges for Services		
388.72 .04	Darrington Partial County Library District	\$7,892	
388.72 .05	Arlington	\$166,019	
	Coupeville	\$32,504	
	Darrington	\$15,959	
	Edmonds	\$893,297	
	Index	\$1,973	
	Lake Stevens	\$101,793	
	Langley	\$25,011	
	Lynnwood	\$853,428	
	Mill Creek	\$342,990	
	Stanwood	\$72,868	
	Sultan	\$41,321	
338.72	Total Intergovernmental Charges		\$2,555,055
347.21	Non Resident Fees		\$1,500
350.00	Library Fines		\$21,000
361.10	Investment Interest		\$60,000
369.10	Other		\$10,000
397.00	Operating Transfers In		\$2,500
	GRAND TOTAL RECEIPTS		\$19,299,629

* Amount necessary to ensure cash flow at the first of year.
Library receives property tax revenue in May and November.

EXPENDITURES

572 10		ADMINISTRATION		
	11	Salaries & Wages		\$728,079
	21	FICA	\$55,699	
	22	Retirement	\$55,925	
	23	Unemployment Compensation	\$500	
	24	1 Medical Insurance	\$47,160	
	24	2 Dental Insurance	\$7,578	
	24	3 Life/LTD Insurance	\$5,297	
	24	4 Industrial Insurance	\$5,027	
	24	5 Employee Asst. Prgrm	\$1,500	
		Total Benefits		\$178,686
	31	Supplies		\$16,690
	41	Professional Services		\$106,610
	43	Travel		\$11,200
	44	Advertising		\$34,029
	45	Equipment Rental		\$8,850
	46	Insurance		\$45,100
	48	Repairs & Maintenance		\$14,794
	49	Miscellaneous		\$13,775
	50	Intergovernmental Services		\$600
		Total Administration		\$1,158,413
572 21		PUBLIC SERVICES		
	11	Salaries & Wages		\$6,149,552
	21	FICA	\$463,708	
	22	Retirement	\$451,619	
	23	Unemployment Compensation	\$5,000	
	24	1 Medical Insurance	\$468,980	
	24	2 Dental Insurance	\$75,359	
	24	3 Life/LTD Insurance	\$28,145	
	24	4 Industrial Insurance	\$57,066	
	24	5 Employee Asst. Prgrm	\$10,500	
		Total Benefits		\$1,560,377
	31	Supplies		\$186,115
	41	Professional Services		\$4,411
	42	Communication		\$259,100
	43	Travel		\$35,000
	45	Equipment Rental		\$1,800
	47	Utilities		\$0
	48	Repairs & Maintenance		\$266,210
	49	Miscellaneous		\$7,250
	50	Intergovernmental Services		\$190,226
		Total Public Services		\$8,660,041

EXPENDITURES

572 22		TECHNICAL SERVICES	
	11	Salaries & Wages	\$1,243,639
	21	FICA	\$94,068
	22	Retirement	\$94,049
	23	Unemployment Compensation	\$1,000
	24	1 Medical Insurance	\$102,180
	24	2 Dental Insurance	\$16,419
	24	3 Life/LTD Insurance	\$8,823
	24	4 Industrial Insurance	\$12,945
	24	5 Employee Asst. Prgrm	\$2,000
		Total Benefits	\$331,484
	31	Supplies	\$151,595
	41	Professional Services	\$112,863
	42	Communication	\$77,741
	43	Travel	\$3,500
	45	Equipment Rental	\$900
	48	Repairs & Maintenance	\$304,985
	49	Miscellaneous	\$10,700
		Total Technical Services	\$2,237,407
572 40		TRAINING	
	41	Professional Services	\$91,215
		Total Training	\$91,215
572 50		FACILITIES	
	31	Supplies	\$4,800
	41	Professional Services	\$79,350
	47	Utilities	\$52,350
	48	Repairs & Maintenance	\$28,500
		Total Facilities	\$165,000
		DEBT SERVICE	
591.72.71		LTGO Bond Principal	\$460,000
592.72.81		LTGO Bond Interest	\$40,000
		Total Debt Services	\$500,000
594.72.62		BUILDINGS AND STRUCTURES	\$164,545

EXPENDITURES

594 72 64	MACHINERY AND EQUIPMENT	
	10 Administration	\$46,989
	21 Public Services	\$3,170,989
	22 Technical Services	\$290,793
	Total Machinery & Equipment	\$3,508,771
	TOTAL EXPENDITURES	\$16,485,392
501	Ending Unencumbered	\$2,750,000
	Transfer to Reserve	\$64,237
	GRAND TOTAL EXPENDITURES	\$19,299,629

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