

**BEFORE THE BOARD OF COUNTY COMMISSIONERS OF
LEWIS COUNTY, WASHINGTON.**

APPROVING A FRANCHISE OVER)
CERTAIN ROADS IN LEWIS COUNTY) RESOLUTION No. _____
FOR OLYMPIC PIPE LINE COMPANY, A)
DELAWARE CORPORATION, OPERATED)
BY BP PIPELINES NORTH AMERICA)

WHEREAS, Olympic Pipe Line Company (“OLYMPIC”), a Delaware company, operated by BP Pipelines North America, is authorized to transact business within the State of Washington and has applied for a franchise for purposes of transmission of petroleum and petroleum products upon, under, along, and across certain roads in Lewis County, Washington, and

WHEREAS, said application having been heard at a public hearing held on _____, 2014, and the public having been given notice of this hearing, in accordance with RCW 36.55.040, and an opportunity to speak about the matter, and

WHEREAS, it appears to the Lewis County Board of County Commissioners it is in the public interest to grant the franchise, and the Board having considered said application and being advised in the premises.

NOW, THEREFORE, IT IS HEREBY ORDERED, that the right, privilege, authority, and non-exclusive franchise be hereby granted to Olympic, its successors and assigns; to install, construct, operate, repair, relocate, maintain, and remove petroleum products Facilities in, upon, under, along, and across certain roads in Lewis County defined below as the Franchise Area.

This franchise is granted upon the following express terms and conditions, to-wit:

Section 1. Definitions. Where used in this Franchise Agreement (the “Franchise”) the following terms shall mean:

- 1.1 “Agreement” means this Agreement, which sets forth the terms and conditions of this Franchise.
- 1.2 “County” means Lewis County, a municipal corporation of the State of Washington, and its respective successors and assigns.
- 1.3 “Facilities” shall mean, collectively, any and all petroleum products systems, including oil pipelines of 30” or smaller, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices, fixtures, communication systems, and any and all other equipment, appliances, attachments, appurtenances, and other items necessary or convenient for the purpose of transmission of petroleum products, whether the same are located over or underground, in a 30” or smaller petroleum products

pipeline, but excluding petroleum products storage systems and pipelines connected to storage Facilities.

- 1.4 "Franchise" or "Franchise Agreement" means the grant of rights, privileges, and authority embodied in this Agreement.
- 1.5 "Franchise Area" means the rights-of-way for public roads, streets, avenues, alleys, and highways of the County as now laid out, platted, dedicated, acquired or improved as listed on attached Exhibit A.
- 1.6 Hazardous Substance shall specifically include, but shall not be limited to, petroleum and petroleum products and their by-products, residue, and remainder in whatever form or state.
- 1.7 "OLYMPIC" means Olympic Pipe Line Company, a Delaware company, and its respective successors and assigns.
- 1.8 "Operate" or "Operations" shall mean the operation, use, and maintenance of OLYMPIC's Facilities, pursuant to the terms of this Franchise.
- 1.9 "Party" or "Parties" means collectively the County and Olympic Pipe Line Company, and individually either the County or Olympic Pipe Line Company.
- 1.10 "Public Works Project" means any County capital improvement or the construction, relocation, expansion, repair, maintenance, or removal of any part of the Franchise Area or County-owned facilities located on or in the Franchise Area for any purpose, including but not limited to parks; roads and/or streets; sidewalks; curbs; pedestrian and/or vehicle traffic; sewers, storm water drains; water facilities, and; County-owned fiber optic cable, conduit or network facilities.
- 1.11 "Third Party" means any person, party, or entity other than the County and OLYMPIC.
- 1.12 "FERC" means the Federal Energy Regulatory Commission, or such other successor regulatory agency having jurisdiction over interstate pipeline companies.
- 1.13 "LCC" means the Lewis County Code that is accessible from the Board of County Commissioners or at

<http://www.codepublishing.com/wa/lewiscounty/>

Section 2. Grant of Franchises

- 2.1 County hereby grants to OLYMPIC, subject to the terms and conditions as set forth herein, a Franchise for a period of five (5) years commencing upon the Effective Date of this Agreement and subsequent acceptance of such Agreement and Franchise by OLYMPIC. This Franchise is granted upon the express condition that within thirty (30) days after the adoption of this Agreement by the Lewis County Board of Commissioners, OLYMPIC shall file with the clerk of the County a written acceptance of the same. If

OLYMPIC fails to do so within the time frame above, this Agreement and Franchise shall be null and void. This Franchise is granted under authority of Washington State law, including but not limited to Chapter 36.55 RCW. Except as may be inconsistent with the provisions of federal law, it is subject to the provisions of Washington State Law and Chapters 12.20 and 12.40 of the Lewis County Code (Utility Installations Within Road Rights-of-Way).

- 2.2 This Franchise may be renewed, at the sole discretion of the County, for one additional five (5) year period upon the written request of OLYMPIC, such request to be submitted not more than two (2) years nor less than one hundred eighty (180) days prior to the expiration of the initial five (5) year term.
- 2.3 This Agreement is intended to grant only a limited right and does not convey or warrant title or any real estate interest in the County roads or rights-of-way. Nothing in this agreement shall restrict the County's statutory power of eminent domain and police powers.
- 2.4 OLYMPIC shall, in carrying out activities authorized by this Agreement, comply with the provisions of all applicable County codes, ordinances, regulations, standards, procedures, permits, or policies currently in effect or subsequently amended or enacted, except as such laws, County codes, ordinances, regulations, standards, procedures, permits, or policies may be preempted by applicable Federal law.
- 2.5 OLYMPIC shall, in carrying out activities authorized by this Agreement, comply with all applicable state and federal laws and regulations currently in effect or subsequently amended or enacted; and with all state laws, except as such laws may be preempted by federal law.
- 2.6 All provisions, conditions, regulations, and requirements herein contained shall be binding upon the successors and assigns of OLYMPIC and all privileges of OLYMPIC shall inure to such successors and assigns as if they were specifically mentioned.

Section 3. Non-Franchise Area County Property

- 3.1 This Franchise shall not convey any right to OLYMPIC to install Facilities on or to otherwise use County-owned or leased properties or easements outside the Franchise Area.

Section 4. Non-exclusive Franchise

- 4.1 This Franchise is not, and shall not be deemed to be, an exclusive Franchise. This Franchise shall not in any manner prohibit the County from granting other and further franchises upon, under, and across the Franchise Area. This Franchise shall not prohibit or prevent the County from using the Franchise Area for any lawful purpose or affect the jurisdiction of the County over the same or any part thereof.

Section 5. Installation/Non-interference of Facilities/Restoration

- 5.1 All work performed by OLYMPIC under this Agreement shall be performed in accordance with permit(s) issued by the County, in compliance with LCC 12.20 and the County Road Standards; together with all applicable federal laws and regulations and the laws and regulations of the State of Washington; and the provisions of any applicable County codes, ordinances, regulations, standards, and procedures as now exist or as may be hereafter amended or superseded. Work that affects OLYMPIC's construction and maintenance of its pipeline Facilities shall also be performed in accordance with Federal law and regulation.
- 5.2 At least seven working days prior to the start of any construction within the Franchise Area, OLYMPIC will submit to the County Engineer a design for review pursuant to LCC 12.20.100 et seq.; EXCEPT that in case of an emergency requiring immediate attention, OLYMPIC shall take whatever emergency action is necessary and notify the County Engineer thereof in accordance with LCC 12.20.310.
- 5.3 Facilities shall be located and maintained within the Franchise Area so as not to interfere with the free passage of pedestrian and/or vehicle traffic, construction or maintenance of the right-of-way, other utilities, and other legal uses therein; or with the reasonable ingress or egress to the properties abutting the Franchise Area as they exist at the time of installation of the Facilities.
- 5.4 OLYMPIC shall restore the surface of the Franchise Area that is disturbed or damaged by the performance of this Agreement to at least the same condition as existed immediately prior to any such work, considering deflection, durability, and the expected life of the roadway. The County shall have final approval of the condition of the Franchise Area after restoration pursuant to the provisions of applicable County codes, ordinances, regulations, standards, policies, and procedures as now exist or as may be hereafter amended or superseded.
- 5.5 The County may at any time perform or have performed any and all work that it considers necessary to restore to a safe condition any area within the Franchise Area disturbed by OLYMPIC in the performance of this Agreement if OLYMPIC fails to promptly comply with a request by County to perform such restoration work. OLYMPIC shall pay all costs of such work upon demand of the County. Such remedial action by the County may be taken in addition to any remedies the County may pursue under Ch. 12.20 LCC, Section 11, and under the law.
- 5.6 Prior to the commencement of any construction or work within the Franchise Area, OLYMPIC shall cause all pre-construction permitting requirements to be met, as required by the County, including any bonding requirements on which the issuance of such permit is conditioned. The

bond shall be conditioned so that the Grantee shall (i) perform all of the obligations specified in any right-of-way use permits or approvals, and (ii) correct or replace any defective works performed or materials used by Grantee in the restoration or replacement of the County's Public Rights-of-Way or other property that are discovered by the County within a period of two (2) years from the date on which the County accepts the restoration or replacement of such Public Rights-of-Way or other property.

- 5.7 All survey monuments which are disturbed or displaced by OLYMPIC in its performance of any work under this Franchise shall be referenced and restored by OLYMPIC, as per WAC 332-120, as from time to time amended, and all pertinent federal, state, and local standards and specifications.
- 5.8 In the event OLYMPIC permanently ceases use of any of its Facilities within the Franchise Area, OLYMPIC shall (subject to any necessary approval(s) and/or order(s) to be provided by FERC concerning abandonment) within one hundred and eighty (180) days or within such additional time as is agreed to between the parties after such permanent cessation of use, remove such Facilities at the sole cost and expense of OLYMPIC, and shall leave such roads in as good condition considering deflection, durability and expected life, as that existing prior to OLYMPIC's removal of its property in accordance with the provisions of Ch. 12.20 LCC; provided that with the express written consent of the County, OLYMPIC may leave such Facilities in place subject to the conditions set forth in this section if it certifies that the abandoned Facilities do not pose a public hazard, and indemnifies and holds the County harmless from all consequences of the abandonment. The certification, indemnification, and hold harmless shall be in writing, signed by an OLYMPIC officer and acceptable to the Lewis County Director of Public Works and Risk Manager. Abandonment shall be according to prevailing federal law and industry practice.

Any such Facilities to be left in place shall be made inert by purging all petroleum products from such Facilities and disconnecting and sealing such Facilities, all in compliance with applicable regulations and industry standards. The County's consent shall not relieve OLYMPIC of the obligation and/or costs to subsequently remove or alter such Facilities in the event the County reasonably determines that such removal or alteration is necessary or advisable for the health and safety of the public. OLYMPIC shall perform such work at no cost to the County and shall leave such roads in as good condition, taking into account deflection, durability, and expected life, as that existing prior to OLYMPIC's removal of its property in accordance with the provisions of Ch. 12.20 LCC. The provisions of this section are not intended to transfer ownership of abandoned property to the County.

The obligations contained in this Section shall survive the expiration, revocation, or termination of this Franchise.

- 5.9 Upon notification to OLYMPIC of planned Third-Party construction within one hundred (100) feet of OLYMPIC's pipeline, OLYMPIC shall locate and mark in accordance with law the precise location of its Facilities before the construction commences, provide a representative to inspect the construction when it commences, and periodically inspect thereafter to ensure that OLYMPIC's pipeline is not damaged by the construction.
- 5.10 Unless in conflict with federal requirements, the County may impose conditions on the granting of any permit or other approval that are reasonably necessary for the safe use and management of the public right-of-way or the County's property including, by way of example and not limitation: bonding, maintaining proper distance from other utilities, protecting the continuity of pedestrian and vehicular traffic, and protection of rights-of-way improvements, private facilities, and public safety.

Section 6. Relocation of Facilities

- 6.1 Whenever the County causes the construction of any Public Works Project within the Franchise Area and such construction necessitates the relocation of OLYMPIC's Facilities from their existing location within the Franchise Area, such relocation shall be accomplished by OLYMPIC at no cost to the County. Such alternate location for relocation of OLYMPIC's facilities shall be determined and approved by the County and if necessary, shall be obtained and provided by OLYMPIC, at no cost to the County. To the extent practicable, the County may (but is not required to) provide an alternate location for such relocation of OLYMPIC's facilities, at no additional cost to OLYMPIC.
- 6.2 County shall give OLYMPIC one hundred and eighty (180) days' written notice of a Public Works Project within the Franchise Area that may require or have the potential of necessitating relocation of OLYMPIC's facilities. OLYMPIC shall communicate with the County Engineer or Assistant County Engineer on a regular basis after receiving notice of a potential conflict and shall have a representative attend County Public Works' Annual Project meetings as advertised on the Public Works website (<http://lewiscountywa.gov/publicworks>) to ensure OLYMPIC is informed of the Public Works Project, its potential to conflict with OLYMPIC's facilities, and the project timeline.
- 6.3 In the event an emergency posing a threat to public safety or welfare requires the relocation of OLYMPIC's Facilities within the Franchise Area, the County shall give OLYMPIC notice of the emergency as soon as reasonably practicable. Upon receipt of such notice from the County (and subject to the issuance of any necessary order(s) of FERC), OLYMPIC shall endeavor to respond as soon as reasonably practicable to relocate the affected Facilities.
- 6.4 Whenever any Third Party requires and requests the relocation of OLYMPIC's Facilities to accommodate work by the Third Party within the Franchise Area, OLYMPIC shall have the right as a condition of any such

relocation to require payment by the Third Party to OLYMPIC, at a time and upon terms acceptable to OLYMPIC, for any and all costs and expenses incurred by OLYMPIC in the relocation of OLYMPIC's Facilities.

- 6.5 Any condition or requirement imposed by the County upon any Third Party (including, but not limited to, any contractual or land use, construction, or zoning permit conditions or requirements) which requires the relocation of OLYMPIC's Facilities within the Franchise Area shall be a condition or requirement causing relocation of OLYMPIC's Facilities to occur subject to the provisions of Section 6.3 above; provided, however, in the event the County determines and notifies OLYMPIC that the primary purpose of imposing such condition or requirement upon such Third Party is to cause or facilitate the construction of a Public Works Project within the Franchise Area on the County's behalf, the Third Party shall pay to OLYMPIC only those costs and expenses incurred by OLYMPIC in reconnecting such relocated Facilities with other Facilities and OLYMPIC shall otherwise relocate its Facilities for the project in accordance with this Agreement.
- 6.6 As to any relocation of OLYMPIC's Facilities whereby the cost and expense thereof is to be borne by OLYMPIC in accordance with this Section 6, OLYMPIC may, after receipt of written notice requesting such relocation, submit in writing to the County alternatives to relocation of its Facilities. Upon the County's receipt from OLYMPIC of such written alternatives, the County shall evaluate such alternatives and shall advise OLYMPIC in writing if one or more of such alternatives is suitable to the County. If, after consideration of such alternatives, the County determines in good faith that such alternatives are not appropriate, OLYMPIC shall relocate its Facilities as otherwise provided in this Agreement.
- 6.7 Nothing in this Section 6 shall require OLYMPIC to bear any cost or expense in connection with the relocation of any Facilities under benefit of easement (other than any County-owned utility easements described in Section 1.6) or other rights not arising under this Franchise, nor shall anything in this Section 6 require the County to bear any such cost or expense. Nothing in this Section 6 shall be construed to be a waiver of any right of either OLYMPIC or the County to contest any claim or assertion by the other of responsibility to pay such cost or expense.

Section 7. Vacation of County Roads

- 7.1 If, at any time, Lewis County shall vacate any county road and/or rights-of-way which are subject to the rights granted by this franchise, then the Board of County Commissioners may, at its option and by giving one hundred fifty (150) days written notice to OLYMPIC, terminate this franchise with reference to such county road and/or rights-of-way so vacated, and the County shall not be liable for any damages or loss to OLYMPIC by reason of such termination.
- 7.2 Prior to vacation of any county roads and/or rights-of-way, the County will make best efforts to (but shall not be required to) grant to OLYMPIC an

easement sufficient in size for the existing Facilities contained in the vacated road and/or right-of-way.

Section 8. Roads Transferred to Cities

- 8.1 Whenever any of the county roads and/or rights-of-way as designated in this franchise by reason of the subsequent incorporation of any town or city, or extension of the limits of any town or city, shall fall within the city or town limits, this franchise shall continue in force and effect as to all county roads and/or rights-of-way not so included in city or town limits.

Section 9. Records of Installation and Planning

- 9.1 OLYMPIC shall make available to County upon request GIS data (including GPS coordinates) depicting the location of the Facilities within the Franchise Agreement. To the extent permitted by applicable law, and as otherwise provided herein, the County will keep said GIS data confidential and protected from public disclosure.
- 9.2 OLYMPIC shall also provide detailed as-built design drawings showing, at a minimum, the size and depth of all OLYMPIC pipes, valves, gauges, and other service appurtenances within the Franchise Area. To the extent permitted by applicable law, and as otherwise provided herein, the County will attempt to keep said plans confidential and protected from public disclosure.
- 9.3 Within thirty (30) days of completing any installation, relocations, conversions, maintenance or construction, or any other substantial activity within the Franchise Area, OLYMPIC shall provide updated and corrected as-built drawings and a survey showing the location, depth and other characteristics of new Facilities within the Franchise Area; provided, however, any such plans so submitted shall be for informational purposes only and shall not obligate OLYMPIC to undertake any specific improvements within the Franchise Area, nor shall such plan be construed as a proposal to undertake any specific improvements within the Franchise Area. To the extent permitted by applicable law, and as otherwise provided herein, the County will keep said survey confidential and protected from public disclosure.
- 9.4 Upon the County's reasonable request, in connection with the design of any Public Works Project, OLYMPIC shall verify the location of its underground Facilities within the Franchise Area by excavating (e.g., potholing) at no expense to the County. In the event OLYMPIC performs such excavation, the County shall not require any restoration of the disturbed area in excess of restoration to the same condition as existed immediately prior to the excavation.
- 9.5 Markers demarcating the pipeline's location shall be placed on the surface at least as frequently as once every 100 yards so as to provide clear warning of the presence of the pipeline but in a manner that does not interfere with public uses in that area. Additionally, OLYMPIC shall place

continuous underground markers demarcating the pipeline's location each time it digs to the pipeline for any reason.

- 9.6 Any drawings and/or information concerning the location of OLYMPIC's Facilities provided by OLYMPIC shall be used by the County solely for management of the Franchise Area or as necessary to assist law enforcement or fire department personnel or other first responders in the event of emergency or for emergency response planning. The County shall take all reasonable steps necessary to prevent disclosure or dissemination of such drawings and/or information to any third party without the prior express consent of OLYMPIC, to the extent permitted by law; provided that OLYMPIC expressly acknowledges and agrees that all and/or parts of any and all such drawings and/or information received by the County from OLYMPIC may be subject to public disclosure, pursuant to Washington State law (including RCW 42.56). While the County will take reasonable steps to attempt to prevent the disclosure of drawings, information, and/or materials that the County believes to be confidential, the County cannot and does not represent and/or guarantee that any specific drawings and/or information will not be released, even if the release of such drawings and/or information may be (or may arguably be) exempt or otherwise preventable by law.
- 9.7 Notwithstanding the foregoing, nothing in this Section 9 is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of the Facilities.
- 9.8 In the event that such materials are sought pursuant to a request under Washington's Public Records Act (RCW ch. 42.56), the County shall advise OLYMPIC of the request and give OLYMPIC a reasonable opportunity to obtain a court order precluding the release of the document.

Section 10. Coordination, Shared Excavations

- 10.1 OLYMPIC and the County shall each cooperate with the other regarding any construction work by the other party within the Franchise Area so as to promote the orderly and expeditious performance and completion of such work as a whole. OLYMPIC and the County shall attempt to minimize any delay or hindrance to any construction work undertaken by themselves or other utilities within the Franchise Area and to keep the other party informed of its intent to undertake construction work.
- 10.2 If, at any time or from time to time, either OLYMPIC or the County shall cause excavations to be made within the Franchise Area, the party causing such excavation to be made shall afford the other, upon receipt of a written request to do so, an opportunity to use such excavation, provided that: (1) such joint use shall not unreasonably delay the work of the party causing the excavation to be made; and (2) such joint use shall be

arranged and accomplished on terms and conditions satisfactory to both Parties.

Section 11. Default, Remedies, and Dispute Resolution

- 11.1 If there is any dispute or alleged default with respect to performance under this Franchise, the County shall notify OLYMPIC in writing, stating with reasonable specificity the nature of the dispute or alleged default. Within seven (7) days of its receipt of such notice, OLYMPIC shall provide written response to the County that shall acknowledge receipt of such notice and state OLYMPIC's intentions with respect to how OLYMPIC shall respond to such notice. OLYMPIC shall further have twenty-one (21) days (the "cure period") from its receipt of such notice to:
- A. Respond to the County, contesting the County's assertion(s) as to the dispute or any alleged default and requesting a meeting, or;
 - B. Resolve the dispute or cure the default, or;
 - C. Notify the County that OLYMPIC cannot resolve the dispute or cure the default within twenty-one (21) days, due to the nature of the dispute or alleged default. Notwithstanding such notice, OLYMPIC shall promptly take all reasonable steps to begin to resolve the dispute or cure the default and notify the County in writing and in detail as to the actions that will be taken by OLYMPIC and the projected completion date.
- 11.2 If the County and OLYMPIC are unable to settle the dispute or agree upon the existence of a default or the corrective action to be taken to cure any alleged default, the County or OLYMPIC (as OLYMPIC may have authority to do so) may:
- A. Take any enforcement or corrective action provided for in County Code, as from time to time amended; provided such action is not otherwise in conflict with the provisions of this Franchise, and State and/or Federal law, and/or;
 - B. Declare an immediate forfeiture of this Franchise for a breach of any material obligations under this Franchise, and/or;
 - C. Take such other action to which it is entitled under this Franchise or any applicable law, and/or;
 - D. Pursue any Alternative Remedies as provided in Section 12.
- 11.3 In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this agreement, the venue of such action or litigation shall be in the Superior Court of the State of Washington in and for the County of Lewis. This Agreement shall be governed by applicable Federal law, and the laws of the State of Washington.

- 11.4 Unless otherwise agreed by the County and OLYMPIC in writing, the County and OLYMPIC shall, as may be reasonably practicable, continue to perform their respective obligations under this Franchise while any dispute is pending.

Section 12. Alternative Remedies

No provision of this Franchise shall be deemed to bar the right of the County or OLYMPIC to seek or obtain judicial relief from a violation of any provision of the Franchise or any rule, regulation, requirement, or directive promulgated thereunder. Neither the existence of other remedies identified in this Franchise nor the exercise thereof shall be deemed to bar or otherwise limit the right of the County or OLYMPIC to recover monetary damages for such violations by the other party, or to seek and obtain judicial enforcement of the other Party's obligations by means of specific performance, injunctive relief, or mandate; or any other remedy at law or in equity.

Section 13. Indemnification

- 13.1 OLYMPIC shall indemnify, defend, and hold the County, its appointed and elective officials, agents, officers, employees, and volunteers harmless from and against any and all claims, demands, liability, loss, cost, damage, or expense of any nature whatsoever including all costs and attorney's fees, made against the County, its agents, officers, or employees on account of injury, harm, death, or damage to persons or property arising out of or in connection with OLYMPIC's construction, operation, use, or maintenance of OLYMPIC's Facilities, except for any claims, demands, liability, loss, cost, damage, or expense of any nature whatsoever including costs and attorney's fees caused by the sole negligence of the County, its appointed and elective officials, agents, officers, employees, and volunteers.
- 13.2 OLYMPIC shall indemnify, defend, and hold the County, its appointed and elected officials, agents, officers, employees, and volunteers harmless from and against any and all claims, demands, liability, loss, cost, damage, or expense of any nature whatsoever including all costs and attorney's fees, made against the County on account of violation of any environmental laws applicable to the Facilities, or from any release of petroleum products or Hazardous Substances on or from the Facilities, except for any such claims, demands, liability, loss, cost, damage, or expense of any nature whatsoever including costs and attorney's fees caused by the sole negligence of the County, its elected and appointed officials, agents or employees acting within the scope of their employment. This indemnity includes, but is not limited to: (a) liability for a governmental agency's costs of removal or remedial action for hazardous substances; (b) damages to natural resources caused by hazardous substances, including the reasonable costs of assessing such damages; (c) liability for any other person's costs of responding to hazardous substances; and (d)

liability for any costs of investigation, abatement, correction, or cleanup; or fines, penalties, or other damages arising under any environmental laws.

- 13.3 OLYMPIC's indemnification obligations include assuming potential liability for actions brought by OLYMPIC's own employees and the employees of OLYMPIC's agents, representatives, contractors, and subcontractors even though OLYMPIC might be immune under Title 51 RCW from direct suit brought by such employees. It is expressly agreed and understood that this assumption of potential liability for actions brought by the aforementioned employees is limited solely to claims against the County arising by virtue of OLYMPIC's exercise of the rights set forth in this Agreement. The obligations of OLYMPIC under this section have been mutually negotiated by the Parties, and OLYMPIC acknowledges that the County would not enter into this Agreement without OLYMPIC's waiver. To the extent required to provide this indemnification and this indemnification only, OLYMPIC waives its immunity under Title 51 RCW as provided in RCW 4.24.115.
- 13.4 In the event any matter (for which the County intends to assert its rights under this Section 13) is presented to or filed with the County, the County shall promptly notify OLYMPIC thereof, and OLYMPIC shall have the right, at its election and at its sole cost and expense, to settle and compromise such matter as it pertains to OLYMPIC's responsibility to indemnify, defend, and hold harmless the County, its agents, officers, or employees. In the event any suit or action is started against the County based upon any such matter, the County shall likewise promptly notify OLYMPIC thereof, and OLYMPIC shall have the right, at its election and at its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election, as it pertains to OLYMPIC's responsibility to indemnify, defend, and hold harmless the County, its agents, officers, or employees.
- 13.5 Acceptance by the County of any work performed by OLYMPIC under this Agreement shall not be grounds for avoidance of this Section 13.

Section 14. Emergency Management, Leaks, Ruptures, and Emergency Response

- 14.1 Annually, upon the request of the County, OLYMPIC shall meet with Lewis County Emergency Management and the Lewis County Emergency Planning Committee to coordinate emergency management operations and, at least once a year, at the request of the County, OLYMPIC personnel shall actively participate with either the Fire Department or the County Emergency Operations Center in emergency preparedness drills or planning sessions.
- 14.2 OLYMPIC shall have in place, at all times during the term of this Franchise, a system for remotely monitoring pressures and flows across the Franchise Area. The remote monitoring must be able to accurately detect pipeline ruptures.

- 14.3 During the term of this Franchise, OLYMPIC shall have a written emergency response plan and procedure for locating leaks and ruptures and for shutting down valves as rapidly as possible.
- 14.4 Upon acceptance of this Franchise, OLYMPIC shall provide, for the County's approval and acceptance, a copy of its emergency response plans and procedures, including, but not limited to, emergency rupture response.
- 14.5 OLYMPIC's emergency plans and procedures shall designate OLYMPIC's responsible local emergency response officials and a direct twenty-four (24) hour emergency contact number for the control center operator. OLYMPIC shall, after being notified of an emergency, cooperate with the County and make every effort to respond as soon as possible to protect the public's health, safety, and welfare.
- 14.6 OLYMPIC shall be solely responsible for all necessary costs incurred in responding to any leak, rupture, or other release of petroleum products from OLYMPIC's pipeline(s) and/or Facilities, including, but not limited to, detection and removal of any contaminants from air, earth or water, and all remediation costs. Within two (2) business days of its detection by OLYMPIC, OLYMPIC shall notify the County of any rupture or uncontained leak, spill, or other release of petroleum products or other hazardous substance, outside of a vault or pump station, if it occurs within or affects the Franchise Area and if federal law deems the release a reportable event.
- 14.7 If requested by the County in writing, OLYMPIC shall provide a written summary concerning any leak or rupture within thirty (30) days of the event, including, but not limited to, the leak or rupture's date, time, amount, location, response, remediation, and other agencies OLYMPIC has notified.
- 14.8 The County may demand that any substantial leak or rupture be investigated by an independent pipeline consultant selected by the County. OLYMPIC shall be solely responsible for paying all of the consultant's costs and expenses incurred in investigating the occurrence and reporting the findings. OLYMPIC shall meet and confer with the independent consultant following the consultant's investigation to address whether any modifications or additions to OLYMPIC's pipeline(s) and/or Facilities may be warranted.
- 14.9 If the consultant recommends that OLYMPIC make modifications or additions to OLYMPIC's pipeline(s) and/or Facilities, OLYMPIC covenants to consider said recommendations in good faith. If OLYMPIC declines to follow the consultant's recommendations, OLYMPIC shall provide a written report to the County explaining its reasoning for not following said recommendations. The parties agree to comply with the dispute resolution provisions contained herein to resolve any dispute over whether to follow the consultant's recommendations.

- 14.10 In the event that such materials are sought pursuant to a request under Washington's Public Records Act (RCW ch. 42.56), the County shall notify Olympic of the request and give OLYMPIC a reasonable opportunity to obtain a court order precluding the release of the document.

Section 15. Assignment of Franchise

Neither OLYMPIC, nor its successors in interest, may assign or otherwise transfer its rights, privileges, authority, and Franchise conferred by this Agreement without the prior written authorization and approval of the County. The County hereby authorizes and approves the mortgage by OLYMPIC (or OLYMPIC's successors in interest) of its rights, privileges, authority, and Franchise in and under this Agreement to the trustee for its bondholders.

Section 16. Severability and Survival

- 16.1 If any term, provision, condition, or portion of this Franchise shall be held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Franchise, which shall continue in full force and effect. The headings of the sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect, or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.
- 16.2 All provisions, conditions, and requirements of this Franchise that may be reasonably construed to survive the termination or expiration of this Franchise shall survive the termination or expiration of the Franchise. Subject to Section 15 above, the Parties' respective rights and interests under this Franchise shall inure to the benefit of their respective successors and assigns.

Section 17. Amendments to Franchise

- 17.1 This Franchise may be amended only by mutual agreement thereto, set forth in writing in the form of an Agreement, signed by both Parties, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of the State of Washington. Without limiting the generality of the foregoing, this Franchise (including, without limitation the Sections addressing indemnification and insurance) shall govern and supersede and shall not be changed, modified, delete, added to, supplemented, or otherwise amended by any permit, approval, license, agreement, or other document required by or obtained from the County in conjunction with the exercise (or failure to exercise) by OLYMPIC of any and all of its rights, benefits, privileges, obligations, or duties in and under this Franchise, unless such permit, approval, license, agreement, or other document specifically:
- A. References this Franchise; and
 - B. States that it contains terms and conditions which change, modify, delete, add to, supplement, or otherwise amend the terms and conditions of this Franchise.

Section 18. Relationship of the Parties

- 18.1 Nothing in this Franchise shall be construed to create or confer any right or remedy upon any person(s) other than the County and OLYMPIC. No action may be commenced or prosecuted against any Party by any Third Party claiming as a Third Party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any Third Party to either Party.
- 18.2 Nothing contained in this Franchise shall be construed to create an association, trust, partnership, agency relationship, or joint venture; or to impose a trust, partnership, or agency duty, obligation, or liability on or with regard to any Party. Each Party shall be individually and severally liable for its own duties, obligations, and liabilities under this Franchise.
- 18.3 OLYMPIC accepts any privileges granted by the County to the Franchise Area and public rights-of-way in an "as is" condition. OLYMPIC agrees that the County has never made any representations, implied or express warranties, or guarantees as to the suitability, security, or safety of OLYMPIC's location of Facilities or the Facilities themselves in public property or rights-of-way or possible hazards or dangers arising from other uses of the public rights-of-way or other public property by the County or the general public. OLYMPIC shall remain solely and separately liable for the function, testing, maintenance, replacement, and/or repair of the pipeline or other activities permitted under this Franchise.
- 18.4 Except as specifically provided herein, this Franchise shall not create any duty of the County or any of its officials, employees, or agents and no liability shall arise from any action or failure to act by the County or any of its officials, employees, or agents in the exercise of powers reserved to the County. Further, this Franchise is not intended to acknowledge, create, imply, or expand any duty or liability of the County with respect to any function in the exercise of its police power or for any other purpose. Any duty that may be deemed to be created in the County shall be deemed a duty to the general public and not to any specific party, group, or entity.

Section 19. Insurance

- 19.1 OLYMPIC shall procure and maintain for the duration of the Franchise, insurance, or provide self-insurance, against all claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges, and authority granted hereunder to OLYMPIC, its agents, representatives, or employees. OLYMPIC shall provide to the County upon OLYMPIC acceptance of this Franchise, evidence of self-insurance and/or a certificate of insurance, for all levels of insurance, that names the County, its officers, elected officials, agents, employees, representatives, engineers, consultants, and volunteers as additional insureds. Such self-insurance and/or insurance certificate shall evidence the following minimum overages. All required insurance shall be

obtained from companies rated "A-" or better in "A. M. Best's Insurance Guide," or an equivalent rating by similar rating agencies, and shall be from insurers authorized to transact business in the State of Washington. In no event shall the limits of any insurance policies be construed as limiting the liability of OLYMPIC.

- A. Comprehensive general/excess liability insurance including coverage for premises – operations, explosions and collapse hazard, underground hazard, and products completed hazard, with limits not less than:
 - (1) \$100,000,000 (one hundred million dollars) per occurrence and in the aggregate for bodily injury or death to each person;
 - (2) \$100,000,000 (one hundred million dollars) for property damage resulting from any one accident; and
 - (3) \$100,000,000 (one hundred million dollars) for general liability.
- B. Automobile liability for owned, non-owned, and hired vehicles with a limit of \$2,000,000 (two million dollars) for each person and \$2,000,000 (two million dollars) for each accident, with such limits to be satisfied through a combination of primary and excess policies, at OLYMPIC'S option;
- C. Worker's compensation within statutory limits and employer's liability insurance with limits of not less than \$2,000,000 (two million dollars), with such limits to be satisfied through a combination of primary and excess policies, at OLYMPIC'S option;
- D. Environmental/Pollution liability with a limit not less than \$50,000,000 (fifty million dollars) for each occurrence, at a minimum covering liability from sudden and/or accidental occurrences.

If coverage is purchased on a "claims made" basis, then OLYMPIC shall warrant 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 termination of this Franchise; and/or conversion from a "claims made" for to an "occurrence" coverage form. The required liability limits may be met under a primary or an excess policy, or any combination thereof.

- 19.2 OLYMPIC shall provide the Public Works Department Real Estate Services Manager with all certificates of insurance, all certificates of reinsurance, and certificates of excess insurance upon OLYMPIC's acceptance of the Franchise and on or before each anniversary of OLYMPIC's execution of this franchise.

- 19.3 If OLYMPIC is self-insured or becomes self-insured, OLYMPIC shall provide the Public Works Real Estate Services Manager, upon OLYMPIC's acceptance of this Franchise and on or before each anniversary of OLYMPIC's acceptance, a letter signed by OLYMPIC's Chief Executive Officer or Chief Financial Officer specifying the self-insured retention and certifying that OLYMPIC has sufficient cash reserves to pay the self-insurance retention under the Franchise.

OLYMPIC shall notify the Public Works Real Estate Services Manager if OLYMPIC becomes financially insolvent or if OLYMPIC's cash reserves are insufficient to meet its self-insurance retention, or if OLYMPIC or any of its affiliates file for bankruptcy protection. Notice shall be within ten (10) business days of the occurrence of such financial insolvency, inadequacy, or bankruptcy filing. OLYMPIC agrees to reimburse the County for the cost of any insurance the County obtains to protect the County in the event of OLYMPIC's financial insolvency, inadequacy, or filing for bankruptcy.

- 19.4 Any deductibles or self-insured retentions must be declared to the County, if requested by the County. Payment of deductibles and self-insured retentions shall be the sole responsibility of OLYMPIC. The insurance certificate required by this Section shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 19.5 OLYMPIC's insurance shall be primary insurance with respect to the County, its officers, officials, employees, agents, consultants, and volunteers.
- 19.6 In addition to the coverage requirements set forth in this Section, the certificate of insurance shall provide that:
- "The above described policies will not be canceled before the expiration date thereof, without the issuing OLYMPIC giving sixty (60) days' written notice to the certificate holder."
- 19.7 In the event of cancellation or intent not to renew, OLYMPIC shall obtain and furnish to the County by the cancellation date evidence of replacement insurance policies and certificates of insurance, reinsurance, and excess insurance meeting the requirements of this Section.

Section 20. Compliance with Laws and Standards

- 20.1 In carrying out any authorized activities under the privileges granted herein, OLYMPIC shall meet accepted industry standards and comply with all applicable laws, rules, and regulations, of any and all governmental entities with jurisdiction over the Facilities and their operation (specifically including, but not limited to, all requirements, rules, regulations, and orders of FERC). This shall include all applicable laws, rules, and regulations existing at the Effective Date of this Franchise or that may be

subsequently enacted by any governmental entity with jurisdiction over OLYMPIC and/or the pipeline and Facilities.

- 20.2 In the case of any conflict between the terms of this Franchise and the terms of the County's ordinances, codes, regulations, standards, and procedures, this Franchise shall govern.

Section 21. Operations, Maintenance, Inspection, and Testing

OLYMPIC shall be solely responsible for all costs, expenses, and liability for the operation, maintenance, and testing of all pipeline(s) and all Facilities within the Franchise Area, and OLYMPIC shall operate, maintain, inspect, and test the Facilities in full compliance with all applicable federal, state, and local laws, rules, regulations, and industry standards, as now enacted or hereinafter amended, and any other future laws or regulations that are applicable to OLYMPIC, the Facilities, and business operations.

Section 22. Effective Date

This Agreement shall be effective on [REDACTED], 2014 (the "Effective Date"), having first been submitted to the County Prosecuting Attorney; having been introduced to the Board of County Commissioners not less than fifteen (15) days before its passage; having been passed at a regular meeting of the Board of County Commissioners by an approving vote of at least a majority thereof; and having been posted and published in the County, in accordance with RCW 36.55.

Section 23. Miscellaneous

- 23.1 In the event that a Court or agency of competent jurisdiction declares a material provision of this Franchise Agreement to be invalid, illegal, or unenforceable, the parties shall negotiate in good faith and agree, to the maximum extent practicable in light of such determination, to such amendments or modifications as are appropriate actions so as to give effect to the intentions of the parties as reflected herein. All other provisions of the Franchise shall remain in effect at all times during which negotiations or a judicial action remains pending.
- 23.2 The Section headings in this Franchise are for convenience only, and do not purport to and shall not be deemed to define, limit, or extend the scope or intent of the Section to which they pertain.
- 23.3 This Franchise and all of the terms and provisions shall be binding upon and inure to the benefit of the respective successors and assignees of the parties.
- 23.4 The parties each represent and warrant that they have full authority to enter into and to perform this Franchise, that they are not in default or violation of any permit, license, or similar requirement necessary to carry out the terms hereof, and that no further approval, permit, license, certification, or action by a governmental authority is required to execute

and perform this Franchise, except such as may be routinely required and obtained in the ordinary course of business.

- 23.5 Whenever this Franchise calls for notice to or notification by any party, the same (unless otherwise specifically provided) shall be in writing and directed to the recipient at the address set forth in this Section, unless written notice of change of address is provided to the other party. If the date for making any payment or performing any act is a legal holiday, payment may be made or the act performed on the next succeeding business day which is not a legal holiday.

Notices shall be provided to the parties as follows:

To the County: Lewis County Public Works Department
Real Estate Services Manager
2025 NE Kresky Avenue
Chehalis, WA 98532
Phone: 360-740-1123 or 360-740-1183
Fax: 360-740-1479

To Olympic: Edward Cimaroli, Vice President
Olympic Pipe Line Company
600 SW 39th St, Suite 275
Renton, WA 98057
Phone: 425-227-5213
Email: edward.cimaroli@bp.com

- 23.6 This Franchise Agreement and the attachments hereto represent the entire understanding and agreement between the parties with respect to the subject matter, and it supersedes all prior oral negotiations between the parties. This Franchise Agreement can be amended only by an agreement in writing which makes specific reference to the Franchise Agreement or the appropriate attachment and which is signed by the party against whom enforcement of any such amendment, supplement, modification, or change is sought.

- 23.7 OLYMPIC shall, within thirty (30) days after the County's passage of this Franchise Agreement, file with the County, its unconditional written acceptance of all the terms and conditions of this Franchise Agreement. If OLYMPIC shall fail to so file and provide its written acceptance within such period, then the rights and privileges granted hereunder shall be deemed forfeited.

DATED this _____ day of _____, 2014

Approved as to form:

**BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON**

By: _____
Glenn Carter
Prosecuting Attorney

F. Lee Grose, Chairman

ATTEST:

Karri Muir, Clerk of the Board

Edna J. Fund, Vice

Approved:

Public Works Director/County
Engineer

P.W. Schulte, Member

OLYMPIC PIPE LINE COMPANY

By: _____
Tim Elsea

By:  _____

Printed Name: EDWARD CIMAROLI

Its: VICE PRESIDENT

EXHIBIT A

Lewis County Roads crossed by the Olympic Pipeline

Big Hanaford Road	Section 27, Township 15 North, Range 1 West, W.M.
Little Hanaford Road	Section 17, Township 14 North, Range 1 West, W.M.
Hurd Road	Section 17, Township 14 North, Range 1 West, W.M.
Centralia Alpha Road	Section 31, Township 14 North, Range 1 West, W.M.
Logan Hill Road	Section 7, Township 13 North, Range 1 West, W.M.
Taylor Road	Section 18, Township 13 North, Range 1 West, W.M.
Jackson Highway	Section 19, Township 13 North, Range 1 West, W.M.
Vista Road	Section 19, Township 13 North, Range 1 West, W. M.
Forest Napavine Road East	Section 19, Township 13 North, Range 1 West, W.M.
Koontz Road	Section 6, Township 13 North, Range 1 West, W.M. and Section 31, Township 12 North, Range 1 West, W.M.
Avery Road E	Sections 6 and 7, Township 12 North, Range 1 W, W.M.
Meier Road East	Sections 7 and 18, Township 12 North, Range 1 West, W.M.
Park Road	Sections 18 and 19, Township 12 North, Range 1 West, W.M.
Hanson Road	Sections 19, Township 12 North, Range 1 West, W.M.
Hart Road	Sections 19 and 30, Township 12 North, Range 1 West, W.M.
Frost Road	Section 30, Township 12 North, Range 1 West, W.M.
Drews Prairie Road	Section 7, Township 11 North, Range 1 West, W.M.
Toledo Vader Road	Section 7, Township 11 North, Range 1 West, W.M.
Jackson Highway South	Section 25, Township 11 North, Range 2 West, W.M.
Smokey Valley Road	Sections 25, Township 11 North, Range 2 West, W.M.