NEW RIVER VALLEY JUVENILE DETENTION COMMISSION SERVICE AGREEMENT

RECITALS

WHEREAS, the New River Valley Juvenile Detention Commission, a public body corporate **(the "Commission")** was created in 1971 by concurrent resolutions of the governing bodies of the COUNTIES OF GILES, MONTGOMERY AND PULASKI and the CITY OF RADFORD, VIRGINIA **(each a "Member Jurisdiction" and collectively the "Member Jurisdictions")**, for the purpose of owning, maintaining and operating a regional facility for the secure detention of juvenile offenders, which original concurrent resolutions have been reaffirmed and modified by concurrent resolutions **(the "New Concurrent Resolutions")** approving this Service Agreement **(this "Service Agreement")**; and

WHEREAS, the Commission and the Member Jurisdictions wish to set forth and recognize, as applicable, their agreement as to the composition of the Commission, the basis on which its member representatives are appointed, the allocation among the Member Jurisdictions of payment for services provided by the Commission, and other rights and obligations of the parties hereto.

NOW THEREFORE, the parties agree as follows:

ARTICLE I
Definitions

The capitalized terms in this Service Agreement have the meanings set forth below unless the context otherwise requires.

"Additional Member Jurisdiction" has the meaning given to such term in Section 2.4.

"Annual Budget" has the meaning given to such term in Section 3.6.

"Applicable Law" means all applicable laws, ordinances, judgments, decrees, injunctions, writs and orders of any court, arbitrator or governmental agency or authority and all rules, regulations, orders, interpretations, licenses and permits of any federal, state, county, municipal, regional, or other governmental body, instrumentality, agency or authority.

"Bonds" means revenue bonds and notes issued by the Commission to finance capital costs of the design, acquisition, construction, improvement and equipping of Commission facilities.

"Commission" means the New River Valley Juvenile Detention Commission.

"Commission Default" has the meaning given to that term in Section 8.1.

"Detainee(s)" means juvenile offenders committed to secure custody by the appropriate

ARTICLE II
The Commission

Section 2.1 Composition and Continuation of Commission.

The Member Jurisdictions shall be entitled to be represented on the Commission by the following number of Member Representatives: Montgomery County – 3 member representatives; Pulaski County – 2 member representatives; Giles County – 1 member representative; City of Radford – 1 member representative **(each a "Member Representative")** as set forth in the New Concurrent Resolutions, appointed, after consultation with the Chief Judge of the Juvenile and Domestic Relations District Court by the governing body of the respective Member Jurisdiction. Each Member Representative will serve a 4 year term.

Section 2.2 Quorum, Chair, Roles and Procedures.

A majority of Commission Member Representatives in office shall constitute a quorum of the Commission for the transaction of business. All actions of the Commission may be approved by a simple majority of Member Representatives provided that Member Representatives voting in favor of such approval must represent at least two different Member Jurisdictions. The Commission shall elect a Chair on an annual basis to serve for a period of one (1) year and adopt rules and regulations for its own procedure and government.

Section 2.3 Powers and Duties.

The Commission shall have all powers and duties conferred on juvenile detention commissions by Chapter 11, Article 13 of Title 16.1 of the Code of Virginia and other applicable law, except as otherwise provided in this Service Agreement. The parties hereto agree that the services provided by the Commission under this Service Agreement are essential public services fulfilling legal duties and obligations of each Member Jurisdiction and for the benefit of the citizens of each Member Jurisdiction.

Section 2.4 Additional Member Jurisdictions.

Any additional Virginia locality that desires to join the Commission **(an "Additional Member Jurisdiction")** may, upon the recommendation of the Commission and the consent of the governing body of each Member Jurisdiction, join and participate in the Commission under such additional terms and conditions for membership as may be agreed to between the Commission, each Member Jurisdiction and, the Additional Member Jurisdiction.

Section 3.5 Insurance.

The Commission shall maintain hazard, liability, workers' compensation and other insurance coverage as may be required by Applicable Law, or in amounts that the Commission may deem prudent and advisable.

Section 3.6 Audit Report.

The Commission shall provide to each Member Jurisdiction each year an independently audited financial statement showing the annual revenues, expenditures, fund balances and other information necessary to accurately reflect the financial condition of the Commission as of the end of the preceding Fiscal Year.

Section 3.7 Annual Budget.

On or before January 1, or such other date as the Commission members may agree upon, the Commission shall provide to each Member Jurisdiction the Commission's proposed Annual Budget for the next Fiscal Year, including any proposed capital expenditures. For each Fiscal Year, such Annual Budget shall set forth the amount to be paid by each of the Member Jurisdictions.

Section 3.8 Books and Records.

The Commission shall maintain proper books, records and accounts in which proper entries shall be made in accordance with generally accepted accounting principles for governmental bodies, consistently applied, of all of its business and affairs related to the Detention Home. The Commission shall also establish and maintain adequate financial policies and procedures to ensure the safeguarding of Commission assets. The Commission shall keep and preserve complete records of its administrative operations and transactions, which records shall at all reasonable times be open to inspection by such agents or employees of the Member Jurisdictions as they may designate. The Commission shall make reports to Member Jurisdictions annually, and as such other times as a Member Jurisdiction may request.

Section 3.9 Superintendent.

The Commission shall be solely responsible for the selection of a qualified person to be its Superintendent, setting such person's compensation and benefits, reviewing his/her performance at least annually, and acting on any matter relating to his/her discipline or removal. The Superintendent shall be the chief executive and operating officer of the Detention Home responsible for all aspects of the facility and Detainee care. Work is performed under the general oversight of the Chair of the Commission, on behalf of the Commission.

Notwithstanding any other agreement or provision of law, the parties hereto agree that the Commission's authority to issue Bonds without approval from the governing bodies of the Member Jurisdictions shall be limited to a total aggregate principal amount not to exceed $100,000. Interest and principal payments on any Bonds shall be budgeted as an annual expense of the Commission.

Any Bond of the Commission shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof including the Member Jurisdictions. Any Bond issued by the Commission shall contain a statement on its face substantially to the effect that neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any county, city, town or other subdivision of the Commonwealth of Virginia is pledged to the payment of the principal of or the interest on such Bond.

Section 4.3 Payments from Other Jurisdictions.

Within the limits allowed by law, the Commission shall establish a usage charge or charges as it may deem advisable for the care, maintenance and subsistence of Detainees from non-member jurisdictions, including from the state, federal government, and other states or localities. Such charges shall be due and payable to the Commission from non-member jurisdictions having Detainees in the Detention Home no later than 30 days from receipt of an invoice for the charges.

Section 4.4 Commonwealth Reimbursement Grants.

Any funds that the Commission receives from the Commonwealth of Virginia as a grant or reimbursement for the cost of constructing, equipping or operating the Detention Home shall be paid into the general fund account of the Commission and become part of its funds, subject to the conditions and requirements applicable to such grant or reimbursement and the provisions of any bond indenture or other financing document requiring a specific application of such funds.

Section 4.5 Limitation of Liability.

The only obligation of each Member Jurisdiction to pay for the establishment, operation or maintenance of the Detention Home arises out of this Service Agreement. No such payment responsibility shall constitute a debt of any Member Jurisdiction within the meaning of any constitutional or statutory limitation.

ARTICLE V
Additional Agreements

Section 5.1 Sale or Other Conveyance.

The Commission will not sell, lease (except in the ordinary course of business), sublease, assign, convey or otherwise voluntarily dispose of the Detention Home or other real property of the

The Commission has all requisite authority under Applicable Law to execute and deliver and perform its obligations under this Service Agreement and is not a party to any indenture, contract or other agreement or arrangement, the performance of which by the Commission would prevent or materially and adversely affect the Commission's ability to perform the terms of this Service Agreement.

Section 6.3 Non-Contravention.

The execution and delivery of this Service Agreement by the Commission and the consummation of the transactions contemplated in it will not conflict with or result in a breach of or constitute a default under or violate any of the terms, conditions or provisions of Applicable Law, the bylaws of the Commission or any material indenture, contract or other agreement or arrangement to which the Commission is a party or by which any of its properties are bound.

Section 6.4 Litigation.

The Commission is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Commission's knowledge, threatened, which would materially adversely affect the Commission's ability to perform under this Service Agreement.

Section 6.5 Approvals.

Except for approvals that may be required by the Virginia Department of Juvenile Justice, and as otherwise stated herein, the Commission does not require the consent or approval of any governmental body to carry out the terms of this Service Agreement.

ARTICLE VII
Representations, Warranties and Covenants of Member Jurisdictions

Each Member Jurisdiction represents, warrants and covenants for itself as follows:

Section 7.1 Organization, Authorization and Validity.

Each Member Jurisdiction is a political subdivision of the Commonwealth of Virginia, duly organized and validly existing under the laws of the Commonwealth, and each has duly authorized, executed and delivered this Service Agreement.

Section 7.2 Authority.

Each Member Jurisdiction has all requisite authority to execute and deliver and perform its obligations under this Service Agreement and is not a party to any indenture, contract or other agreement or arrangement, the performance of which by it would prevent or materially and adversely

(f) the Commission defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in this Service Agreement, and the default continues for thirty days after written notice specifying the default and requiring it to be remedied has been given to the Commission by any Member Jurisdiction.

Section 8.2 Default by Member Jurisdictions.

The occurrence of any one or more of the following events will constitute an "Event of Default" by any Member Jurisdiction **("Member Jurisdiction Default")**:

(a) failure of any Member Jurisdiction to make payments of the Facilities Charge or any other amount, including bills for External Detention, when due;

(b) if any Member Jurisdiction shall for any reason be rendered incapable of fulfilling its obligations under this Service Agreement; or

(c) institution of any proceeding, with the consent or acquiescence of any Member Jurisdiction, for the purpose of effecting a composition between such Member Jurisdiction and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the funds of such Member Jurisdiction; or

(d) default of any Member Jurisdiction in the due and punctual performance of any of the other covenants, conditions, agreements and provisions contained in this Service Agreement, when such default continues for thirty days after written notice specifying the default and requiring it to be remedied has been given to such Member Jurisdiction by the Commission.

Section 8.3 Remedies of Member Jurisdictions.

Upon the occurrence of a Commission Default, any Member Jurisdiction, after giving notice of such Commission Default to all parties, may bring suit by mandamus or other appropriate proceeding to require the Commission to perform its duties under Applicable Law or this Service Agreement or to enjoin any acts in violation of Applicable Law or this Service Agreement.

Section 8.4 Remedies of Commission.

(a) Upon the occurrence of a Member Jurisdiction Default, the Commission, after giving reasonable notice of such Member Jurisdiction Default to all parties, may bring suit by mandamus or other appropriate proceeding to require the Member Jurisdiction to perform its duties under the Act and this Service Agreement or to enjoin any acts in violation of Applicable Law or this Service Agreement.

(b) The Commission shall provide written notice to all Member Jurisdictions of any Member

Section 9.1 Severability of Invalid Provisions.

If any clause, provision or section of this Service Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Service Agreement will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

Section 9.2 Execution of Service Agreement.

Each party shall authorize its chief executive officer or other appropriate official to execute the original of this Service Agreement on its behalf, and the Commission shall thereafter distribute a certified copy to each signatory.

Section 9.3 Governing Law.

This Service Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

Section 9.4 Prior Agreements and Amendments.

This Service Agreement shall amend any and all earlier agreements between the parties to the extent inconsistent with the terms of this Service Agreement. All acts heretofore undertaken by or in the name of the Commission are ratified and affirmed by this Service Agreement. This Service Agreement may be changed or amended only with the consent of the Commission and each Member Jurisdiction. No such change or amendment may be made which will affect adversely the prompt payment when due of all moneys required to be paid by the Member Jurisdictions under the terms of this Service Agreement, and no such change or amendment shall be effective which would cause a violation of any provision of any resolution, indenture or agreement pursuant to which any Bond is issued by the Commission.

Section 9.5 Effective Date of Service Agreement.

This Service Agreement will be effective from the date of its approval by all of the parties who intend on being members.

Section 9.6 Waiver.

Any waiver by any party of its rights under this Service Agreement must be in writing, and will not be deemed a waiver with respect to any matter not specifically covered. Nothing in this Service Agreement authorizes the waiver of any Member Jurisdiction's obligation to make payments when due of all monies required to be paid by the Member Jurisdictions under the terms of this Service Agreement.

Section 9.7 Notices.

IN WITNESS WHEREOF, the parties have caused this Service Agreement to be executed, by their duly authorized officers and pursuant to the approval of their respective governing bodies, as of the date above written.

NEW RIVER VALLEY JUVENILE DETENTION COMMISSION

By: _____
Chair

COUNTY OF GILES

By: _____
County Administrator

COUNTY OF MONTGOMERY

By: _____
County Administrator

COUNTY OF PULASKI

By: _____
County Administrator

CITY OF RADFORD

By: _____
City Manager