

March 27, 2012

VIA E-MAIL

Mr. Bill Ptacek
King County Library System
960 Newport Way NW
Issaquah WA 98027-2702

Re: Interlocal Agreement dated July 11, 2011 with City of Renton (the "Interlocal Agreement")

Dear Bill:

We understand that a citizens group in the City of Renton is collecting signatures for a petition to retain the existing Cedar River location for the Renton library (instead of completing construction of the new downtown library). This is counter to the Interlocal Agreement entered into by KCLS and the City of Renton last year. If the petition is successful, it will set an unfortunate precedent and will undermine future negotiations between KCLS and municipalities regarding library services – the petition threatens to force the City to breach the Interlocal Agreement and will result in a considerable waste of effort and funds from KCLS on behalf of this project.

As you recall, the Interlocal Agreement required the City of Renton to supply two library sites – one downtown and one in the Sunset Hill area. There were two options for the downtown site, one at 508 South Third (Big 5) and one at 504 South Third (Roxy Theatre) (by the time the Interlocal Agreement was entered into, the existing downtown library had been ruled insufficient and obsolete). After the sites were selected by the City, KCLS began design work pursuant to the Interlocal Agreement.

If the City now changes the site of the downtown library, it is arguably in breach of the Interlocal Agreement on that basis alone. More importantly, the "City's Maximum Contribution", as defined in Section 4(c) of the Interlocal Agreement will be adversely affected. The City is responsible for reimbursing KCLS for all design and construction costs up to the amount of the approved project budget. We understand to date the City has expended approximately \$600,000 towards the project. If the location of the downtown library is now changed by the petition, those funds will be wasted and the remainder of the City's required contribution amount will likely be insufficient to complete the project or to renovate the existing library facility, putting the City will in breach of the Interlocal

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Agreement. In this event, KCLS also might have a claim that the City is liable for the considerable KCLS staff time already invested in the project.

Section 8 of the Interlocal Agreement governs disputes thereunder. KCLS is required to give notice to the City within seven (7) days of learning of a material breach. The City then has 14 days to cure the breach or otherwise respond. In the event the parties are not able to resolve a dispute informally, the Interlocal Agreement requires mediation. Here, we suggest you notify the City now that KCLS will consider approval of the proposed petition to be a breach of the Interlocal Agreement. If the petition is passed, KCLS should also send the required seven-day notice.

Please let us know if you have any questions or if we can be of further assistance on this matter.

Very truly yours,

K&L GATES LLP

A handwritten signature in black ink, appearing to read "Charles Royce", with a long horizontal flourish extending to the right.

By
Charles Royce

cc: Tammy Watts (via e-mail)