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2003-442

INTERLOCAL AGREEMENT BETWEEN KING COUNTY AND ALBERTSON'S RELATING TO POLICE SUBSTATION FACILITIES

This License Agreement ("Agreement") is entered into as of this 5th day of October, 2002, by and between Albertson's, Inc., a Delaware corporation ("Albertson's") and King County, a home rule charter county, a political subdivision of the State of Washington, ("Operator").

1. Definitions

- 1.1. "Store": That certain supermarket building owned or leased by Albertson's located at 14215 SE Petrovitsky Road, Renton, Washington, identified by Albertson's store number 470.
- 1.2. "Licensed Area": That certain area within the Store consisting of approximately 200 square feet outlined on Exhibit A, attached hereto and made a part hereof, as the same may be relocated from time to time in Albertson's sole discretion.
- 1.3. "License Commencement Date": The date of this Agreement.
- 1.4. "Police Substation": A mini police substation facility within the Licensed Area, staffed intermittently as deemed appropriate by Operator, providing community outreach services such as child fingerprinting, bicycle licensing, neighborhood watch programs, and other related services to the public, and providing Operator's employees office space to complete accident reports and other paperwork.
- 2. License. Subject to the terms and conditions set forth herein, Albertson's grants Operator a license to install and operate a Police Substation in the Licensed Area, and Operator agrees to install and operate a Police Substation in the Licensed Area. Operator shall use the Licensed Area for the operation of a Police Substation and as specified in Section 6 below, and for no other purpose whatsoever. It is specifically agreed and understood that this license is for permissive use only and the exercise of the rights and privileges granted herein shall not operate to create or vest an property right in and to the Licensed Area or any thereof in Operator. This Agreement is not intended to be, nor shall it be construed as, a license coupled with an interest.
- 3. Term. The term of the license granted herein shall commence on the License Commencement Date, and shall continue annually until either party terminates the Agreement by providing thirty (30) days prior written notice of its intent to terminate ("Termination Notice"). Notwithstanding the foregoing, either party may terminate this Agreement for any reason, at any time, by providing Termination Notice to the other party.
- 4. Construction of the Police Substation. Albertson's shall, at its own expense, remove and relocate Albertson's trade fixtures and equipment from the Licensed Area. Albertson's agrees to construct, at its own expense, all improvements for the Licensed Area including, without limitation, walls, counters, ceiling, lights, utility connections, dedicated telephone lines and equipment, and other improvements required for the operation of the Police Substation. Once Albertson's has completed construction of all improvement, Albertson's agrees to provide Operator with any reasonably necessary improvements including, without limitation, computers, telephones, office supplies, desks,

file cabinets, and other furniture, necessary to operate the Police Substation. All improvements shall remain the property of Albertson's. Operator agrees to take the Licensed Area in "as-is" condition.

- 5. Signs. Albertson's may, but is not obligated to, install interior signage in the Licensed Area promoting the location of the Police Substation within the Store.
 - 5.1. Provided there are no third party agreements prohibiting the following, Albertson's agrees to reserve at least one (1) parking space near the front of the Store for police vehicles. Albertson's shall, at its sole cost, (i) restripe the parking space(s) in a contrasting color from other parking spaces in the parking lot, and (ii) erect a sign for the parking space(s) that reads "Reserved for Police Vehicles" (or functional equivalent). Albertson's also agrees to pay and be separately responsible for any and all repair and removal costs for such sign(s). Notwithstanding the foregoing, the parties agree that Albertson's shall have no duty or obligation to monitor the parking spaces to ensure that only Operator's vehicles are parking in the designated spaces.
- 6. Operator's Use and Occupancy. Operator may use the Police Substation on an as-needed basis, with no guaranteed hours of operation; provided however, in no event shall Operator be required to, or have the right to, operate the Police Substation if Albertson's is not open for business at the Store. Albertson's shall have the right to maintain such hours of operation at the Store, as Albertson's deems appropriate in its sole discretion. Albertson's may close the store at any time for any reason in its sole and absolute discretion, it being understood that Albertson's has no covenant to operate.
- 7. Right of Entry/Services. Operator shall provide its own lock for the Police Substation. Notwithstanding the foregoing, Operator shall provide a duplicate key or the combination for the lock, as the case may be, to Albertson's Store Director in the event Albertson's needs to access the Police Substation in the event of an emergency. In addition, Albertson's shall have the right to enter the Police Substation for the purpose of performing maintenance, repairs, alterations, and remodeling to the Store.

Albertson's, at its sole cost and expense, shall furnish electricity and phone lines required as a result of normal activity to be carried on in the Police Substation, and heating and air conditioning (at the temperatures maintained by Albertson's at the Store). Where such services are the responsibility of a third party, Albertson's will use due diligence, at no cost or liability to Albertson's, to obtain conformance with this Section 7.

8. Insurance/Indemnification

8.1. From and after the License Commencement Date and continuing throughout the term of this Agreement, Operator shall, at its sole expense, carry broad form fire and casualty property insurance with extended coverage endorsement in an amount of not less than one hundred percent (100%) of replacement value of the personal property of the Operator located at the Police Substation, and commercial general liability insurance (including broad form coverage endorsement) with respect to its operations in the Store. The limits of said insurance policy shall not be less than \$2,000,000 for bodily injury and property damage and \$2,000,000 for personal injury; however, the \$2,000,000 limits shall be subject to increase as Albertson's may from time to time deem reasonable based on then current insurance standards. Prior to commencing operations in the Police Substation, Operator shall furnish Albertson's with a certificate of Self-insurance evidencing such coverage.

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- 8.2. Albertson's acknowledges, agrees and understands that the Operator, King County, charter county government under the constitution of the State of Washington, maintains a fully funded Self-Insurance program as defined in King County Code 4.12 for the protection and handling of the Operator's liabilities including injuries to persons and damage to property. The Operator agrees, at its own expense, to maintain, through its self-funded program, coverage for all of its liability exposures for this Agreement. The Operator agrees to provide Albertson's with at least 30 days prior written notice of any material change in the Operator's self-funded program and will provide Albertson's with a certificate of self-insurance as adequate proof of coverage.
- 8.3. Operator agrees to indemnify, defend, and hold Albertson's harmless from and against any and all losses, costs, expenses (including, without limitation, reasonable attorney's fees and reasonable attorney's fees on appeal), liabilities, damages, and claims, demands, liens, claims of liens, judgments, proceedings and causes of action (collectively, "Claims") resulting from Operator's negligence and for any and all such Claims resulting from the negligence or willful misconduct of its employees (acting within the scope of their employment) or agents and contractors (acting within the scope of their employment, agency, and contracts, respectively).
- 8.4. Albertson's agrees to indemnify, defend, and hold Operator harmless from and against any and all losses, costs, expenses (including, without limitation, reasonable attorney's fees and reasonable attorney's fees on appeal), liabilities, damages, and claims, demands, liens, claims of liens, judgments, proceedings and causes of action (collectively, "Claims") resulting from Albertson's negligence and for any and all such Claims resulting from the negligence or willful misconduct of its employees (acting within the scope of their employment) or agents and contractors (acting within the scope of their employment, agency, and contracts, respectively).
- 9. Surrender of Possession Upon Termination. Upon the termination of this Agreement for any reason, Operator shall return the Licensed Area to Albertson's in broom clean condition, and shall remove any computers, telephones, desks, cabinets, personal property, and other trade fixtures placed in the Licensed Area by Operator.
- 10. Notice. All notices hereunder shall be in writing and shall be delivered personally or sent by Federal Express or other nationally recognized overnight delivery service, or by registered or certified mail, return receipt requested, postage prepaid, addressed to the appropriate party at the address set forth below:

Albertson's

Albertson's, Inc.
250 Parkcenter Blvd.
P.O. Box 20
Boise, ID 83726
Attn: Legal Dept. – Real Estate Law

Operator

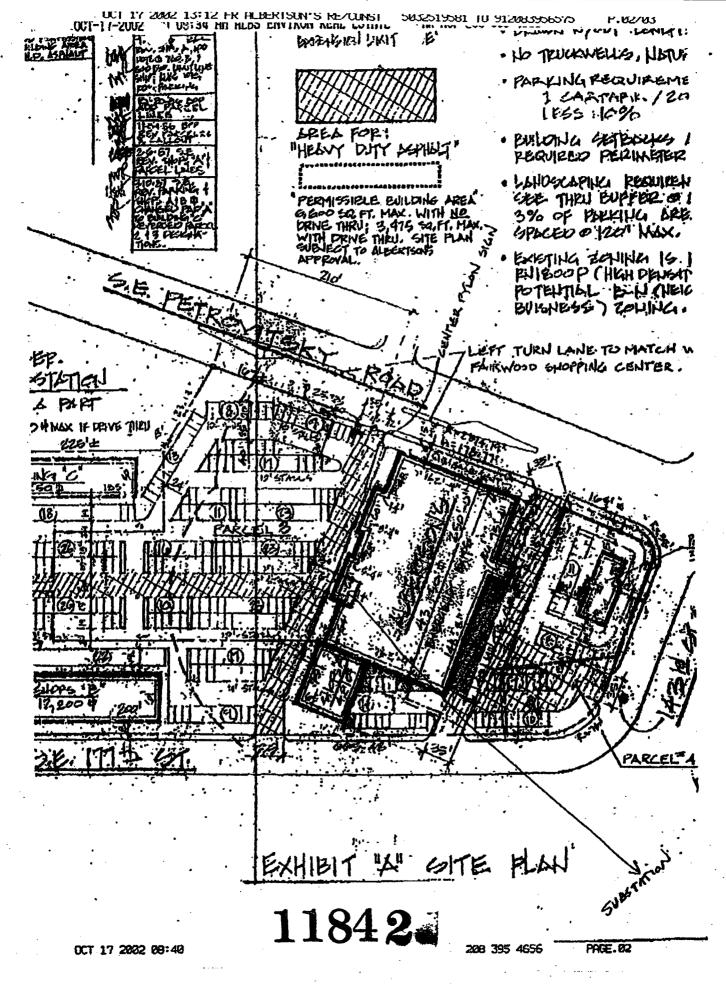
King County Sheriff's Office 516 Third Avenue, Room W-150 M.S. KCC-SO-100 Seattle, WA 98104 Attn: KCSO Contract Services Section

The person and address to which notices are to be given may be changed at any time by any party

upon written notice to the other party. Notices shall be deemed given upon receipt. For the purposes of this Agreement, the term "receipt" shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified above as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified above, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (A) the date of the attempted delivery or refusal to accept delivery, (B) the date of the postmark on the return receipt, or (C) the date of receipt of notice of refusal or notice of nondelivery by the sending party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly elected and delivered on the date first set forth at the beginning of this Agreement

Albertson's Albertson's, Inc., a Delaware Corporation (gi)	Operator King County	
Lincoln V. Sharp A. Date Vice President, Real Estate Law	By: Ron Sims King County Executive	Date
	David Reichert King County Sheriff	Date



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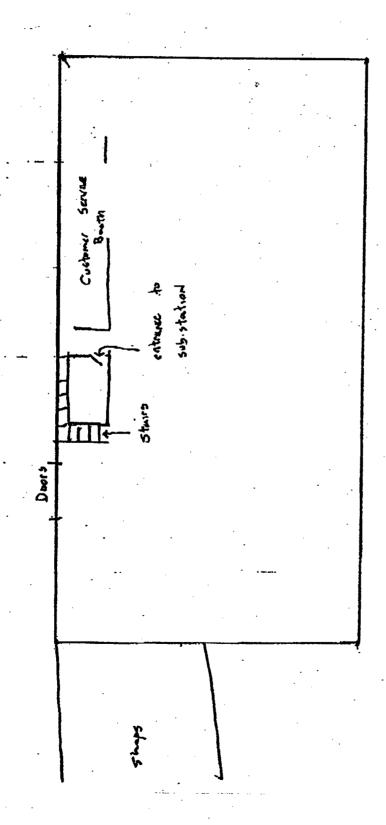


EXHIBIT "A", P. 2
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