INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT is made this 24th day of July, 1989 between the CITY OF WEST RICHLAND, a municipal corporation of the State of Washington hereinafter called the lessor, and BEN FRANKLIN TRANSIT, a municipal corporation of the State of Washington hereinafter called lessee, witnesses as follows:

1. In consideration of the mutual benefits to be derived hereby and of one dollar ($1.00) paid by lessee to lessor which is hereby acknowledged, the lessor hereby demises and leases unto the lessee all of those certain premises situated in the City of West Richland, County of Benton, State of Washington, as are set forth on the map attached hereto and marked Exhibit A, more particularly described on the legal description attached as Exhibit B and by this reference incorporated herein.

To have and to hold the said premises for and during the term of fifty (50) years from August 1, 1989 to July 31, 2039.

2. The lessor covenants with the lessee as follows:

a. Lessor covenants that lessor owns fee title to that property more particularly described on Exhibits A and B attached hereto.

b. Lessor covenants that the lessee, upon performing the covenants upon its part to be performed hereunder, shall and may peaceably and quietly have, hold and enjoy the premises hereby leased during the term hereof.

c. Lessor shall bear the cost of providing electricity and irrigation water to the premises; furthermore, lessor will continually pay the electrical bill for normal and ordinary illumination and building heat used on the premises and irrigation expenses for irrigation water used on the premises.

Lessor shall be responsible for maintaining a litter can, irrigating and cutting grass, and for grass and weed removal on the premises.

d. It is anticipated that lessor will construct a restroom in the future, either on the premises or on adjacent premises owned by lessor. In the event a restroom facility is constructed on the premises, or on the adjacent Flattop Park which is owned by lessor, then lessor, at its own expense, will bring sewer, conduit and domestic water to the premises, or to

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Flattop Park:

e. At such time as lessor determines it is in lessor's best interest to place a restroom facility in the adjacent Flattop Park, then lessee shall be provided access to the restroom during all of lessee's hours of operation. Lessor shall properly maintain such restroom in operating condition during such times.

f. It is anticipated by lessor that funds will become available to build a park-and-ride lot adjacent to the demised premises. In such event lessor shall construct and continuously maintain said park-and-ride lot. In any event lessor shall provide a level parking area with a flat, gravel surface (or better surface at lessor's option) for a minimum of ten cars for the use of the public, including lessee's employees, on lessor's property adjacent to and west of the demised premises as shown on Exhibit A.

3. The lessee covenants with lessor as follows:

a. To construct improvements including driveways, parking pad, shelter, signage, lighting and landscaping at its own cost for an off-street transfer center.

Lessees shall, at lessee's expense, provide a fence to specifications agreeable with lessee, causing such fence to be placed along lessor's property adjacent to the demised property and next to the adjacent irrigation canal as shown on Exhibit A.

b. To keep the property free of liens.

c. To keep the property and improvements insured against loss or damage.

d. In case of damage or destruction, from time to time, by fire, vandalism, or otherwise, or by normal wear and tear, to repair, restore or rebuild the improvements on the demised premises with all reasonable dispatch.

e. To permit the lessor and its agents at all reasonable times to enter upon the demised premises to view the condition of the premises.

During the term of this lease, lessee shall make all improvements and maintain driveways, parking pads, shelters, signage, and landscaping.

f. At the termination of the tenancy, to yield up the demised premises to lessor; it is understood and agreed that upon such termination, lessee may, but is not required to, remove all removable improvements, including, but not limited to, the shelter, signage, benches, etc. It is understood and agreed between the parties that lessee holds title to and owns all improvements which are removable and which have been placed on the premises by lessee during the term of this agreement.

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In the event lessor determines it is in its best interest to construct a restroom facility in Flattop Park adjacent to the demised premises, then in consideration of lessee's right to use such facility as more specifically set forth above, lessee shall pay lessor the sum of $5,000 to be applied toward the construction costs; provided nothing contained herein shall require lessor to build said restroom.

4. Lessee may terminate this lease at any time by giving lessor 180 days advance written notice.

Lessor may terminate this lease at any time, provided:

a. no termination shall occur during the first ten years of this lease agreement;

b. lessor shall give to lessee a minimum of one year advance written notice that lessor is exercising its right to terminate;

c. lessor shall provide to lessee a mutually agreeable alternate location under the same terms and conditions contained in this agreement;

d. lessor shall either make capital improvements to the new site comparable to the improvements taken by way of its termination (i.e., such items as cement, pavement, irrigation, water and electricity systems, grass, and buildings shall be replaced at lessee's new premises), or in alternative, lessor shall fairly compensate lessee for such items taken or appropriated in the termination.

5. The lessee does hereby covenant for itself and its assigns that it will keep and save harmless the lessor and its assigns from any and all liability, loss or damage arising from any fault or negligence by the lessee or its assigns on failure on its part to comply with any covenant, condition or obligation contained in this lease.

The lessor does hereby covenant for itself and assigns that it will keep and save harmless the lessee and assigns from any and all liability, loss or damage arising from any fault or negligence by the lessor or assigns, on failure on its part to comply with any covenant, condition or obligation contained in this lease.

6. Ben Franklin Transit and the City of West Richland, each for itself, binds itself, its principals, successors, assigns and legal representatives of such party in respect of all covenants of this agreement. This agreement and all obligations arising thereunder shall not be sold, assigned or transferred by either party without the previous consent in writing of the other party to this agreement.

7. Any notice or demand under or required by this agreement

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shall be given in writing and shall be deemed properly given if actually received in due and timely course by the party for whom the notice was intended, or if sent by registered or certified mail, postage prepaid, to the intended party in care of the appropriate address below:

a. Ben Franklin Transit, 1000 Columbia Dr. SE, Richland, WA 99352, Attn: Director of Finance and Administration.

b. The City of West Richland, 3305 W. Van Giesen, West Richland, WA 99352, Attn: Mayor.

8. This agreement shall be construed in accordance with the laws of the State of Washington, and in any disputes arising under the terms of or in connection with this agreement, unless otherwise agreed by the parties in writing, the dispute shall be submitted through the jurisdiction of the Superior Court of the State of Washington, and venue shall be in Benton County.

9. All prior or contemporaneous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof which are inconsistent with this agreement are hereby superseded. No amendment hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized representative of the party sought to be bound thereby. No provision of this agreement is intended or shall be construed to be for the benefit of any third party.

10. Should any part, term or provision of this agreement be decided by the courts to be illegal or in conflict with any applicable statute or regulation, the validity of the remaining portions or provisions shall not be affected thereby.

LESSOR

CITY OF WEST RICHLAND

by Mayor

by Secretary

LESSEE

BENTON FRANKLIN TRANSIT

by Acting General Manager

by Secretary

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STATE OF WASHINGTON \} ss.
County of Benton \)

On this day personally appeared before me, Rebecca Barr and
Ivan E. Higgin, respectively, of the CITY OF WEST RICHLAND, the municipal
corporation that executed the foregoing instrument, and
acknowledged the said instrument to be the free and voluntary act
and deed of said municipal corporation, for the uses and purposes
therein mentioned, and that they are authorized to execute the
said instrument.

Given under my hand and official seal this 14th day of

Sara A. Carrigan
Notary Public in and for the
State of Washington residing
at West Richland
Comm. Exp. 4-1-92

STATE OF WASHINGTON \} ss.
County of Benton \)

On this day personally appeared before me, James P. Vetra and
Susan Storms, respectively, of the BENTON FRANKLIN TRANSIT, the
municipal corporation that executed the foregoing instrument, and
acknowledged the said instrument to be the free and voluntary act
and deed of said municipal corporation, for the uses and purposes
therein mentioned, and that they are authorized to execute the
said instrument.

Given under my hand and official seal this 14th day of

Sara A. Carrigan
Notary Public in and for the
State of Washington residing
at West Richland
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DESCRIPTION

Beginning at a point on the south line of lot 2, Willamette Heights lying 190 feet westerly of the southeasterly corner of said lot 2, being THE TRUE POINT OF BEGINNING, thence westerly along the south line of lot 2 to the southeasterly corner; thence northerly along the east line of lot 2 to the northeasterly corner; thence westerly along the north line of lot 2 110' feet; thence southwesterly to the TRUE POINT OF BEGINNING; except West Van Giesen Avenue, South 45th Street, and Austin Way.