

**INTERLOCAL AGREEMENT
BETWEEN THE CITY OF BURIEN
AND THE KING COUNTY LIBRARY SYSTEM
FOR THE DESIGN, FINANCING AND USE OF
JOINT MUNICIPAL AND LIBRARY FACILITY**

This INTERLOCAL AGREEMENT, dated as of April 20, 2007, is entered into by and between the City of Burien and the King County Rural Library District, doing business as the King County Library System.

I. RECITALS

WHEREAS, the City is undertaking a redevelopment of its downtown core, and in furtherance thereof, on January 24, 2005, the City Council of the City approved Resolution No. 208 adopting a conceptual site plan for the future Burien Town Square; and

WHEREAS, the conceptual site plan for the Burien Town Square envisions a public open space civic center with plazas, walkways, trees, lawns, benches, fountains and art works, surrounded by restaurants and small shops, public facilities, and buildings with retail on the street level and condo/apartments on the upper levels; and

WHEREAS, the City would like to develop a new city hall and KCLS would like to develop a new, larger library in Burien, and the parties have determined that their respective objectives can best be met through joint development of a combined library/city hall building to be constructed as part of the Burien Town Square development; and

WHEREAS, the City and KCLS now wish to establish their respective rights and responsibilities with respect to the Project (hereinafter defined); and

WHEREAS, in conjunction with the Project, the City and KCLS also anticipate that the City will purchase certain existing property of KCLS from it, in accordance with the terms set forth in this Agreement;

WHEREAS, the City and KCLS are authorized pursuant to RCW 39.34 to enter into this Agreement;

NOW, THEREFORE, in consideration of the terms and provisions herein, it is agreed by and between the City and the KCLS as follows:

II. AGREEMENT

A. **Definitions.** Unless the context otherwise requires, the terms defined in this Paragraph A shall, for all purposes of this Agreement (including the foregoing recitals), have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined:

1. "Agreement" shall mean this Interlocal Agreement, as originally executed and as it may from time to time be modified or amended, including without limitation, through adoption and incorporation by reference of the Project Program in accordance with Paragraph G of this Agreement.
2. "City" shall mean the City of Burien, a municipal corporation formed under the laws of the State of Washington.
3. "City Manager" shall mean the duly appointed and acting City Manager for the City.
4. "Committee" shall mean the "Project Coordinating Committee" composed of representatives from each jurisdiction and organized to provide oversight of the Project, as more particularly provided in Paragraph E of this Agreement.
5. "Existing Library" means the library facility owned by KCLS located at 14700 Sixth SW, Burien, Washington 98166, and more particularly described on Exhibit B, attached hereto and incorporated herein by this reference.
6. "KCLS" shall mean the King County Rural Library District, doing business as the King County Library System, a public corporation formed under the laws of the State of Washington.
7. "KCLS Director" shall mean the duly appointed and acting Director of KCLS.
8. "Parties" shall mean the City and KCLS.
9. "Project Improvements" shall mean the condominium building, landscaping and related improvements, including on-site parking, to be constructed as a part of the Project, as more particularly described in Paragraph B of this Agreement.
10. "Project Land" shall mean that portion of the Property which is the minimum required to support the Project Improvements to be developed by the Parties in accordance with this Agreement, as more particularly describe in Paragraph H of this Agreement.
11. "Property" shall mean parcel number 1923049320 according to the King County Assessor's Records, more particularly described on the attached Exhibit A, which shall be incorporated by this reference as if fully set forth herein.

B. Description of Project.

1. The Project will consist of the Project Land and the improvements to be developed thereon, as more particularly described as Lot 'D' of Lot Line Adjustment No. PLA 05-1769, Burien, Washington and filed in King County, Washington under Recording No. 20051213900014.

2. It is anticipated that the Project Improvements will consist of at least two units: an approximately 32,000 square foot library unit to be acquired, owned and controlled by KCLS; and an approximately 17,000 square foot city hall unit to be acquired, owned and controlled by the City.

The Project Improvements will include landscaping, on-site parking, meeting space and other common areas, and may include retail space. The Parties intend to negotiate and adopt a condominium declaration, which will establish the rules and regulations applicable to the improvements to be constructed as a part of the Project, including in particular, the use of and access to the common areas, public meeting rooms and parking facilities. The Project will also include tenant improvements for the individual units and common areas, and furniture and furnishings for the common areas.

3. KCLS and the City acknowledge that as a part of the Project, the Parties will be required to participate, as property owners, in one or more local improvement districts to finance transportation and surface water management public works projects. In the event a local improvement district is proposed, the Parties agree not to protest the formation of the same. To the extent that other alternatives to a local improvement district exist, both Parties recognize that another such alternative may be preferable as a mechanism for proportionately allocating transportation and surface water management improvements. Each Party agrees to pay its proportionate share of such infrastructure improvements necessitated by the Project, either by way of a local improvement district or another legally recognizable method.

C. Purpose of Agreement; Guiding Principles. The purpose of this Agreement is to provide a broad framework for decision making by the Parties in connection with, and to provide for sharing of the costs of joint development of the Project. The Parties agree that their negotiations and decision making shall be guided by the following principles and beliefs:

1. The City and KCLS each believe that their respective facilities needs and missions can best be accomplished through a joint city hall/library facility. Each believes that a joint facility can be developed and operated in a more cost effective manner than could separate facilities, and that a shared facility will enable each to provide better services than could be provided at separate facilities.

2. The City and KCLS each recognize that notwithstanding their shared beliefs in the benefits of a shared facility, the needs and constraints each must address in order to accomplish its purposes are different. Accordingly, the Parties agree to keep in the forefront of all negotiations and decision making undertaken in accordance with this Agreement, the mission and public purpose of both organizations, and to work to foster and maintain good relations between them.

3. The City and KCLS acknowledge that the City has a dual role in connection with the Project: it will be a partner with KCLS in development, ownership and operation of the Project, and it will be the municipal agency responsible for land use decisions in connection with the Project. The City agrees to treat KCLS, and the Project similarly as all other major developments within the Burien Town Square.

D. Duration of Agreement.

1. This Agreement shall be effective upon its filing with the King County Auditor pursuant to RCW 39.34.040, and shall terminate upon completion of construction of the Project Improvements and issuance of a Certificate of Occupancy for the entire Project, and acquisition of the entire Project from a third party developer, if applicable.

2. The Parties anticipate that upon finalization and approval of the Project Program in accordance with Paragraph G of this Agreement, the Parties will execute a supplemental agreement concerning Project maintenance and operation, to become effective upon termination of this Agreement.

E. No Separate Legal Entity; Project Coordinating Committee.

1. No separate legal entity is created by this Agreement. However, the Parties hereby establish a joint committee, to be known as the "Project Coordinating Committee" (the "Committee"), which shall supervise and control all aspects of Project management. The Committee shall be comprised of four members, two of whom shall be appointed by the City Manager and two of whom shall be appointed by the KCLS Director. All decisions of the Committee shall be made by consensus, subject to provisions for dispute resolution set forth in Paragraph M below.

2. Initially, the Committee shall be responsible for development of a plan (the "Project Program") that will enable the parties to meet their respective needs for a new city hall and library. The Project Program shall address all matters reasonably necessary to enable the Committee to assess the suitability of the Project for the respective needs of the City and KCLS, including without limitation, Property acquisition, building size and layout, retail space needs, ownership and control, size and use of the parking and common areas, special needs, timetables, budgets, construction management or plan of acquisition, as appropriate, and the like. The Project Program shall also address the terms of purchase by the City from KCLS of the Existing Library. Finally, as a part of development of the Project Program, the Committee shall negotiate and prepare for approval by the Burien City Council and the KCLS Board of Trustees, an operating agreement that addresses the terms for maintenance and operation of the Project upon termination of this Agreement.

3. The Committee may retain consultants, or work with potential developers, as the Committee deems necessary or advisable to assist it in carrying out its responsibilities in accordance with this Agreement. In addition, the Committee may establish such additional committees or subcommittees as it deems necessary or advisable to assist it in such purposes. Such additional committees shall serve in an advisory capacity only, and unless otherwise directed by the Committee..

F. Reserved.

G. Project Program Approval. Upon completion of programming tasks, the Committee shall present the Project Program to the Director of KCLS and to the City Manager for approval to proceed, which shall not be unreasonably withheld. If the Project Program is not approved, this Agreement shall terminate (subject to the agreement of the Parties to pay all costs then unpaid, incurred in accordance with this Agreement) and the affairs of the Committee shall be wrapped up as expeditiously as possible. If the Project Program is approved, the terms of such program shall be incorporated into and by this reference, shall form a part of this Agreement, and the parties agree to work cooperatively to carry out the Project Program to completion.

H. Acquisition of Property; Subdivision. As a part of the Project, the Parties agree to jointly acquire that portion of the Property that is equal to the minimum needed to support the Project Improvements, and the City agrees to acquire the remainder of the Property for use as public open space and other City purposes in accordance with the Burien Town Center plan. The Parties currently estimate that the Property consists of approximately 98,000 square feet of land; that approximately 55,000 square feet of the Property will be required to support the Project Improvements and will be jointly acquired by the Parties; and that the remainder of the Property, consisting of approximately 43,000 square feet of land, will be acquired by the City at its sole cost and expense. In connection with development of the Project Plan, the Parties agree to work cooperatively to establish reasonable final parameters for the Project Land, in a manner that minimizes the costs of acquisition attributable to the Project. Further, if necessary under generally applicable land use requirements, the Parties will cooperate to subdivide the Property, at the City's sole cost and expense.

I. Cost Sharing.

1. KCLS and the City will share jointly in the costs of acquiring the Project Land and demolishing the improvements currently existing on such land, and the City shall pay 100% of the remaining costs of acquiring the Property. The costs of acquiring the Project Land and demolishing the existing improvements will be allocated between the Parties in the same proportion as their final ownership interests in the Project Improvements. For example, if the Project Improvements consist of two condominium units, one a 40,000 square foot library unit owned by KCLS and one a 20,000 square city hall unit owned by the City, KCLS shall pay 67% of the cost of the Project Land and the City shall pay 33% of the cost of the Project Land. The Parties acknowledge that the ultimate size of the Project Improvements and their respective ownership interests therein, and consequently the allocation of costs of acquiring the Project Land and demolishing the existing improvements, may vary significantly from current expectations.

2. The Parties agree to work cooperatively to establish the methodologies for sharing other costs of development (including without limitation, soft costs; costs of building shell, tenant improvement and parking improvements; transportation/surface water infrastructure; public space and landscaping; common area furnishings and furniture, including art) in connection with development of the Project Plan. In establishing such methodologies, the Parties agree to adhere to the following principles:

a. Each Party shall bear 100% of any costs easily identifiable as attributable solely to such Party (e.g. tenant improvements in a particular unit).

b. Where costs are appropriately shared, such costs shall be allocated between the parties on the basis of the most reasonable method or combination of methods, including without limitation, square footage, reasonably estimated usage, etc.

J. Ownership of the Property; Option to Purchase; Condemnation.

1. Details concerning acquisition and ownership of the Property and the improvements to be constructed thereon shall be determined in connection with development of, and shall be set forth in particularity in the Project Program. The Parties currently anticipate, however, that the improvements to be constructed as a part of the Project shall be owned by the City and KCLS pursuant to the Condominium Act, RCW 63.34. Each Party's percentage of ownership in the Project (each person's "unit" for purposes of RCW 64.34) shall be equal to the percentage that Party occupies exclusively within the Project.

2. If a Party (the "Selling Party") determines to sell or lease its rights in the Project, the Selling Party shall first give the other Party (the "Notice Party") not less than sixty (60) days' prior written notice of the price and terms of the proposed sale or lease, as the case may be ("Notice of Offer"). If the Notice Party does not accept the offer set forth in the Notice of Offer in writing within sixty (60) days' after receipt thereof (the "Notice Period"), the Selling Party may sell or lease the property upon the price and terms set forth in the Notice Offer. If the Selling Party's interest in the Project is not sold (i.e., binding contract of purchase and sale or lease, as the case may be) within six (6) months after expiration of the Notice Period, the Selling Party must again give the Notice Party not less than 60 days' written Notice of Offer prior to any sale to any third party or parties. A Party may not sell its interest in the Project at a price less than or on terms less favorable than last offered to the Notice Party. The City acknowledges and agrees that any sale of KCLS' interest in the Project shall also be subject to the Purchasing Policies of KCLS in effect from time to time.

3. If, within ten (10) years following completion of the Project, the City determines to exercise its right of eminent domain over that portion of the Project owned and occupied exclusively by KCLS, the laws of the State of Washington, RCW 8.12, Eminent Domain by Cities, shall apply to the City's Petition in Eminent Domain; provided, that the value of the KCLS' interest in the Project shall be deemed to be equal to the fair market value of the Project, plus a reasonable share of development costs.

K. Hold Harmless. To the extent permitted by law, the District shall indemnify and hold harmless and free from liability the City, its elected and appointed officials, agents, servants and employees, while acting within the scope of their duties as such, from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof arising in favor of such officials, agents, servants and employees or third parties on account of personal injuries, death, or damage to property arising out of this Agreement. To the extent permitted by law, the City shall indemnify and hold harmless the District and free from liability its elected and appointed officials, agents, servants, and employees, while acting within the scope of their duties as such, from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof arising in favor of such officials, agents, servants and employees or third parties on account of personal injuries, death, or damage to property arising out of this Agreement.

L. Termination. Prior to approval of the Project Program, either Party may terminate this Agreement for any reason regardless of cause, by giving 90 day(s)' prior written notice to the other Party. After approval of the Project Program, this Agreement may only be terminated by written mutual agreement of the Parties, or for good cause upon not less than 90 day(s)' prior written notice. Upon early termination of this Agreement, the parties shall negotiate provisions for payment of unpaid expenses incurred and distribution of property and property rights (real and/or personal) obtained in accordance with this Agreement, in accordance with the provisions for dispute resolution set forth in Paragraph M of this Agreement.

M. Compliance with All Laws and Regulations. The District and the City shall comply with all applicable laws, ordinances, and regulations from any and all authorities having jurisdiction.

N. Dispute Resolution.

1. If a dispute arises between the Parties concerning the performance of any provision of this Agreement or the interpretation thereof, the Parties agree to follow the procedure set forth herein. It is the goal of the parties to resolve differences as early in this step-process as possible.

2. **Step One – Informal Discussions.** The designated representatives of the City and KCLS who comprise the Committee shall meet and attempt to resolve the dispute. This may involve more than one meeting.

3. **Step Two – Written Notification and Resolution.** If informal discussions are not successful, then the aggrieved Party shall mail, via certified mail, written notice of dispute to the other Party's address shown in Paragraph R of this Agreement. The notice shall set forth the nature of the dispute and the desired outcome. A written response shall be provided by the recipient of the notice within ten (10) days' receipt of the certified, mailed notice. The response to the notice shall include the respondent's version of the dispute and a proposed resolution. The parties shall meet within then (10) business days following respondent's answer to determine whether the dispute can be resolved amicably. If the dispute is amicably resolved, the parties shall sign a memorandum of understanding with regards thereto.

4. **Step Three – Mediation.** If the parties are unable to resolve their differences at Step Two, the Parties will endeavor to settle the dispute by mediation under such mediation rules as shall be agreeable to the parties. Such mediation will be non-binding but a condition precedent to having the dispute resolved pursuant to Litigation, below. Mediation shall commence, unless otherwise agreed, within thirty (30) days of a Party's written request to the other Party for mediation of a dispute. Any resolution of the dispute at this stage shall be reduced to writing and, if the resolution involves an interpretation of the Agreement herein, the Agreement herein shall be amended to include the interpretation.

5. **Step Four – Litigation.** In the event any action is brought to enforce any provision of this Agreement, the parties agree to be subject to exclusive in personam jurisdiction in the King County Superior Court for the State and agree that in any such action venue shall lie exclusively in King County.

O. Counterparts. This Agreement shall be effective whether signed by the Parties on the same document or in counterparts.

P. Entire Agreement. This Agreement contains the entire Agreement between the parties hereto and replaces and supersedes the prior Interlocal Agreement of the Parties dated the ___ day of _____, 200 , and all amendments thereto, and no other Agreements, oral or otherwise, regarding the subject matter of this Agreement, shall be deemed to exist or bind any of the parties hereto. Either Party may request changes in this Agreement. Proposed changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement

Q. Severability. It is hereby agreed that no waiver of any condition or covenant in this Agreement, or any breach thereof, shall be taken to constitute a waiver of any subsequent breach.

R. Notices. Any written notice required or permitted to be given herein shall be made registered or certified U.S. mail, or by delivery in person to the Party which is the intended recipient of the notice, at the following addresses or to such other respective addresses as either Party hereto may from time to time designate in writing:

CITY OF BURIEN
City Manager
15811 Ambaum Boulevard SW
Suite C
Burien, WA 98166

KING COUNTY RURAL LIBRARY DISTRICT
Director
960 Newport Way NW
Issaquah, WA 98027

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.

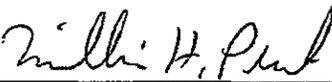
As Revised on May 20, 2007.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITY OF BURIEN

KING COUNTY RURAL LIBRARY DISTRICT

By: 
Michael Martin, City Manager

By: 
William H. Ptacek, Director

APPROVED AS TO FORM:

By: 
Chris Bacha, City Attorney

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I. RECITALS

WHEREAS, the City is undertaking a redevelopment of its downtown core, and in furtherance thereof, on January 24, 2005, the City Council of the City approved Resolution No. 208 adopting a conceptual site plan for the future Burien Town Square; and

WHEREAS, the conceptual site plan for the Burien Town Square envisions a public open space civic center with plazas, walkways, trees, lawns, benches, fountains and art works, surrounded by restaurants and small shops, public facilities, and buildings with retail on the street level and condo/apartments on the upper levels; and

WHEREAS, the City would like to develop a new city hall and KCLS would like to develop a new, larger library in Burien, and the parties have determined that their respective objectives can best be met through joint development of a combined library/city hall building to be constructed as part of the Burien Town Square development; and

WHEREAS, the City and KCLS now wish to establish their respective rights and responsibilities with respect to the Project (hereinafter defined); and

WHEREAS, in conjunction with the Project, the City and KCLS also anticipate that the City will purchase certain existing property of KCLS from it, in accordance with the terms set forth in this Agreement;

WHEREAS, the City and KCLS are authorized pursuant to RCW 39.34 to enter into this Agreement;

NOW, THEREFORE, in consideration of the terms and provisions herein, it is agreed by and between the City and the KCLS as follows:

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II. AGREEMENT

A. Definitions. Unless the context otherwise requires, the terms defined in this Paragraph A shall, for all purposes of this Agreement (including the foregoing recitals), have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined:

1. "Agreement" shall mean this Interlocal Agreement, as originally executed and as it may from time to time be modified or amended, including without limitation, through adoption and incorporation by reference of the Project Program in accordance with Paragraph G of this Agreement.

2. "City" shall mean the City of Burien, a municipal corporation formed under the laws of the State of Washington.

3. "City Manager" shall mean the duly appointed and acting City Manager for the City.

4. "Committee" shall mean the "Project Coordinating Committee" composed of representatives from each jurisdiction and organized to provide oversight of the Project, as more particularly provided in Paragraph E of this Agreement.

5. "Existing Library" means the library facility owned by KCLS located at 14700 Sixth SW, Burien, Washington 98166, and more particularly described on Exhibit B, attached hereto and incorporated herein by this reference.

6. "KCLS" shall mean the King County Rural Library District, doing business as the King County Library System, a public corporation formed under the laws of the State of Washington.

7. "KCLS Director" shall mean the duly appointed and acting Director of KCLS.

8. "Parties" shall mean the City and KCLS.

9. "Project Improvements" shall mean the condominium building, landscaping and related improvements, including on-site parking, to be constructed as a part of the Project, as more particularly described in Paragraph B of this Agreement.

10. "Project Land" shall mean that portion of the Property which is the minimum required to support the Project Improvements to be developed by the Parties in accordance with this Agreement, as more particularly describe in Paragraph H of this Agreement.

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B. Description of Project.

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2. It is anticipated that the Project Improvements will consist of at least two units: an approximately 32,000 square foot library unit to be acquired, owned and controlled by KCLS; and an approximately 17,000 square foot city hall unit to be acquired, owned and controlled by the City. The Project Improvements will include landscaping, on-site parking, meeting space and other common areas, and may include retail space. The Parties intend to negotiate and adopt a condominium declaration, which will establish the rules and regulations applicable to the improvements to be constructed as a part of the Project, including in particular, the use of and access to the common areas, public meeting rooms and parking facilities. The Project will also include tenant improvements for the individual units and common areas, and furniture and furnishings for the common areas.

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1. The City and KCLS each believe that their respective facilities needs and missions can best be accomplished through a joint city hall/library facility. Each believes that a joint facility can be developed and operated in a more cost effective manner than could separate facilities, and that a shared facility will enable each to provide better services than could be provided at separate facilities.

2. The City and KCLS each recognize that notwithstanding their shared beliefs in the benefits of a shared facility, the needs and constraints each must address in order to accomplish its purposes are different. Accordingly, the Parties agree to keep in the forefront of all negotiations and decision making undertaken in accordance with this Agreement, the mission and public purpose of both organizations, and to work to foster and maintain good relations between them.

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3. The City and KCLS acknowledge that the City has a dual role in connection with the Project: it will be a partner with KCLS in development, ownership and operation of the Project, and it will be the municipal agency responsible for land use decisions in connection with the Project. The City agrees to treat KCLS and the Project similarly as all other major developments within the Burien Town Square.

D. Duration of Agreement.

1. This Agreement shall be effective upon its filing with the King County Auditor pursuant to RCW 39.34.040, and shall terminate upon completion of construction of the Project Improvements and issuance of a Certificate of Occupancy for the entire Project, and acquisition of the entire Project from a third party developer, if applicable.

2. The Parties anticipate that upon finalization and approval of the Project Program in accordance with Paragraph G of this Agreement, the Parties will execute a supplemental agreement concerning Project maintenance and operation, to become effective upon termination of this Agreement.

E. No Separate Legal Entity; Project Coordinating Committee.

1. No separate legal entity is created by this Agreement. However, the Parties hereby establish a joint committee, to be known as the "Project Coordinating Committee" (the "Committee"), which shall supervise and control all aspects of Project management. The Committee shall be comprised of four members, two of whom shall be appointed by the City Manager and two of whom shall be appointed by the KCLS Director. All decisions of the Committee shall be made by consensus, subject to provisions for dispute resolution set forth in Paragraph M below.

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3. The Committee may retain consultants, or work with potential developers, as the Committee deems necessary or advisable to assist it in carrying out its responsibilities in accordance with this Agreement. In addition, the Committee may establish such additional committees or subcommittees as it deems necessary or advisable to assist it in such purposes. Such additional committees shall serve in an advisory capacity only, and unless otherwise directed by the Committee.

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F. Reserved.

G. Project Program Approval. Upon completion of programming tasks, the Committee shall present the Project Program to the Director of KCLS and to the City Manager for approval to proceed, which shall not be unreasonably withheld. If the Project Program is not approved, this Agreement shall terminate (subject to the agreement of the Parties to pay all costs then unpaid, incurred in accordance with this Agreement) and the affairs of the Committee shall be wrapped up as expeditiously as possible. If the Project Program is approved, the terms of such program shall be incorporated into and by this reference, shall form a part of this Agreement, and the parties agree to work cooperatively to carry out the Project Program to completion.

H. Acquisition of Property; Subdivision. As a part of the Project, the Parties agree to jointly acquire that portion of the Property that is equal to the minimum needed to support the Project Improvements, and the City agrees to acquire the remainder of the Property for use as public open space and other City purposes in accordance with the Burien Town Center plan. The Parties currently estimate that the Property consists of approximately 98,000 square feet of land; that approximately 55,000 square feet of the Property will be required to support the Project Improvements and will be jointly acquired by the Parties; and that the remainder of the Property, consisting of approximately 43,000 square feet of land, will be acquired by the City at its sole cost and expense. In connection with development of the Project Plan, the Parties agree to work cooperatively to establish reasonable final parameters for the Project Land, in a manner that minimizes the costs of acquisition attributable to the Project. Further, if necessary under generally applicable land use requirements, the Parties will cooperate to subdivide the Property, at the City's sole cost and expense.

I. Cost Sharing.

1. KCLS and the City will share jointly in the costs of acquiring the Project Land and demolishing the improvements currently existing on such land, and the City shall pay 100% of the remaining costs of acquiring the Property. The costs of acquiring the Project Land and demolishing the existing improvements will be allocated between the Parties in the same proportion as their final ownership interests in the Project Improvements. For example, if the Project Improvements consist of two condominium units, one a 40,000 square foot library unit owned by KCLS and one a 20,000 square city hall unit owned by the City, KCLS shall pay 67% of the cost of the Project Land and the City shall pay 33% of the cost of the Project Land. The Parties acknowledge that the ultimate size of the Project Improvements and their respective ownership interests therein, and consequently the allocation of costs of acquiring the Project Land and demolishing the existing improvements, may vary significantly from current expectations.

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the following principles:

- a. Each Party shall bear 100% of any costs easily identifiable as attributable solely to such Party (e.g. tenant improvements in a particular unit).
- b. Where costs are appropriately shared, such costs shall be allocated between the parties on the basis of the most reasonable method or combination of methods, including without limitation, square footage, reasonably estimated usage, etc.

J. Ownership of the Property; Option to Purchase; Condemnation.

1. Details concerning acquisition and ownership of the Property and the improvements to be constructed thereon shall be determined in connection with development of, and shall be set forth in particularity in the Project Program. The Parties currently anticipate, however, that the improvements to be constructed as a part of the Project shall be owned by the City and KCLS pursuant to the Condominium Act, RCW 63.34. Each Party's percentage of ownership in the Project (each person's "unit" for purposes of RCW 64.34) shall be equal to the percentage that Party occupies exclusively within the Project.

2. If a Party (the "Selling Party") determines to sell or lease its rights in the Project, the Selling Party shall first give the other Party (the "Notice Party") not less than sixty (60) days' prior written notice of the price and terms of the proposed sale or lease, as the case may be ("Notice of Offer"). If the Notice Party does not accept the offer set forth in the Notice of Offer in writing within sixty (60) days' after receipt thereof (the "Notice Period"), the Selling Party may sell or lease the property upon the price and terms set forth in the Notice Offer. If the Selling Party's interest in the Project is not sold (i.e., binding contract of purchase and sale or lease, as the case may be) within six (6) months after expiration of the Notice Period, the Selling Party must again give the Notice Party not less than 60 days' written Notice of Offer prior to any sale to any third party or parties. A Party may not sell its interest in the Project at a price less than or on terms less favorable than last offered to the Notice Party. The City acknowledges and agrees that any sale of KCLS' interest in the Project shall also be subject to the Purchasing Policies of KCLS in effect from time to time.

3. If, within ten (10) years following completion of the Project, the City determines to exercise its right of eminent domain over that portion of the Project owned and occupied exclusively by KCLS, the laws of the State of Washington, RCW 8.12, Eminent Domain by Cities, shall apply to the City's Petition in Eminent Domain; provided, that the value of the KCLS' interest in the Project shall be deemed to be equal to the fair market value of the Project, plus a reasonable share of development costs.

K. Hold Harmless. To the extent permitted by law, the District shall indemnify and hold harmless and free from liability the City, its elected and appointed officials, agents, servants and employees, while acting within the scope of their duties as such, from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof arising in favor of such officials, agents, servants and employees or third parties on account of personal

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injuries, death, or damage to property arising out of this Agreement. To the extent permitted by law, the City shall indemnify and hold harmless the District and free from liability its elected and appointed officials, agents, servants, and employees, while acting within the scope of their duties as such, from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof arising in favor of such officials, agents, servants and employees or third parties on account of personal injuries, death, or damage to property arising out of this Agreement.

L. Termination. Prior to approval of the Project Program, either Party may terminate this Agreement for any reason regardless of cause, by giving 90 day(s)' prior written notice to the other Party. After approval of the Project Program, this Agreement may only be terminated by written mutual agreement of the Parties, or for good cause upon not less than 90 day(s)' prior written notice. Upon early termination of this Agreement, the parties shall negotiate provisions for payment of unpaid expenses incurred and distribution of property and property rights (real and/or personal) obtained in accordance with this Agreement, in accordance with the provisions for dispute resolution set forth in Paragraph M of this Agreement.

M. Compliance with All Laws and Regulations. The District and the City shall comply with all applicable laws, ordinances, and regulations from any and all authorities having jurisdiction.

N. Dispute Resolution.

1. If a dispute arises between the Parties concerning the performance of any provision of this Agreement or the interpretation thereof, the Parties agree to follow the procedure set forth herein. It is the goal of the parties to resolve differences as early in this step-process as possible.

2. **Step One – Informal Discussions.** The designated representatives of the City and KCLS who comprise the Committee shall meet and attempt to resolve the dispute. This may involve more than one meeting.

3. **Step Two – Written Notification and Resolution.** If informal discussions are not successful, then the aggrieved Party shall mail, via certified mail, written notice of dispute to the other Party's address shown in Paragraph R of this Agreement. The notice shall set forth the nature of the dispute and the desired outcome. A written response shall be provided by the recipient of the notice within ten (10) days' receipt of the certified, mailed notice. The response to the notice shall include the respondent's version of the dispute and a proposed resolution. The parties shall meet within then (10) business days following respondent's answer to determine whether the dispute can be resolved amicably. If the dispute is amicably resolved, the parties shall sign a memorandum of understanding with regards thereto.

4. **Step Three – Mediation.** If the parties are unable to resolve their differences at Step Two, the Parties will endeavor to settle the dispute by mediation under such mediation rules as shall be agreeable to the parties. Such mediation will be non-binding but a condition precedent to having the dispute resolved pursuant to Litigation, below. Mediation shall commence, unless otherwise

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agreed, within thirty (30) days of a Party's written request to the other Party for mediation of a dispute. Any resolution of the dispute at this stage shall be reduced to writing and, if the resolution involves an interpretation of the Agreement herein, the Agreement herein shall be amended to include the interpretation.

5. Step Four -- Litigation. In the event any action is brought to enforce any provision of this Agreement, the parties agree to be subject to exclusive in personam jurisdiction in the King County Superior Court for the State and agree that in any such action venue shall lie exclusively in King County.

O. Counterparts. This Agreement shall be effective whether signed by the Parties on the same document or in counterparts.

P. Entire Agreement. This Agreement contains the entire Agreement between the parties hereto and replaces and supersedes the prior Interlocal Agreement of the Parties dated the 7th day of March, 2005, and all amendments thereto, and no other Agreements, oral or otherwise, regarding the subject matter of this Agreement, shall be deemed to exist or bind any of the parties hereto. Either Party may request changes in this Agreement. Proposed changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement

Q. Severability. It is hereby agreed that no waiver of any condition or covenant in this Agreement, or any breach thereof, shall be taken to constitute a waiver of any subsequent breach.

R. Notices. Any written notice required or permitted to be given herein shall be made registered or certified U.S. mail, or by delivery in person to the Party which is the intended recipient of the notice, at the following addresses or to such other respective addresses as either Party hereto may from time to time designate in writing:

CITY OF BURIEN
City Manager
15811 Ambaum Boulevard SW
Suite C
Burien, WA 98166

KING COUNTY RURAL LIBRARY DISTRICT
Director
960 Newport Way NW
Issaquah, WA 98027

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.

As Revised on May 20, 2007.

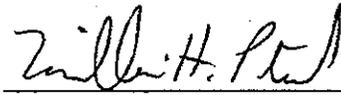
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITY OF BURIEN

KING COUNTY RURAL LIBRARY
DISTRICT

By: 
Michael Martin, City Manager

By: 
William H. Ptacek, Director

APPROVED AS TO FORM:

By: 
Chris Bacha, City Attorney

AMENDMENT NO. 3

TO INTERLOCAL AGREEMENT AND FIRST ADDENDUM TO THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF BURIEN AND THE KING COUNTY LIBRARY SYSTEM FOR THE DESIGN, FINANCING AND USE OF JOINT MUNICIPAL AND LIBRARY FACILITY

This is Amendment No. 3 dated as of April 4th, 2008 to the Interlocal Agreement dated of March 7, 2005 and revised as of April 20, 2007, and the First Addendum to the ILA dated November 15th, 2005 (the Lead Agency Agreement, all by and between the City of Burien and the King County Rural Library District doing business as KCLS.)

- O. Project Representatives. The City Manager hereby appoints Stephen Clark (the "City Representative") to act as its representative in connection with all decisions to be made by the City in connection with the ILA and this Lead Agency Agreement, and appoints Justine Kim, Shields Obletz Johnson and the City Construction Manager for this project as the back up contact for same. The Library Director hereby appoints Greg Smith as the lead KCLS representative effective with this amendment date. KCLS back up contact is Ross Pouley, URS Corporation and KCLS Construction Manager for this project. The Lead Agency shall be responsible for communicating issues to the Project Representatives between meetings of the Project Development Committee, and it shall be the sole responsibility of the Project Representatives to further convey such communications to other members of the City's staff and its consultants. The Lead Agency shall be entitled to rely with full acquittance upon any decisions made and/or approvals granted to it by the Project Representatives. The Project Representatives shall be reasonably available to the Lead Agency, and agrees to work cooperatively with the Lead Agency to enable the Project to be completed efficiently and in accordance with the Program approved by the parties. If for any reason the parties designated herein are not able to serve as their agency's representative for the duration of the project, the Executive Director of KCLS and the Burien City Manager shall appoint a replacement with full delegated responsibilities described in Section IV of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITY OF BURIEN

KING COUNTY RURAL LIBRARY DISTRICT

By: Mike Martin
Mike Martin, City Manager

By: William H. Ptacek
William H. Ptacek, Director