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SNOHOMISH COUNTY, WA

After Recording Return To:

Asst. Clerk of the Council
Snohomish County Council
3000 Rockefeller, M/S 609
Everett, WA 98201

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| Grantor: | Snohomish County |
| Grantee: | Seven Lakes Water Association Inc. |
| Tax Account No: | Not Assigned |
| Legal Description: | See Section 1.3 |
| Ref. # of Docs. Affected: | N/A |
| Document Title: | An Ordinance of Snohomish County Council Granting a Nonexclusive Franchise Authorizing Limited Use of Public Road Rights-of-Way in portions of unincorporated Snohomish County, Washington to Seven Lakes Water Association Inc. |

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

ORDINANCE NO. 23-086

GRANTING A NON-EXCLUSIVE FRANCHISE AUTHORIZING LIMITED
USE OF THE PUBLIC ROAD RIGHTS-OF-WAY IN PORTIONS OF
UNINCORPORATED SNOHOMISH COUNTY, WASHINGTON TO SEVEN
LAKES WATER ASSOCIATION INC.

WHEREAS, the Washington State Constitution, by and through its general grant of police power, and Section 36.55.010 of the Revised Code of Washington authorize counties to grant franchises for use of public rights-of-way; and

WHEREAS, Section 9.20 of the Snohomish County Charter and Title 13 of the Snohomish County Code specify requirements for franchises in Snohomish County rights-of-way; and

WHEREAS, a franchise is a legislative authorization to use public rights-of-way, however, actual construction and activities in the rights-of-way will also be subject to approved right-of-way use permits after review of specific plans; and

WHEREAS, Seven Lakes Water Association Inc. has applied to Snohomish County, Washington, for a non-exclusive franchise to construct, maintain, operate, replace and repair a water distribution system in, on, across, over, along, under, and/or through public rights-of-way within unincorporated Snohomish County; and

WHEREAS, the Snohomish County Council considered the Engineer's Report of the Department of Public Works, attached to and incorporated into this ordinance by reference, which report recommends that the subject franchise be granted; and

WHEREAS, the Snohomish County Council held a public hearing on October 4, 2023, to solicit comments from the public and to consider whether to grant the requested franchise to Seven Lakes Water Association Inc.; and

WHEREAS, it has been found to be in the public interest that a franchise, authorizing use of public rights-of-way for a water distribution system, be granted to Seven Lakes Water Association Inc.

NOW, THEREFORE, BE IT ORDAINED:

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ORDINANCE NO. 23-086

GRANTING A NON-EXCLUSIVE FRANCHISE AUTHORIZING LIMITED USE OF THE PUBLIC ROAD RIGHTS-OF-WAY IN SNOHOMISH COUNTY, WASHINGTON TO SEVEN LAKES WATER ASSOCIATION INC.

Section 1. Grant of Franchise.

1.1 Pursuant to Section 36.55.010 of the Revised Code of Washington (“RCW”), Section 9.20 of the Snohomish County Charter and Chapter 13.80 of the Snohomish County Code (“SCC”), Snohomish County, a political subdivision of the State of Washington (the “County”), hereby grants to Seven Lakes Water Association Inc., a non-profit corporation, (the “Grantee”), a non-exclusive franchise to use those portions of the County’s rights-of-way described in Section 1.3 below, for the purposes described in Section 1.2 below, subject to compliance with all applicable provisions of the SCC, the Engineering Design & Development Standards (EDDS) and the terms and conditions contained in this franchise ordinance (the “Franchise”).

1.2 This Franchise grants the Grantee the right, privilege and authority to use portions of the Public Rights-of-Way (as such term is defined below) of the County for the sole purposes of constructing, maintaining, operating, replacing and repairing its water distribution facilities (the “Permitted Use”) and for no other purpose or use whatsoever. The term “Public Rights-of-Way” as used in this Franchise shall mean all public streets, roads, ways, or alleys of the County as now or hereafter laid out, platted, dedicated or improved. Pursuant to this Franchise, the Grantee shall have the right to install, locate, construct, operate, maintain, use, replace and/or remove such equipment and facilities as may be reasonably necessary or convenient for the conduct of the Permitted Use (the “Grantee Facilities”), in, on, across, over, along, under or through certain Public Rights-of-Way of the County, subject to all applicable provisions of the Snohomish County Code, including title 13 SCC and the EDDS, Chapter 36.55 RCW, and the terms and conditions of County right-of-way permits issued pursuant to Title 13 SCC and Section 4 of this Franchise. This Franchise merely authorizes the Grantee to occupy and use the Public Rights-of-Way at issue, and does not transfer, convey or vest any easement, title, servitude, or other real property interest in or to any Public Right-of-Way or portion thereof in or to the Grantee.

1.3 This Franchise covers all Public Rights-of-Way located within the following portions of unincorporated Snohomish County:

| <u>Township</u> | <u>Range</u> | <u>Sections</u> |
|------------------------|---------------------|---|
| Twp. 30N | Rge. 4E | Sects. 1, 2, 3, 4 |
| Twp. 31N | Rge. 4E | Sects. 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36 |
| Twp. 31N | Rge. 5E | Sects. 30, 31 |

Section 2. Non-Exclusive Franchise.

2.1 This Franchise is granted upon the express condition and understanding that it shall be a non-exclusive franchise which shall not in any manner prevent or hinder the County from granting to other parties, at other times and under such terms and conditions as the County, in its sole discretion, may deem appropriate, other franchises or similar use rights in, on, to, across, over, upon, along, under or through any Public Rights-of-Way. Owners, whether public or private, of any authorized facilities or equipment installed in, on, across, over, along, under, and/or through a Public Right-of-Way prior to the construction and/or installation of Grantee's Facilities in the same location, shall have preference as to positioning and location of their facilities. The position and location of all Grantee's Facilities in the Public Rights-of-Way shall be subject to the authority of the County Engineer.

2.2 This Franchise shall in no way prevent, inhibit or prohibit the County from using any of the Public Rights-of-Way covered or affected by this Franchise, nor shall this Franchise affect the County's jurisdiction, authority or power over any of them, in whole or in part. The County expressly retains its power to make or perform any and all changes, relocations, repairs, maintenance, establishments, improvements, dedications, or vacations of or to any of the Public Rights-of-Way as the County may, in its sole and absolute discretion, deem fit, including the dedication, establishment, maintenance and/or improvement of new Public Rights-of-Way, thoroughfares and other public properties of every type and description.

Section 3. Term, Early Termination, and Amendments.

3.1 The initial term of the Franchise shall be for a period of ten (10) years (the "Initial Term"), beginning on the Effective Date (as such term is defined in Section 33 of this Franchise) of the Franchise, and continuing until the date that is one day prior to the tenth (10th) anniversary of the Effective Date (the "Initial Term Expiration Date"), unless earlier terminated, revoked or amended pursuant to the provisions of this Franchise.

3.2 This Franchise shall automatically renew for an additional term of ten (10) years (the "Extended Term," and, together with the Initial Term, the "Term"), subject to the County's right to renegotiate and/or unilaterally terminate the Franchise at any time after the Initial Term Expiration Date, as more fully described in Section 3.3 below.

3.3 The County shall have the right, in its sole and absolute discretion, at any time after the Initial Term Expiration Date, to unilaterally elect to open negotiations with the Grantee regarding proposed amendments, alterations or other changes to the terms and conditions of this Franchise. In such event, the County shall deliver written notice to the Grantee stating the County's general desire to amend the terms and conditions of the Franchise. Within thirty (30) days after the date on which the Grantee receives the County's notice letter, the Grantee and the County shall enter into good faith negotiations regarding potential amendments to the initial terms and conditions of the Franchise. Should the parties reach agreement regarding any such amendments, the parties

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shall memorialize such amendments and seek approval of same from the County Council or such other County authority as may be proper. Should the parties prove unable to reach agreement regarding any proposed amendments within ninety (90) days after the date on which negotiations commenced, then this Franchise shall automatically terminate.

3.4 Other than the process set forth in Section 3.3 for amendments, this Franchise may be amended only upon the written consent of the County and the Grantee set forth in writing in the form of a County ordinance, signed by both parties, which states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of the State of Washington.

Section 4. Regulation of Use; Permits Required.

4.1 The installation, location, maintenance, operation, relocation, removal or any other work related to any of the Grantee Facilities occurring in, on, across, over, along, under, and/or through any Public Right-of-Way covered by this Franchise, shall be performed in a safe and workmanlike manner, in such a way as to minimize interference with the free flow of traffic and the use of adjacent property, whether such property is public or private.

4.2 The Grantee shall not commence any work within Public Rights-of-Way until a right-of-way use permit authorizing such work has been issued by the County pursuant to Title 13 SCC. In addition to any standards of performance imposed by this Franchise, any and all work performed by Grantee pursuant to this Franchise shall be performed in accordance with all current County standards applicable to such work, including the County approved plans and specifications for the work, and the terms and conditions of any right-of-way use permit and/or other permits and/or approvals required under Title 13 SCC in order to accomplish the work (e.g., lane closure or road detour permits). Grantee understands and acknowledges that some or all of Grantee's activities may require additional project permits and approvals under County land use codes and development regulations, and Grantee accepts full responsibility for obtaining and complying with same.

4.3 In addition to any criteria set forth in Title 13 SCC, the EDDS, and the County's utility accommodation policies, in reviewing the Grantee's application for any right-of-way use permit pursuant to this Franchise, the County Engineer may apply the following criteria in reviewing proposed utility routes and in the issuance, conditioning, or denial of such permit:

- (i) the capacity of the Public Rights-of-Way at issue to accommodate the proposed Grantee Facilities;
- (ii) the capacity of the Public Rights-of-Way at issue to accommodate additional utility, cable, telecommunications, or other public facilities if the right-of-way use permit is granted;
- (iii) the damage or disruption, if any, to public or private facilities, improvements, service, travel, or landscaping if the right-of-way use permit is granted;

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- (iv) the public interest in minimizing the cost and disruption of construction within the Public Rights-of-Way at issue, including, but not limited to, coordination with future utility installation or County projects;
- (v) recent and/or proposed construction and/or improvements to the Public Rights-of-Way at issue;
- (vi) the availability of alternate routes, locations, and/or methods of construction or installation for the proposed Grantee Facilities, including, but not limited to, whether other routes are preferred; and
- (vii) whether the Grantee has received all requisite licenses, certificates, and authorizations from applicable federal, state, and local agencies with jurisdiction over the activities proposed by the Grantee.

4.4 Prior to commencing any work in a critical area as defined by SCC 30.91C.340, the Grantee shall comply with all applicable requirements of the County's critical areas regulations in chapters 30.62A, 30.62B, 30.62C and 30.65 SCC, and shall obtain any and all required permits and approvals. The granting of this Franchise shall in no way relieve the Grantee from its responsibility for avoiding "take" of any threatened or endangered species as defined by the Endangered Species Act of 1973, 16 U.S.C. § 1531, et seq., as amended, in the performance of any work authorized by this Franchise and/or any right-of-way use permits.

Section 5. Emergency Work.

Should any of the Grantee Facilities in the Public Rights-of-Way break or become damaged such that an immediate danger to the property, life, health or safety of any individual is presented, or should any site upon which the Grantee is engaged in construction or maintenance activities pursuant to this Franchise for any reason be in such a condition that an immediate danger to the property, life, health or safety of any individual is presented, the Grantee shall immediately take such measures as are reasonably necessary to repair the Grantee Facilities at issue or to remedy the dangerous conditions on the site at issue so as to protect the property, life, health or safety of individuals. In the event of an emergency described above, the Grantee may take corrective action immediately, without first applying for or obtaining any permits or other authorizations that might otherwise have been required by the SCC and/or this Franchise. However, the emergency provisions contained in this Section 5 shall not relieve the Grantee from its obligation to obtain any permits necessary for the corrective actions taken, and the Grantee shall apply for all such permits as soon as is reasonably possible after the occurrence of the emergency. In the event of any emergency described in this Section 5, the Grantee shall notify the County of the emergency as soon as may be reasonably feasible after the Grantee discovers the emergency (such notice may be telephonic).

Section 6. Compliance with Applicable Laws; Performance Standards.

6.1 The Grantee shall at all times during the Term of the Franchise undertake the Permitted Use in compliance with all federal, state and local laws, rules and regulations (including, but not limited to, the County’s comprehensive plan, zoning code, and other development regulations) that are applicable to any and all work or other activities performed by Grantee pursuant to or under authority of the Franchise.

6.2 During any period of installation, maintenance, operation, relocation, removal or any other work related to any of the Grantee Facilities subject to this Franchise, Grantee shall use industry accepted best-practices to ensure that, to the extent reasonably feasible, such work does not impede: (i) public use of the Public Rights-of-Way at issue for vehicular and pedestrian transportation; (ii) construction and/or maintenance within Public Rights-of-Way and other authorized facilities, equipment and improvements; (iii) the operation, maintenance or improvement by the County of the Public Rights-of-Way or other public property impacted by Grantee’s work; or (iv) use of the Public Rights-of-Way for other governmental purposes.

6.3 During any periods of construction within the Public Rights-of-Way, the Grantee shall at all times post and maintain proper barricades and comply with all applicable safety regulations as required by the SCC, the EDDS, or the laws of the State of Washington, including, but not limited to, RCW 39.04.180 for the construction of trench safety systems.

6.4 Before the Grantee commences any work under this Franchise which may affect any existing monuments or markers of any nature relating to subdivisions, plats, roads, or other surveys, Grantee shall reference all such monuments and markers using a method or methods approved by the County Engineer, and a complete set of reference notes for monuments and other ties shall be filed with the County prior to the commencement of construction. Reference points shall be so located that they will not be disturbed during Grantee’s operations. The replacement of all such monuments or markers disturbed during construction shall be made as expeditiously as conditions permit, as directed by the County Engineer, and to federal, state and local standards. All costs incurred pursuant to this Section 6.4 shall be borne by Grantee.

6.5 If the Grantee shall at any time plan to make excavations in any area covered by the Franchise, the Grantee shall, upon receipt of a written request to do so, provide an opportunity for the County and/or any other franchisees or authorized users of the Public Right-of-Way at issue to participate in such excavation, and shall coordinate the location and installation of its Grantee Facilities with the County or such other franchisees or authorized entities, PROVIDED THAT, Grantee need not permit the County or any other party (ies) to participate in an excavation if the County Engineer determines that any of the following are true:

- (i) such joint use would unreasonably delay the performance of Grantee’s work;
- (ii) despite good-faith efforts, the parties involved are unable to agree upon reasonable terms and conditions for accomplishing such joint use; or

- (iii) valid safety reasons exist for denying a request for such joint use.

6.6 If the Grantee shall at any time plan to include communication facilities in furtherance of the Permitted Use, the Grantee shall provide an opportunity for the County to enter into negotiations for shared use of such communication facilities, and shall coordinate negotiation of shared use of its communication facilities with the County; PROVIDED THAT, Grantee need not permit the County to participate in shared use of communication facilities if any of the following are true, in the reasonable judgment of the County and the Grantee:

- (i) such shared use would unreasonably delay the performance of Grantee's work;
- (ii) despite good-faith efforts, the parties involved are unable to agree upon reasonable terms and conditions, including but not limited to allocation of costs amongst various parties, for accomplishing such shared use;
- (iii) valid safety reasons exist for denying a request for such shared use and/or the proposed facilities of the third party are in conflict with the best practices employed by the Grantee; or
- (iv) the installation of communication facilities is for the purpose of an emergency action to protect the property, life, health or safety of individuals.

Section 7. Restoration of Public Rights-of-Way.

Promptly after completing any work in, on, under, over, across or upon any Public Rights-of-Way, including, but not limited to any excavation, installation, construction, relocation, maintenance, repair or removal of any Grantee Facilities, Grantee shall, at Grantee's sole cost and expense, restore the Public Rights-of-Way and any adjacent affected areas as required by the EDDS. Grantee shall also comply with any and all restoration conditions contained in applicable permits or approvals. The County Engineer shall have final authority to determine in each instance of restoration whether adequate restoration has been performed, reasonable wear and tear excepted.

Section 8. Record Plans, Record Drawings, and Records of Grantee Facility Locations.

8.1 The Grantee shall maintain adequate records to document obligations performed under this Franchise. The Grantee agrees and covenants that it shall, promptly upon substantial completion of any construction project involving a Public Right-of-Way, provide to the County, at no cost to the County, a copy of all as-built plans, maps and records revealing the approximate final locations and conditions of the Grantee Facilities located within such Public Right-of-Way. Additionally, the County may, at any time, deliver a written request to the Grantee for copies of maps and records showing the approximate location of all or any portion of the Grantee Facilities. In such event, the Grantee shall provide the County, at no cost to the County, with copies of the requested record plans, record drawings and other records within a reasonable time after receiving the County's request for same. The County shall have the right to review the Grantee's records regarding the

subject matter of this Franchise at reasonable times, upon reasonable notice. The right to review records shall last for six (6) years from the expiration or earlier termination of this Franchise. In addition to the maps and records of the Grantee Facility locations, the Grantee shall provide the County, upon the County's request, with copies of records of construction, maintenance, operation, inspections, or regulatory compliance for all Grantee Facilities subject to this Franchise as may be deemed necessary by the County, in its sole discretion, to manage the county roads, Public Rights-of-Way, or other property, or to protect the public health, safety, and welfare. Nothing in this Section 8 shall be construed to require Grantee to violate state or federal law concerning customer privacy, nor shall this Section 8 be construed to require Grantee to disclose proprietary or confidential information without adequate safeguards for its confidential or proprietary nature.

8.2 If the Grantee considers any portion of its records provided to the County, whether in electronic or hard copy form, to be protected from disclosure under law, the Grantee shall clearly identify any specific information that it claims to be confidential or proprietary. If the County receives a request under the Public Records Act, Chapter 42.56 RCW, to inspect or copy the information so identified by the Grantee and the County determines that release of the information is required by the Act or otherwise appropriate, the County's sole obligations shall be to notify the Grantee (a) of the request and (b) of the date that such information will be released to the requester unless the Grantee obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If the Grantee fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified. The County has, and by this section assumes, no obligation on behalf of the Grantee to claim any exemption from disclosure under the Act. The County shall not be liable to the Grantee for releasing records not clearly identified by the Grantee as confidential or proprietary. The County shall not be liable to the Grantee for any records that the County releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.

Section 9. Relocation of Grantee Facilities.

9.1 The Grantee agrees and covenants that it will promptly, at its sole cost and expense, protect, support, temporarily disconnect, relocate, or remove from the Public Rights of Way any Grantee Facilities when the County Engineer determines after full and fair consideration that such a relocation is necessary for any of the following reasons: (i) traffic conditions; (ii) public safety; (iii) dedications of new Public Rights-of-Way and the establishment and/or improvement thereof; (iv) widening and/or improvement of existing Public Rights-of-Way; (v) vacations of Public Rights-of-Way; (vi) freeway construction; (vii) change or establishment of road grade; or (viii) the construction of any public improvement or structure by any governmental agency acting in a governmental capacity; PROVIDED that the Grantee shall generally have the privilege to temporarily bypass, in the authorized portion of the same Public Right-of-Way, upon approval by the County Engineer, any Grantee Facilities required to be temporarily disconnected or removed.

9.2 Upon the request of the County and in order to facilitate County improvements to Public Rights-of-Way, the Grantee agrees to locate and, if reasonably determined necessary by the

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County, to excavate and expose, at its sole cost and expense, portions of the Grantee Facilities for inspection so that the location of the facilities may be taken into account in the improvement design.

9.3 Grantee shall, upon reasonable prior written request of any person or entity holding a permit issued by the County to move any structure, temporarily move its facilities to allow the moving of such structure; PROVIDED (i) Grantee may impose a reasonable charge on the permittee for the movement of Grantee's Facilities; (ii) Grantee is granted a permit by the County for such work if a permit is needed; and (iii) Grantee is given not less than ten (10) business days' notice to arrange for such temporary relocation; EXCEPT in any case where the County Engineer determines Grantee Facilities are not reasonably movable.

9.4 Where the County imposes conditions or requirements on a third party development requiring the relocation of any Grantee Facilities, the County shall not be responsible for paying any costs related to such relocation. Nothing in this Franchise is intended or shall be construed to prohibit the Grantee from assessing on such person or entity, other than the County, the costs of relocation as a condition of such relocation.

9.5 To assist Grantee with anticipating relocations of Grantee Facilities related to County improvements to the Public Rights-of-Way, upon request, the County will provide the Grantee with copies of the most recently adopted Six-Year Transportation Improvement Program ("TIP") and Annual Construction Program ("ACP").

9.6 If the County determines that a County project necessitates the relocation of existing Grantee Facilities, the parties shall proceed as follows:

- (i) The County shall provide the Grantee at least ninety (90) days written notice prior to the commencement of the construction phase of the County project at issue; PROVIDED, that under the following circumstances the County need only provide the Grantee with written notice as soon as may be reasonably practicable: (a) in the event of an emergency posing a threat to public safety, health or welfare; (b) in the event of an emergency beyond the control of the County and which will result in adverse financial consequences to the County; or (c) where the need to relocate the Grantee Facilities could not reasonably have been anticipated by the County.
- (ii) The County shall provide the Grantee with copies of pertinent portions of the designs and specifications for the County project as well as a proposed new location for the Grantee Facilities at least ninety (90) days prior to the commencement of the construction phase of the County project to enable Grantee to promptly relocate such Grantee Facilities. Upon request of the Grantee, thirty-percent (30%), sixty-percent (60%) and ninety-percent (90%) design plans shall be provided to the Grantee. The County and the Grantee shall, upon the request of either party, meet to discuss the plans, specifications and schedule of the County project at issue at a mutually agreed time in a location determined by the County.

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- (iii) After receipt of such notice and such plans and specifications, the Grantee shall complete relocation of its facilities within the Public Right-of-Way at least ten (10) days prior to commencement of the construction phase of the County project at no charge, cost or expense to the County, unless otherwise agreed to within a separate agreement executed by both Parties. Relocation shall be accomplished in such a manner as to accommodate the County's project. In the event of an emergency, the Grantee shall relocate the Grantee Facilities at issue within a time period reasonably specified by the County Engineer.
- (iv) The County and the Grantee may, for each individual County project, enter into an agreement for costs incurred by the County for relocation of Grantee's Facilities and associated work tied to the relocation.
- (v) In the event of an emergency, the Grantee shall relocate the Grantee Facilities at issue within a time period reasonably specified by the County Engineer.

9.7 The Grantee may, after receipt of written notice requesting a relocation of any Grantee Facilities in accordance with Section 9.6, submit to the County proposed written alternatives to such relocation. The County shall evaluate such alternatives and advise the Grantee in writing if one or more of the alternatives are suitable to accommodate the County project. If so requested by the County, the Grantee shall submit additional information to assist the County in making such evaluation. The County shall give each alternative proposed by the Grantee full and fair consideration. Where, upon the request of the Grantee, the County incurs additional costs in performing any maintenance, operation, or improvement of or to public facilities due to measures taken by the County to avoid damaging or to otherwise accommodate one or more Grantee Facilities, the Grantee shall reimburse the County for the full amount of such additional costs promptly upon receiving the County's invoice for same. In the event the County ultimately determines that there is no reasonable or feasible alternative to relocation, the Grantee shall relocate the Grantee Facilities at issue as otherwise provided in this Section 9.

9.8 The provisions of this Section 9 shall in no manner preclude or restrict the Grantee from making any arrangements it may deem appropriate when responding to a request for relocation of any Grantee Facility by any person or entity other than the County, where the facilities to be constructed by said person or entity are not or will not become County-owned, operated or maintained facilities, provided that such arrangements do not unduly delay any County projects. The Grantee shall provide certified record drawings (or as-built drawings) detailing the location of Grantee's Facilities within the Public Right-of-Way required to be relocated or removed for the purpose of the non-County project.

9.9 Should relocation be required for a County project pursuant to this Section 9, the Grantee shall be responsible for timely relocation of the Grantee Facilities at issue and the coordination of such relocation with the County (or the County's contractor for the County project). The Grantee shall be fully responsible for the costs of any delays to County projects resulting from relocations of any Grantee Facilities.

9.10 In the event of a conflict between this Section 9 and the specific terms of any existing real property interests and rights owned by the Grantee, such as a utility easement or other servitude, the terms of this Section 9 shall be subject to the specific terms of the real property interests and rights owned by the Grantee unless and until those rights are extinguished or amended (i) by mutual agreement, (ii) pursuant to a judicial condemnation order, (iii) by negotiated sale of said property rights between Grantee and the County in-lieu of condemnation, or (iv) by any other lawful means.

Section 10. Undergrounding of Grantee Facilities.

10.1 The undergrounding requirements of this Section 10 shall apply where the Grantee Facilities consist of cable or any other facilities, equipment or systems which are reasonably capable of being placed underground. Where the Grantee Facilities consist of antennae or other facilities, equipment or systems which are required to remain above ground in order to be functional, the terms and conditions of this Section 10 shall not apply.

10.2 In any area of the County in which there are no aerial facilities other than antennae or other facilities required to remain above ground in order to be functional, or in any area in which telephone, electric power wires or other cables have been placed underground, the Grantee shall not be permitted to erect poles or to run or suspend wires, cables or other similar facilities thereon, but shall lay all such wires, cables or other facilities underground in the manner required by the County. The Grantee acknowledges and agrees that, even if the County does not require the undergrounding of all or any portion of the Grantee Facilities at the time the Grantee applies for the applicable right-of-way use permit, the County may, at any time in the future, and in the County's sole and absolute discretion, require the Grantee to convert all or any portion of the aerial Grantee Facilities to underground installation at the Grantee's sole cost and expense.

10.3 Whenever the County may require the undergrounding of the aerial facilities in any area of the County, the Grantee shall underground the aerial Grantee Facilities in that area of the County in the manner specified by the County, and concurrently with the other affected facilities. Where other facilities are present or proposed and involved in the undergrounding project, the Grantee shall only be required to pay its fair share of common costs borne by all facilities, in addition to the costs specifically attributable to the undergrounding of the Grantee Facilities. "Common costs" shall include necessary costs not specifically attributable to the installation or undergrounding of any particular facility, such as costs for common trenching and utility vaults. "Fair share" shall be determined for a project on the basis of the number and size of the Grantee Facilities being installed or undergrounded in comparison to the total number and size of all other utility facilities being installed or undergrounded.

Section 11. Maintenance of Grantee Facilities.

11.1 The Grantee shall maintain all Grantee Facilities in good condition and repair, in accordance with industry accepted best practices.

11.2 The Grantee shall take necessary steps to maintain a reasonably clear area around all Grantee Facilities installed above ground within Public Rights-of-Way. A minimum of five (5) feet of clearance will be maintained around each such object and a flexible marker, meeting American Public Works Association (APWA) uniform color code requirements, shall be placed so as to provide clear visibility from the roadway for County operations and maintenance. The County shall not be held liable for damage to Grantee's Facilities, should they not be visible during the County's operations and maintenance activities. Prior to using any chemical sprays within the Public Rights-of-Way to control or kill weeds and brush, the Grantee must obtain the County's permission. The County may limit or restrict the types, amounts, and timing of applications provided such limitations or restrictions are not in conflict with State law governing utility right-of-way maintenance. Grantee shall comply with all local laws and regulations with respect to trimming of trees and shrubbery and with all generally applicable landscaping regulations.

Section 12. Hazardous Materials.

12.1 The County understands and agrees that the Permitted Use contemplated by the Grantee involves the use by Grantee of certain chemicals and/or materials within the Public Rights-of-Way that are classified as hazardous or otherwise harmful to life, health and/or safety (any such chemical or material, a "Hazardous Material") under one or more applicable federal, state or local laws, rules, regulations or ordinances (collectively, the "Hazardous Materials Laws"). The Grantee shall be permitted to use such Hazardous Materials within the Public Rights-of-Way as are reasonably necessary for the Grantee's conduct of the Permitted Use and which are customary for the industry in which the Grantee is engaged; PROVIDED, however, that the Grantee's use of any such Hazardous Materials within the Public Rights-of-Way shall at all times be undertaken in full compliance with all Hazardous Materials Laws, including any orders or instructions issued by any authorized regulatory agencies.

12.2 The Grantee covenants and agrees that it will neither cause nor permit, in any manner, the release, discharge, seepage or spill of any Hazardous Material in, on, under, above, across, through or around any portion of any Public Right-of-Way or property adjacent thereto, whether public or private, in violation of any applicable Hazardous Materials Law. Any such release, discharge, seepage or spill of any Hazardous Material within the Public Rights-of-Way that is in violation of any applicable Hazardous Materials Law and is caused by Grantee Party (as defined in Section 16.1) is referred to as a "Release."

12.3 Should a Release occur, the Grantee shall immediately upon receiving notice thereof provide written notice of the Release to the County and the Washington State Department of Ecology. Notwithstanding the Grantee's obligation to completely remediate same, in the event of any Release by a Grantee Party, the County may, but is not required, in the interest of protecting the health, safety, welfare and property of the public, immediately take whatever actions it deems necessary or advisable, in its sole discretion, to contain, clean up or remediate the Release at issue. Should the County choose to take any actions pursuant to the preceding sentence, the County shall

be entitled to repayment from the Grantee of any and all reasonable costs and expenses incurred by the County in performing such actions.

12.4 Should the Grantee cause a Release as described in Section 12.2 above, failure to promptly comply with all orders or instructions lawfully issued by any authorized regulatory agencies regarding clean-up and remediation shall constitute a material breach of this Franchise, and the County Council may terminate the Franchise in accordance with Section 24.

Section 13. Dangerous Conditions, Authority for County to Abate.

13.1 Whenever the Grantee's excavation, construction, installation, relocation, maintenance, repair, abandonment, or removal of Grantee Facilities authorized by this Franchise has caused or contributed to a condition that, in the reasonable opinion of the County Engineer, substantially impairs the lateral support of the adjoining road or public or private property, or endangers the public, an adjoining public place, road facilities, County property or private property, the County Engineer may direct the Grantee to remedy the condition or danger to the satisfaction of the County Engineer, within a specified period of time and at the Grantee's sole cost and expense.

13.2 In the event that the Grantee fails or refuses to promptly take the actions directed by the County Engineer, or fails to fully comply with such directions, or if emergency conditions exist which require immediate action, in accordance with Section 13.1 above, the County may enter upon the property and take such actions as are reasonably necessary to protect the public, to protect the adjacent roads, or road facilities, to maintain the lateral support thereof, or to ensure the public safety, and the Grantee shall be liable to the County for all reasonable costs and expenses incurred by the County in performing such actions.

Section 14. Removal of Grantee Facilities; Abandonment of Grantee Facilities.

14.1 In no event may all or any portion of any Grantee Facility located in, on, under, over, across or through the public right-of-way be abandoned or temporarily abandoned in place by the Grantee without the express written consent of the County. Should the Grantee desire to deactivate, abandon, or temporarily abandon in place all or any portion of the Grantee Facilities, the Grantee shall request the County's permission to do so by delivering a written request to the County not later than thirty (30) days after the date on which the Grantee discontinues use of any Grantee Facilities for any reason or this Franchise expires or terminates, whichever is earlier. The Grantee's request shall specify which Grantee Facilities the Grantee desires to deactivate or abandon in place. Within a reasonable time after the date on which the County receives the Grantee's written request, the County shall deliver a written response to the Grantee setting forth the County's decision, which shall be made in the County's sole and absolute discretion. If the County denies the Grantee's request with respect to all or any portion of the Grantee Facilities at issue, then the Grantee must promptly proceed to remove those Grantee Facilities for which the Grantee's request for abandonment has been denied.

14.2 If the County grants its approval to the Grantee's request for deactivation or abandonment, either in whole or in part, the County may impose conditions on such approval. The Grantee shall, at its sole cost and expense, as directed by the County, purge the Grantee Facilities that will be deactivated, abandoned, or temporarily abandoned of any product, Hazardous Material and/or other substance so as to render such Grantee Facilities safe in accordance with applicable law or such other standards as may be reasonably deemed appropriate by the County. The County's consent to such action by the Grantee shall not relieve the Grantee of the obligation and/or costs to remove or to alter such Facilities in the future in the event it is reasonably determined by the County that removal or alteration is necessary or advisable for the health and safety of the public, in which case the Grantee shall perform such work at no cost to the County. This paragraph shall survive the expiration, revocation or termination of this Franchise.

14.3 Should the Grantee fail to comply with the requirements of Section 14.1 within a reasonable time after either: (i) the expiration or earlier termination of the Franchise; or (ii) the County's denial of the Grantee's request for permission to deactivate or abandon all or any portion of the Grantee Facilities, the Grantee shall be deemed to have deactivated or abandoned the Grantee Facilities without authorization. In the event of any unauthorized abandonment of all or any portion of the deactivated or abandoned Grantee Facilities by the Grantee, the County may, at its election, and in addition to any other remedies or enforcement options available to the County under this Franchise, at law or in equity, remove all or any portion of the deactivated or abandoned Grantee Facilities on behalf of the Grantee and restore the Public Rights-of-Way following such removal. Should the County choose to perform any such removal and restoration activities on the Grantee's behalf, the County may dispose of the removed Grantee Facilities in any manner it deems fit and in accordance with applicable laws, and the Grantee shall be liable to the County for all costs and expenses incurred by the County in performing such removal and restoration activities.

Section 15. Fees, Compensation for Use of Public Rights-of-Way and Taxes.

15.1 The Grantee shall be subject to all permit fees allowed by law associated with activities undertaken within Public Rights-of-Way through the authority granted to the Grantee by this Franchise or under applicable provisions of the SCC.

15.2 Grantee shall pay itemized costs and expenses incurred by the County in the examination and report of the proposed franchise under SCC 13.80.030(4) and any other fees required under chapter 13.110 SCC.

15.3 In addition, the Grantee shall reimburse the County for any and all documented costs the County reasonably and necessarily incurs in response to an emergency involving any Grantee Facilities. The Grantee shall promptly reimburse the County, upon submittal by the County of an itemized billing, for the Grantee's proportionate share of all actual, identified costs and expenses incurred by the County in repairing any County facility, or altering such County facility if at the Grantee's request, as the result of the presence of any Grantee Facilities in the Public Right-of-

Way. Such costs and expenses shall include, but not be limited to, the Grantee's proportionate share of the costs of County personnel assigned to review construction plans or to oversee or engage in any work in the Public Right-of-Way as a result of the emergency and the presence of the Grantee Facilities in the Public Right-of-Way. Any and all costs will be billed on an actual cost basis. The billing may be on an annual basis, but the County shall provide the Grantee with the County's itemization of costs at the conclusion of each project for informational purposes.

Section 16. Hold Harmless and Indemnification.

16.1 General Indemnification. Grantee agrees to indemnify, defend, and hold harmless the County, its elected and appointed officials, employees, authorized agents, and authorized volunteers (collectively, the "County Parties") from and against any and all claims, demands, liability, suits, and judgments, including costs of defense thereof, for bodily injury to persons, death, or property damage arising out of the acts or omissions of Grantee or authorized agents, employees, and contractors (collectively, "the Grantee Parties"). This covenant of indemnification shall include, but not be limited to, any and all claims, demands, liability, suits, and judgments arising out of, or by reason of, any construction, excavation, erection, placement, operation, maintenance, repair or reconstruction of Grantee's Facilities, or any other act done within the Franchise Area under this Franchise. Grantee shall consult and cooperate with the County while conducting its defense of the County. Said indemnification obligations shall extend to any settlement made by Grantee.

16.2 Indemnification for Relocation. Grantee shall indemnify, defend and hold harmless the County Parties for any damages, claims, additional costs, or expenses payable by the County related to, arising out of, or resulting from Grantee's failure to timely remove, adjust or relocate any of its facilities in the Rights-of-Way in a in accordance with any relocation required under this Franchise. Pursuant to Section 16.1, the provisions of this Section 16.2 shall specifically include, but are not limited to, claims for delay, damages, and/or additional costs asserted by any contractor performing public work for or on behalf of the County.

16.3 Indemnification for Hazardous Materials. Grantee shall indemnify, defend and hold harmless the County Parties from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, cleanup costs, remedial actions, or other costs and expenses (including, without limitation, attorneys' and other professional fees and disbursements) that may be imposed on, incurred or paid by, or asserted against the County by reason of, or in connection with the acts or omissions of Grantee Parties resulting in the release, discharge, seepage or spill of any Hazardous Material in, on, under, above, across, through or around any portion of any Public Rights-of-Way or property adjacent thereto, whether public or private, in violation of any applicable Hazardous Materials Law.

16.4 Procedures and Defense. If a claim or action arises, the County or any other indemnified party shall tender the defense of the claim or action to Grantee, which defense shall be at Grantee's expense. The County may participate in the defense of a claim and, in any event, Grantee may not

agree to any settlement of claims financially affecting the County without the County's written approval that shall not be unreasonably withheld.

16.5 Duty of Defense. The fact that Grantee carries out any activities under this Franchise through independent contractors shall not constitute an avoidance of or defense to Grantee's duty of defense and indemnification under this Section 16.

16.6 Duty to Give Notice. The County shall give Grantee prompt written notice of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this Section 16. The County's failure to so notify and request indemnification shall not relieve Grantee of any liability that Grantee might have, except to the extent that such failure prejudices Grantee's ability to defend such claim or suit. In the event any such claim arises, the County or any other indemnified party shall tender the defense thereof to Grantee and Grantee shall have the obligation and duty to defend any claims arising thereunder, and the County shall cooperate fully therein.

16.7 Separate Representation. If separate representation to fully protect the interests of both parties is necessary, such as in the event of a conflict of interest between the County and the counsel selected by Grantee to represent the County, Grantee shall select other counsel without conflict of interest with the County.

16.8 Prior Franchises. The grant of this Franchise shall have no effect on Grantee's duty under the Prior Franchises to indemnify or insure the County against acts and omissions occurring during the period that the Prior Franchises were in effect, nor shall it have any effect upon Grantee's liability to pay all Franchise Fees which were due and owed under Prior Franchises.

16.9 Waiver of Title 51 RCW Immunity. Grantee's indemnification obligations shall include indemnifying the County for actions brought by Grantee's own employees and the employees of Grantee's agents, representatives, contractors, and subcontractors even though Grantee might be immune under Title 51 RCW from direct suit brought by such an employee. It is expressly agreed and understood that this indemnification for actions brought by the aforementioned employees is limited solely to claims against the County arising by virtue of Grantee's exercise of the rights set forth in this Franchise. To the extent required to provide this indemnification and this indemnification only, Grantee waives its immunity under Title 51 RCW as provided in RCW 4.24.115; provided however, the forgoing waiver shall not in any way preclude Grantee from raising such immunity as a defense against any claim brought against Grantee by any of its employees or other third party. The obligations of Grantee under this Section 16.9 have been mutually negotiated by the parties hereto.

16.10 Concurrent Negligence. In the event that a particular activity conducted under this Franchise is subject to RCW 4.24.115, this Section 16.10 shall apply. Liability for damages arising out of bodily injury to persons, death, or damages to property caused by or resulting from the concurrent negligence of the Grantee Parties and the County Parties, Grantee's liability shall be only to the extent of Grantee Parties' negligence.

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16.11 Inspection. The County's permitting approval, inspection, lack of inspection, or acceptance of any work performed by the Grantee Parties in connection with work authorized on Grantee's Facilities, pursuant to this Franchise or pursuant to any other permit or approval issued in connection with this Franchise, shall not be grounds for avoidance of any of the indemnification, defense and hold harmless obligations contained in this Section 16.

16.12 Cost Recovery. In the event the County incurs attorneys' fees, legal expenses, or other costs to enforce the provisions of this Section 16 against the Grantee, all such fees, expenses, and costs shall be recoverable from Grantee if ordered by a court of competent jurisdiction or Grantee agrees that it is obligated under the indemnification.

16.13 Survival. The indemnification, defense and hold harmless obligations contained in this Section 16 for those acts and omissions occurring during the period this Franchise is in effect shall survive the expiration, abandonment or termination of this Franchise.

16.14 Damage to Grantee Facilities. Notwithstanding any other provisions of this Section 16, Grantee assumes the risk of damage to its facilities located in or upon the Public Rights-of-Way from activities conducted by the County Parties, and agrees to release and waive any and all such claims against the County except to the extent any such damage or destruction is caused by or arises from the sole negligence, intentional misconduct or criminal actions of the County Parties. In no event shall the County be liable for any indirect, incidental, special, consequential, exemplary, or punitive damages, including by way of example and not limitation lost profits, lost revenue, loss of goodwill, or loss of business opportunity in connection with the County Parties' acts or omissions in accordance with this Section 16.14. Grantee further agrees to indemnify, hold harmless and defend the County against any claims for damages, including, but not limited to, business interruption damages, lost profits and consequential damages, brought by or on behalf of users of Grantee's Facilities as the result of any interruption of service due to damage or destruction of Grantee's Facilities caused by or arising out of activities conducted by the County Parties.

Section 17. Limitation of County Liability.

The County's administration of this Franchise shall not be construed to create the basis for any liability on the part of the County Parties, except for and only to the extent of the County's negligence.

Section 18. Insurance.

18.1 Insurance Requirements

A. Insurance Required

Grantee shall procure, and maintain for the duration of this Franchise, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of work hereunder by the Grantee, its agents, representatives, employees and/or contractors /subcontractors. The Grantee or contractor/subcontractor shall pay the costs of such insurance. The Grantee shall furnish separate certificates of insurance and policy endorsements from each contractor/subcontractors as evidence of compliance with the insurance requirements of this Franchise.

The Grantee is responsible for ensuring compliance with all of the insurance requirements stated herein. Failure by the Grantee, its agents, employees, officers, contractor/subcontractors to comply with the insurance requirements stated herein shall constitute a material breach of this Franchise.

Each insurance policy shall be written on an “occurrence” form; except that insurance on a “claims made” form may be acceptable with prior County approval. If coverage is approved and purchased on a “claims made” basis, the Grantee warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three years from the date of Franchise termination, and/or conversion from a “claims made” form to an “occurrence” coverage form.

Nothing contained within these insurance requirements shall be deemed to limit the scope, application and/or limits of the coverage afforded by said policies, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policy(s). Nothing contained in this provision shall affect and/or alter the application of any other provision contained within this Franchise.

B. Risk Assessment by Grantee

By requiring such minimum insurance, the County shall not be deemed or construed to have assessed the risks that may be applicable to the Grantee under this Franchise, nor shall such minimum limits be construed to limit the limits available under any insurance coverage obtained by the Grantee. The Grantee shall assess its own risks and, if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.

C. Minimum Scope and limits of Insurance. Coverage shall be at least as broad as and with limits not less than the following:

(i) General Liability

Insurance Services Office form number CG 00 01 or equivalent covering COMMERCIAL GENERAL LIABILITY including XCU coverage: \$ 2,000,000 combined single limit per occurrence by bodily injury, personal injury, and property damage; and for those policies with aggregate limits, a \$3,000,000 aggregate limit.

(ii) Automobile Liability

Insurance Services Office form number (CA 00 01) covering BUSINESS AUTO COVERAGE, symbol 1 “any auto”; or the appropriate coverage provided by symbols 2, 7, 8, or 9: \$1,000,000 combined single limit per accident for bodily injury and property damage if the use of motor vehicles is contemplated.

(iii) Workers’ Compensation

Workers’ Compensation coverage, as required by the Industrial Insurance Act of the State of Washington, as well as any similar coverage required for this work by applicable federal or “Other States” state law: Statutory requirements of the state of residency.

(iv) Stop Gap/Employers Liability

Coverage shall be at least as broad as the indemnification, protection provided by the Workers’ Compensation policy Part 2 (Employers Liability) or, in states with monopolistic state funds, the protection provided by the “Stop Gap” endorsement to the general liability policy: \$ 1,000,000

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D. Minimum Limits of Insurance - Construction Period

Prior to commencement of Construction and until Construction is complete and approved by the Grantee and the County, the Grantee shall cause the Construction Contractor and related professionals to procure and maintain insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the activities related to this Franchise. The Grantee and the County shall be named as additional insureds on liability policies except Workers Compensation and Professional Liability. The cost of such insurance shall be paid by the Grantee and/or any of the Grantee’s contractor/subcontractors. The Grantee shall cause the Construction Contractor and related professionals to maintain limits no less than the following:

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- (i) Insurance Services Office form number CG 00 01 or equivalent covering COMMERCIAL GENERAL LIABILITY including XCU coverage: \$ 2,000,000 combined single limit per occurrence by bodily injury, personal injury, and property damage; and for those policies with aggregate limits, a \$3,000,000 aggregate limit.
- (ii) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (iii) For engineering/design work Professional Liability, Errors & Omissions: \$ 1,000,000 , Per Claim and in the Aggregate.
- (iv) Workers Compensation: Statutory requirements of the state of residency.
- (v) Stop Gap or Employers Liability Coverage: \$1,000,000 .

E. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to, and approved by, the County. The deductible and/or self-insured retention of the policies shall not apply to the Grantee's liability to the County and shall be the sole responsibility of the Grantee.

F. Other Insurance Provisions

The insurance policies required in this Franchise are to contain, or be endorsed to contain, the following provisions:

- (i) All Liability Policies except Professional and Workers Compensation.
 - a. The County, its officers, officials, employees, and agents are to be covered as additional insured with respect to liability arising out of activities performed by or on behalf of the Grantee/contractor in connection with this Franchise. Such coverage shall include Products-Completed Operations.
 - b. To the extent of the Grantee's/contractor's negligence, the Grantee's/contractor's insurance coverage shall be primary insurance with respect to the County, its officers, officials, employees, and agents. Any insurance and/or self-insurance maintained by the County, its officers, officials, employees, or agents shall not contribute with the Grantee's insurance or benefit the Grantee in any way.
 - c. The Grantee's insurance shall apply separately to each insured against whom claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

(ii) All Policies

Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims paid, until after 45 days prior written notice has been given to the County. In the event of said cancellation or intent not to renew, the Grantee shall obtain and furnish to the County evidence of replacement insurance policies meeting the requirements of this Section by the cancellation date. Failure to provide proof of insurance could result in suspension of the Franchise.

G. Acceptability of Insurers

Unless otherwise approved by the County, insurance is to be placed with insurers with a Bests' rating of no less than A-VII, or, if not rated with Bests, with minimum surpluses the equivalent of Bests' surplus size VIII.

Professional Liability, Errors, and Omissions insurance may be placed with insurers with a Bests' rating of B+VII. Any exception must be approved by the County.

If, at any time, the foregoing policies shall fail to meet the above requirements, the Grantee shall, upon notice to that effect from the County, promptly obtain a new policy, and shall submit the same to the County, with appropriate certificates and endorsements, for approval.

H. Verification of Coverage

The Grantee shall furnish the County with certificates of insurance and endorsements required by this Franchise. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms approved by the County prior to the commencement of activities associated with the Franchise. The County reserves the right to require complete, certified copies of all required insurance policies at any time.

I. Subcontractors

The Grantee shall include all subcontractors as insured under its policies or shall require separate certificates of insurance and policy endorsements from each subcontractor. If the Grantee is relying on the insurance coverage provided by subcontractors as evidence of compliance with the insurance requirements of this Franchise, then such requirements and documentation shall be subject to all of the requirements stated herein.

J. Insurance Review

In consideration of the duration of this Franchise, the parties agree that the Insurance section herein, at the discretion of the County Risk Manager, may be reviewed and adjusted with each amendment and within ninety (90) days of the end of the first five (5) year period of the term of this Franchise and the end of each successive five (5) year period thereafter. Any adjustments made as determined by the County Risk Manager, shall be in accordance with reasonably prudent risk management practices and insurance industry standards and shall be effective on the first day of each successive five (5) year period.

Adjustment, if any, in insurance premium(s) shall be the responsibility of the Grantee. Any failure by the County to exercise the right to review and adjust at any of the aforementioned timings shall not constitute a waiver of future review and adjustment timings.

18.2 Grantee shall furnish the County with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsements, evidencing the insurance requirements of the Grantee before commencement of the work.

18.3 In satisfaction of the insurance requirements set forth in this Section 18, Grantee may self-insure against such risks in such amounts as are consistent with good utility practice. Grantee shall provide the County with reasonable written evidence that Grantee is maintaining such self-insurance.

Section 19. Security Device.

Before undertaking any work, installation, improvements, construction, repair, relocation or maintenance authorized by this Franchise, the Grantee shall, upon the request of the County through its permit process, provide a security device in a sum to be set and approved by the County Engineer in accordance with Title 13 SCC. Grantee may, upon approval of the County Engineer, provide a Franchise security device or Franchise bond to cover all work performed by Grantee under this Franchise in such amount as the County Engineer deems adequate.

Section 20. Annexation.

If any Public Right-of-Way, or portion thereof, is incorporated into the limits of any city or town, it shall not be subject to the terms of this Franchise.

Section 21. Vacation.

If any Public Right-of-Way, or portion thereof, is vacated, it shall not be subject to the terms of this Franchise. The County may retain a utility easement as allowed under RCW 36.87.140 when a Public Right-of-Way, or portion thereof, is vacated. The Grantee may request the County retain a utility easement; however in no case shall the County be obligated to retain such an easement.

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The County shall not be liable for any damages or loss to the Grantee by reason of such vacation and termination.

Section 22. Assignment.

22.1 Neither this Franchise nor any interest therein shall be leased, sold, partitioned, transferred, assigned, disposed of, or otherwise subject to a change in the identity of the Grantee (each such activity, a “Transfer”), in whole or in part, in any manner, without the prior written consent of the County Council by motion duly passed for that purpose. Should any such Transfer be approved by the County, then each and every one of the provisions, conditions, regulations and requirements contained in this Franchise shall be binding upon the approved transferee beginning on the date of the Transfer, and all privileges, as well as all obligations and liabilities of the Grantee shall inure to such transferee equally as if such transferee was specifically mentioned wherever the Grantee is named herein.

22.2 In the case of a Transfer to secure indebtedness, whether by mortgage or other security instrument, the County’s consent shall not be required unless and until the secured party elects to realize upon the collateral. The Grantee shall provide prompt, written notice to the County of any assignment to secure indebtedness.

22.3 Any attempt by Grantee to Transfer this Franchise in violation of this Section 22 shall constitute a material breach by Grantee.

Section 23. County Enforcement of Franchise; No Waiver.

23.1 If the County reasonably believes that Grantee has failed to perform any obligation under this Franchise, the County and Grantee agree to use the franchise dispute resolution process in SCC 13.80.125.

23.2 In the event of a conflict between this Franchise and SCC 13.80.125, the provisions of this Franchise shall govern and the Snohomish County Hearing Examiner (“Hearing Examiner”) shall have the authority to resolve any discrepancies.

23.3 The determination as to whether a violation of this Franchise has occurred shall be within the discretion of the County.

23.4 In the event Grantee does not cure a Franchise violation in accordance with the terms of a written order to comply with the terms of the Franchise issued by the County Engineer, or any amendments thereto, including any amendments following an appeal by the Grantee to the Hearing Examiner under SCC 13.80.125, then the County may:

23.4.1 Withdraw an amount from the Franchise bond as required to remedy the violation as outlined in SCC 13.10.116. In such cases, the written order to comply with the franchise will include notice requirements as provided in SCC 13.10.116; or

23.4.2 Recommend the revocation of this Franchise pursuant to the procedures in section 24; or,

23.4.3 Pursue any other legal or equitable remedy available under this Franchise or any applicable laws.

23.5 In addition to the remedies provided herein, the County reserves the right to pursue any remedy authorized by law to compel Grantee, and/or its permitted successors or assigns, to comply with the terms of this Franchise, including the recovery of damages to or costs incurred by the County by reason of Grantee's failure to comply with the terms of this Franchise.

23.6 The pursuit of any right or remedy by the County under this Section 23 shall not prevent the County from thereafter declaring a forfeiture or revocation of this Franchise for breach of the conditions herein.

23.7 Failure of the County to exercise any rights or remedies under this Franchise shall not constitute a waiver of any such right or remedy and shall not prevent the County from pursuing such right or remedy at any future time.

23.8 Nothing in this Franchise is or was intended to confer third-party beneficiary status on any person or entity to enforce the terms of this Franchise.

Section 24. Termination, Revocation, and Forfeiture.

If the Grantee (i) defaults on any material term or condition of this Franchise; (ii), willfully violates or fails to comply with any of the provisions of this Franchise; or, (iii) through willful misconduct or gross negligence fails to heed or comply with any notice given the Grantee by the County under the provisions of this Franchise, then the Grantee shall, at the election of the County Council, forfeit all rights conferred hereunder and the Franchise may be terminated by the County Council using the process described in SCC 13.80.130. Upon termination for any cause, all rights of the Grantee granted hereunder or under any right-of-way use permit shall cease, and the Grantee shall immediately commence to remove or, with approval of the County Engineer, abandon in place all of the Grantee Facilities from the Public Rights-of-Way in accordance with Section 14 above.

Section 25. County Ordinances and Regulations – Reservation of Police Power.

Nothing in this Franchise shall restrict the County's ability to adopt and enforce all necessary and appropriate ordinances regulating the performance of the conditions of the Franchise, including, ORDINANCE NO. 23-086

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but not limited to, any ordinances adopted under the County's police powers in the interest of public safety and for the welfare of the public. The County shall have the authority at all times to control by appropriate regulations, including design standards, and utility accommodation policies, the location, elevation, manner of construction, and maintenance of any Grantee Facilities located within any Public Right-of-Way, and the Grantee shall promptly conform with all such regulations, unless compliance would cause the Grantee to violate other requirements of law. In the event of a conflict between the regulatory provisions of this Franchise and any other ordinance(s) enacted under the County's police power authority, such other ordinance(s) shall take precedence over the provisions set forth herein.

Section 26. Eminent Domain, Powers of the People.

This Franchise is subject to the power of eminent domain and the right of the County Council or the people acting for themselves through initiative or referendum to repeal, amend or modify the Franchise in the interest of the public. In any proceeding under eminent domain, the Franchise itself shall have no value.

Section 27. Survival and Force Majeure.

27.1 Until such time as all of the Grantee Facilities have been removed from the Public Rights-of-Way in accordance with Section 14.1 above, or have been deactivated or abandoned in place in accordance with Sections 14.2 and 14.3 above, all of the provisions, conditions and requirements contained in the following sections of this Franchise shall survive the expiration, revocation, forfeiture or early termination of the Franchise: (i) Section 4 (Regulation of Use; Permits Required); (ii) Section 5 (Emergency Work); (iii) Section 6 (Compliance with Applicable Laws; Performance Standards); (iv) Section 7 (Restoration of Public Rights-of-Way); (v) Section 8 (Record Plans, Record Drawings, and Records of Grantee Facility Locations); (vi) Section 10 (Undergrounding of Grantee Facilities); (vii) Section 12 (Hazardous Materials); (viii) Section 13 (Dangerous Conditions, Authority for County to Abate); (ix) Section 14 (Removal of Grantee Facilities; Abandonment of Grantee Facilities); (x) Section 15 (Fees, Compensation for Use of Public Rights-of-Way and Taxes); (xi) Section 16 (Hold Harmless and Indemnification); (xii) Section 17 (Limitation of County Liability); (xiii) Section 18 (Insurance); (xiv) Section 19 (Performance Security); and (xv) Section 23 (County Enforcement of Franchise; No Waiver).

27.2 After such time as all Grantee Facilities have been either removed from the Public Rights-of-Way or abandoned/deactivated in place to the County's satisfaction pursuant to Section 14 above, only the following provisions shall survive the expiration or earlier termination of the Franchise: (i) Section 8 (Record Plans, Record Drawings, and Records of Grantee Facility Locations); (ii) Section 12 (Hazardous Materials); (iii) Section 16 (Hold Harmless and Indemnification); and (iv) Section 17 (Limitation of County Liability).

27.3 If the Grantee is prevented or delayed in the performance of any of its obligations under this Franchise by reason of a Force Majeure, then Grantee's performance shall be excused during

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a Force Majeure occurrence. Upon removal or termination of the Force Majeure occurrence the Grantee shall promptly perform its obligations in an orderly and expedited manner using industry accepted best practices. Grantee's performance shall not be excused by economic hardship nor by the misfeasance or malfeasance of its directors, officers, or employees.

27.4 For the purposes of this Franchise, "Force Majeure" means any event or circumstance (or combination thereof) and the continuing effects of any such event or circumstance (whether or not such event or circumstance was foreseeable or foreseen) that delays or prevents performance by the Grantee of any of its obligations under this Franchise, but only to the extent that and for so long as the event or circumstance is beyond the reasonable control of the Grantee and shall include, without limitation, all of the following events and circumstances: (i) acts of nature, including volcanic eruption, landslide, earthquake, flood, lightning, tornado or other unusually severe storm or environmental conditions, perils of the sea, wildfire or any other natural disaster; (ii) acts of public enemies, armed conflicts, act of foreign enemy, acts of terrorism (whether domestic or foreign, state-sponsored or otherwise), war (whether declared or undeclared), blockade, insurrection, riot, civil disturbance, revolution or sabotage; (iii) any form of compulsory government actions, acquisitions or condemnations, changes in applicable law, export or import restrictions, customs delays, rationing or allocations; (iv) accidents or other casualty, damage, loss or delay during transportation, explosions, fire, epidemics, quarantine or criminal acts; (v) inability, after the use of commercially reasonable efforts, to obtain from any governmental authority any permit, approval, order, decree, license, certificate, authorization or permission to the extent required by applicable law; (vi) inability, after the use of commercially reasonable efforts, to obtain any consent or approval required by the Franchise; and (viii) third-party litigation contesting all or any portion of the Franchise or Grantee's rights under this Franchise.

Section 28. Governing Law and Stipulation of Venue.

This Franchise and all use of Public Rights-of-Way granted herein shall be governed by the laws of the State of Washington, unless preempted by federal law. Any action relating to this Franchise shall be brought in the Superior Court of Washington for Snohomish County, or in the case of a federal action, the United States District Court for the Western District of Washington at Seattle, unless an administrative agency has primary jurisdiction.

Section 29. Title VI Assurances and Non-Discrimination.

29.1 The following assurances are required by the Washington State Department of Transportation (WSDOT) Local Agency Guidelines Manual (Publication Number M 36-63) as a condition to Snohomish County's receipt of Federal financial assistance from the U.S. Department of Transportation (USDOT), through WSDOT. The text of Standard Assurance Appendix D, Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program, comes from the USDOT Standard Title VI/Non-Discrimination Assurances (WSDOT Form APP28.94) with minor revisions for clarity.

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29.2 Within this Section 29, the following statutory and regulatory authorities are referred to as the “Acts” and “Regulations”: (i) Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); (ii) 49 C.F.R. Part 21 (entitled Non-discrimination In Federally-Assisted Programs Of The Department Of Transportation-Effectuation Of Title VI Of The Civil Rights Act Of 1964); and (iii) 28 C.F.R. section 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964).

29.3 The Grantee for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Public Rights-of-Way as that term is defined in this Franchise, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Grantee will use the Public Rights-of-Way in compliance with all other requirements imposed by or pursuant to the Acts and Regulations, as amended, set forth in this Assurance.

29.4 In the event of breach of any of the above Non-discrimination covenants, the County will have the right to terminate the Franchise in accordance with the provisions of this Franchise.

Section 30. Severability.

If any section, sentence, clause, phrase or provision of this Franchise or the application of such provision to any person or entity should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, phrase or provision of this Franchise nor the application of the provision at issue to any other person or entity.

Section 31. Notice and Emergency Contact.

31.1 Notices. All notices shall be in writing and shall be sufficiently given and served upon the other party by one of the following methods:

31.1 Personal service; or

31.2 Service by mailing two (2) copies, postage prepaid, one by ordinary first class mail and the other by certified mail, return receipt requested and addressed as provided below. Service by mail shall be presumed effective upon the third business day following the day upon which the notice was placed in the mail.

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To the County:
Snohomish County
Department of Public Works
3000 Rockefeller Avenue, M/S 607
Everett, WA 98201
Attn: Right-of-Way Coordinator

To the Grantee:
Seven Lakes Water Association Inc.
17507 W Lake Goodwin Rd
Stanwood, WA 98292
Attn: Eric Hentila

The Grantee shall also provide the County a current emergency contact name (or title) and phone number available 24-hours a day, seven days a week. The Grantee shall promptly notify the County of any change in the notice address or emergency contact (or title) and phone number.

Section 32. Acceptance.

Within ninety (90) days after the passage and approval of this Franchise by the County Council, the Franchise may be accepted by the Grantee by its filing with the County Council an unconditional written acceptance thereof. Failure of the Grantee to so accept the Franchise within said period of time shall be deemed a rejection thereof by the Grantee, and the rights and privileges herein granted shall automatically cease and terminate, unless the time period is extended by motion duly passed for that purpose.

Section 33. Effective Date.

This Franchise shall take effect, if at all, on the date on which each and every one of the following conditions have been met (the "Effective Date"): (i) ten (10) days have passed since the County Executive executed this Franchise, or this ordinance was otherwise enacted; (ii) the Grantee executes a copy of this Franchise and returns it to the County Council within the time provided in Section 32 above; (iii) the Grantee presents to the County acceptable evidence of insurance as required in Section 18 above; and (iv) the Grantee pays all applicable fees as set forth in Section 15 above.

PASSED this 4th day of October, 2023.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

Jared Mead
Council Chairperson

ATTEST:

M. G. ...
Deputy Clerk of the Council

- APPROVED
- VETOED
- EMERGENCY

D. S. ...
Snohomish County Executive

DATE: October 4, 2023

ATTEST:

Melissa Geraghty

Approved as to Form Only:

[Signature]
Deputy Prosecuting Attorney


Date: 08/17/2023

ACCEPTANCE:

The provisions of this Franchise are agreed to and hereby accepted. By accepting this Franchise, Seven Lakes Water Association Inc. covenants and agrees to perform and be bound by each and all of the terms and conditions imposed by the Snohomish County Charter, Snohomish County Code, and this Franchise.

Dated: October 6th, 2023

Seven Lakes Water Association Inc.


By: 
Printed Name: Eric Hentila
Title: Operations Manager

CERTIFICATION OF COMPLIANCE WITH CONDITIONS AND EFFECTIVE DATE:

I certify that I have received confirmation that: (1) the Grantee returned a signed copy of this Franchise to the County Council within the time provided in Section 32; (2) the Grantee has presented to the County acceptable evidence of insurance as required in Section 18 of this Franchise; and (3) the Grantee has paid all applicable processing costs and fees as set forth in Section 15 of this Franchise.

THE EFFECTIVE DATE OF THIS ORDINANCE IS:

October 30, 2023

By: 

Name: Elena Lao

Title: Deputy Clerk of the Council

COUNTY ENGINEER’S REPORT
FRANCHISE – WATER FACILITIES
SEVEN LAKES WATER ASSOCIATION, INC.

Pursuant to chapter 36.55.010 Revised Code of Washington (RCW), Section 9.20 Snohomish County Charter, and Title 13 of the Snohomish County Code (SCC), the Seven Lakes Water Association, Inc. has applied to Snohomish County (the “County”) for a franchise to construct, maintain, operate, replace, and repair its water distribution facilities in County public rights-of-way, and for no other purpose or use whatsoever. Chapter 36.55 RCW and Snohomish County Charter Section 9.20 authorize the County to grant nonexclusive franchises for use of County public rights-of-way. Snohomish County’s franchise procedure is contained in Chapter 13.80 SCC. The County Engineer has examined the application and submits the following report to council in accordance with SCC 13.80.040.

FINDINGS

1. Applicant

The Seven Lakes Water Association, Inc. (“the Association”), is a Washington non-profit corporation, UBI Number 600 102 404, which operates a Group A Community Water System, ID 77660-0. The Seven Lakes area is located northwest of Marysville and was originally developed as recreation property and part-time summer residences. Water was supplied by private wells and direct connections to the lakes. As development continued, a clean and dependable source of water was needed in the area and the Seven Lakes Water Association was formed in 1966.

The original water system went into operation in 1968 and served Lakes Shoecraft, Goodwin, Ki, and Crabapple. It expanded in 1968 to include the Lake Martha and Lake Loma areas. In 1993 it expanded again to include the area north and south of Forty Five Road. Snohomish County has previously granted utility franchises to the Seven Lakes Water Association in 1967, 1968, and most recently by Ordinance 93-119 that was approved on November 17, 1993, and recorded under Auditors File Number 9401100645, which expired on November 28, 2018.

2. Description of County Roads Included in the Proposed Franchise

The proposed franchise area covers roughly 28 square miles, as shown in Exhibit A. The proposed franchise area is smaller than what was previously granted in 1968 and 1993 so that it is in closer alignment with the Association’s service area boundary that has been established in the Snohomish County Coordinated Water System Plan. The proposed franchise includes all county rights-of-way located in the portions of unincorporated Snohomish County within the townships, ranges, and sections below:

| <u>Township</u> | <u>Range</u> | <u>Sections</u> |
|-----------------|--------------|---|
| 30N | 4E | 1, 2, 3, 4 |
| 31N | 4E | 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36 |
| 31N | 5E | 30, 31 |

3. Description of Facilities

The Seven Lakes Water Association provides water service to approximately 2,298 properties with a population of 5,557 residents across 20 square miles in unincorporated Snohomish County. The system consists of a distribution grid and transmission mains with storage tanks at Lake Loma and Wildridge. The system is comprised of primarily 6-inch pipe with some 8-inch and portions of smaller and larger size pipe. Asbestos cement (AC) pipe was used for the original construction of the system. The Association has been replacing older mains with larger diameter ductile iron (DI) pipe which is more durable than AC pipe and less prone to failure as it ages.

The Association's water is supplied by four operating groundwater wells. Since the Association's wells are located within the distribution grid, there are no dedicated transmission mains. Mains throughout the system have service connections. The service lines range from 3/4" for the residential user to 2" inches for larger services. The Association serves primarily residential users. Commercial use consists of a few retail outlets and accounts serving domestic users such as resorts, public parks, and trailer courts.

In 2007, the Washington State Department of Health informed the Association that they were at or near the capacity of their existing water rights and a moratorium on new commitments for water availability is still in effect. To provide additional supply, the Association is exploring potential new sources including installation of a new well or connection to another purveyor such as the City of Everett or PUD.

Work proposed in the county right-of-way would consist of the construction, operation, and maintenance of water facilities such as water mains, water services, fire hydrants, and other necessary equipment for the distribution of water. Facility access is needed for reading water meters, fire hydrants usage, routine maintenance, and emergency repairs. All work shall be performed in compliance with all federal, state, and local laws, rules and regulations (including, but not limited to, the County's comprehensive plan, zoning code, and other development regulations) that are applicable to any and all work or other activities performed by the Association pursuant to or under authority of the franchise as more fully described within the proposed franchise agreement and Section 6 of this report.

4. Insurance

The Association has agreed to obtain and maintain insurance for the term of the franchise in accordance with SCC 13.10.100 and Section 18 of the franchise. The Risk Management Division has reviewed and approved the insurance requirements in the proposed franchise. As provided

in franchise Section 33, the franchise will not take effect until the Association provides evidence of insurance acceptable to the Risk Management Division.

5. Term of Franchise

The initial term of the proposed franchise is for a period of ten (10) years (the “Initial Term”), beginning on the Effective Date as defined in Section 33 of the franchise, and automatically renew for an additional term of ten (10) years (the “Extended Term”). The County would have the right to unilaterally open negotiations with the Association at any time after the Initial Term, as more fully described in franchise Section 3.3.

6. Provisions of Franchise

Under the proposed franchise, the Association will:

- Obtain a right-of-way permit pursuant to Title 13 SCC prior to commencing any work within the public rights-of-way, as more fully described in franchise Section 4.
- Comply with the requirements of State law, County Charter, Title 13 SCC, the Engineering Design and Development Standards (EDDS), the county’s Utility Accommodation Policy, and all right-of-way use permit application, review and construction standards, as more fully described in franchise Section 6.
- Promptly, at its own expense, relocate or remove its facilities from county rights-of-way when the County Engineer determines that it is necessary due to: traffic conditions; public safety; dedications, improvements and vacations of rights-of-way; and other reasons more fully described in franchise Section 9.
- Not in any event abandon in place all or a portion of their facilities without the express written consent of the county as more fully described in franchise Section 14.
- Compensate the county for its administrative expenses in preparing and processing the proposed franchise, as more fully described in franchise Section 15.2.
- Indemnify, defend and hold harmless any County Party from any and all claims, demands, liability, suits, and judgments, including costs of defense thereof, for bodily injury to persons, death, or property damage arising out of its use of public rights-of-way under the proposed franchise, as more fully described in franchise Section 16.
- Provide the county with adequate insurance appropriate for a water system franchise, as more fully described in franchise Section 18.
- Provide a financial security device sufficient to ensure performance of its obligations when required by the County Engineer, as more fully described in franchise Section 19.
- Not assign any franchise rights or obligations without prior written consent of the county, as more fully described in franchise Section 22.
- Comply with Title VI Assurances and Non-Discrimination requirements, as more fully described in franchise Section 30.

COUNTY ENGINEER’S RECOMMENDATION

Based on the foregoing findings and pursuant to SCC 13.80.040, the County Engineer recommends the County Council grant a right-of-way franchise to the Seven Lakes Water

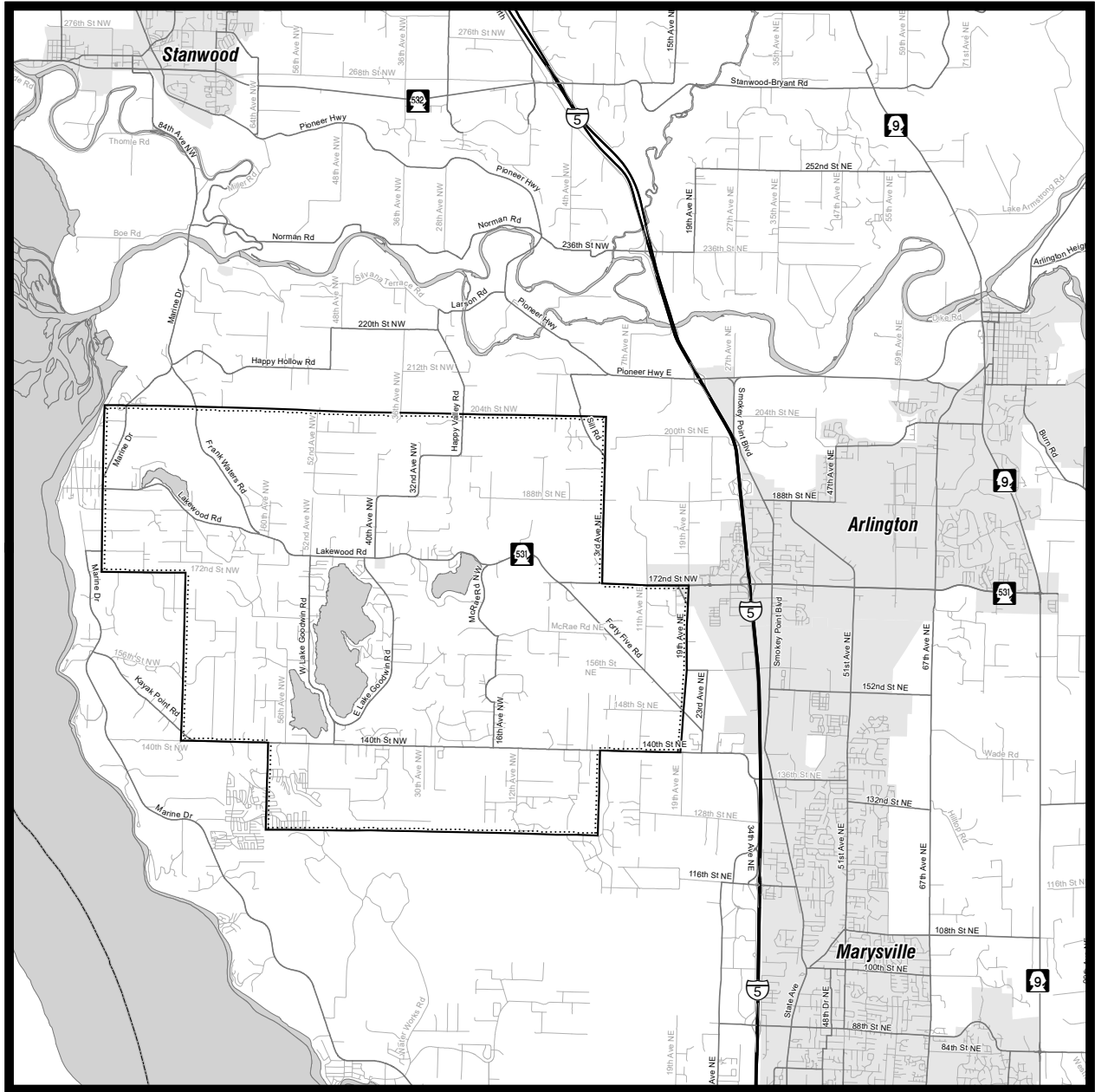
Association, Inc. with an initial term of ten (10) years and an automatic renewal for an additional term of ten (10) years, under the terms and conditions of County Charter, County Code and the proposed ordinance granting a franchise.

SNOHOMISH COUNTY PUBLIC WORKS








Douglas W. McCormick, P.E. Date
Deputy Director/County Engineer

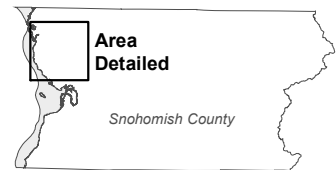
Prepared by:

Mary Madole Date
Senior Planner – Special Projects



Key to Features:

- | | | | |
|---|---------------------------------|---|-------------|
|  | Utility Service Area |  | Freeways |
|  | Arterial Roads |  | Local Roads |
|  | Unincorporated Snohomish County |  | Cities |
|  | Waterbodies | | |



Snohomish County disclaims any warranty of merchantability or warranty of fitness of this map for any particular purpose, either express or implied. Any user of this map assumes all responsibility for use thereof, and further agrees to hold Snohomish County harmless from and against any damage, loss, or liability arising from any use of this map.

Exhibit A. Seven Lakes Water Association Proposed Franchise Area

(The proposed franchise applies exclusively to county rights-of-way located in the portions of unincorporated Snohomish County depicted above.)