

CITY OF RENTON, WASHINGTON

ORDINANCE NO. 5788

AN ORDINANCE OF THE CITY OF RENTON, WASHINGTON, GRANTING OLYMPIC PIPELINE COMPANY, AN INTERSTATE CORPORATION, INCORPORATED IN THE STATE OF DELAWARE, ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE PRIVILEGE AND FRANCHISE, SUBJECT TO THE TERMS AND LIMITATIONS PROVIDED IN THIS ORDINANCE, TO CONSTRUCT, REPAIR, REPLACE, OPERATE, AND MAINTAIN, ITS EXISTING 20-INCH, 16-INCH AND 12.75-INCH DIAMETER PIPELINES TOGETHER WITH EQUIPMENT AND REQUIRED APPURTENANCES BENEATH THE RIGHTS-OF-WAY WITHIN AND THROUGH THE CITY OF RENTON, WASHINGTON.

THE CITY COUNCIL OF THE CITY OF RENTON, WASHINGTON, ORDAINS AS FOLLOWS:

SECTION I. Definitions

For the purposes of this Franchise and any attachments, the following defined terms, phrases, words and their derivations shall have the meaning provided below. When not inconsistent with the context in which the word is used, words used in the present tense include the future, words in the plural include the singular, words in lower case shall have their defined meaning even if the words are not capitalized, and words in the singular include the plural. Undefined words shall be given their common and ordinary meaning.

1.1 **Administrator**: Means the Administrator of Renton's Community and Economic Development Department or designee, or any successor office responsible for management of Renton's public properties.

1.2 **Construct or Construction**: Means to remove, replace, repair, and/or restore any existing Facility, and may include, but is not limited to, digging and/or excavating to remove, replace, repair, and restore existing pipeline(s) and/or Facilities.

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1.3 Environmental Law: Means and shall include the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.; Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; Federal Water Pollution Control Act, 33 U.S.C. § 1257 et seq.; Clean Air Act, 42 U.S.C. § 7401 et seq.; Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq.; Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; Washington Hazardous Waste Management Act, RCW Chapter 70.105; and Washington Model Toxics Control Act, RCW Chapter 70.1050, as they exist or may be amended; or any law protecting of human health or the environment.

1.4 Facility or Facilities: Means any Olympic pipeline, pipeline system, line, valve, main, and appurtenance, part, structure or piece, used to transport, control, secure, route, or distribute Olympic's Petroleum Product(s), existing as of the effective date of this Franchise, or as those components may be added, constructed, modified or improved pursuant to this Franchise.

1.5 Franchise: Means this Ordinance and any related amendments, attachments, exhibits, or appendices.

1.6 Franchise Area: Means the Rights-of-Way, Public Ways and certain designated Public Properties within Renton's jurisdictional boundaries, or under its control, including any areas annexed by Renton (but excluding properties upon which Olympic holds a private easement, license, or other property interest for its Facilities) during the term of this Franchise, in which case the annexed area shall become subject to the terms of this Franchise.

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1.7 Hazardous Substance: Means any hazardous, toxic, or dangerous substance, material, waste, pollutant, or contaminant, including all substances designated under the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Usability Act, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1257 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Federal Insecticide, Fungicide, Rodenticide Act, 7 U.S.C. § 136 et seq.; the Washington Hazardous Waste Management Act, RCW Chapter 70.105, and the Washington Model Toxics Control Act, RCW Chapter 70.1050, as they exist or may be amended; or any other Laws. The term "Hazardous Substance" shall specifically include petroleum and petroleum products and their by-products, residue, and remainder in whatever form or state. The term "Hazardous Substance" shall also be interpreted to include any substance which, after release into the environment, will or may reasonably be anticipated to cause death, disease, injury, illness, abnormalities, behavioral abnormalities, stunted or abnormal growth or development, or genetic abnormalities.

1.8 Improve or Improvements: Means modifications to, but not a change in, the nature of the existing pipeline(s) and/or Facilities, and improvement projects.

1.9 Laws: Means any federal, state, or municipal code, statute, ordinance, decree, executive order, guideline, regulation, regulatory program, rule, specification, standard, Environmental Laws, or governmental authority, as they exist, are amended, or may be created, that relate to petroleum, petroleum Operations (as defined in Subsection 1.12), Hazardous Materials (as defined in Subsection 1.7), Maintenance and/or Improvement of Facilities (as

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defined in Subsections 1.10 and 1.4, respectively, including but not limited to, 49 C.F.R. Part 195 (Transportation of Hazardous Liquids by Pipeline), Federal Pipeline Safety Act (49 U.S.C. 60101, et seq.), Pipeline Safety Code of Federal Regulations (Title 49 CFR Part 186-199), RCW 19.122, Underground Utilities, RCW 81.88, Gas and Hazardous Liquid Pipelines, WAC 480-75, Hazardous Liquid Pipelines – Safety, as they exist or may be amended.

1.10 Maintenance or Maintain: Means any examining, fixing, testing, inspecting, installing, repairing, replacing, and/or restoration of the existing Facilities.

1.11 Olympic: Means the Olympic Pipe Line Company, an interstate pipeline corporation incorporated in the State of Delaware, and its successors and assigns, and agents, employees, contractors, subcontractors and volunteers.

1.12 Operate or Operations: Means Olympic's use of Facilities to transport, distribute and handle of Petroleum or Petroleum Products within and through the Franchise Area.

1.13 Parties: Means the City of Renton and Olympic Pipe Line Company.

1.14 Petroleum or Petroleum Products: Means and includes, but is not limited to, motor gasoline, diesel fuel, and aviation jet fuel. It does not include natural gas.

1.15 Pipeline Corridor: Means the pipeline pathway through Renton's jurisdictional boundaries in which Olympic Facilities are located, including any Rights-of-Way, designated Public Property, Public Ways and/or easement over, under and through private property.

1.16 Public Properties: Means present and/or future property owned or leased by Renton within Renton's present and/or future control and/or jurisdictional boundaries.

1.17 Public Ways: Means any highway, street, alley, sidewalk, utility easement (unless their use is otherwise restricted for other users), or other public Rights-of-Way for motor

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vehicles or any other uses under Renton's control and/or in its jurisdictional boundaries, consistent with RCW 47.24.020 (Jurisdiction, control) and 47.52.090 (Cooperative agreements — Urban public transportation systems — Title to highway — Traffic regulations — Underground utilities and overcrossings — Passenger transportation — Storm sewers — City street crossings).

1.18 Renton: Means the City of Renton, a municipal corporation of the State of Washington, and its successors and assigns.

1.19 Rights-of-Way: Means the surface and the space above and below streets, roadways, highways, avenues, courts, thoroughfares, lanes, alleys, sidewalks, easements, and similar Public Property, Public Ways, and areas located within the Franchise Area.

1.20 Work: Means to operate, construct, improve, and/or maintain by, for, or at Olympic's request.

SECTION II. Purpose

2.1 Conditions: The purpose of this Franchise is to delineate the conditions relating to Olympic's use of the Franchise Area and to create a foundation for the Parties to work cooperatively in the public's best interests after this Ordinance becomes effective. This Franchise is granted subject to Renton's land use authority, public highway authority, police powers, and franchise authority, and is conditioned upon the terms and conditions provided in this Franchise, and Olympic's compliance with all Laws.

2.2 Risk and Liability: By accepting this Franchise, Olympic assumes all risks or liabilities related to the Franchise, with no risk or liability conferred upon Renton except to the extent of any risk or liability resulting from the negligence or willful misconduct of Renton, its

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employees or agents. This Franchise is granted upon the express condition that Renton retains the absolute authority to grant other or further franchises in, under, on, across, over, through, along or below any Franchise Area. This and other franchises shall, in no way, prevent or prohibit Renton from using any of its Franchise Area, or affect its jurisdiction over them or any part of them, and Renton retains absolute authority to make all changes, relocations, repairs, maintenance, establishments, improvements, dedications or vacations of same as Renton may see fit, including the dedication, establishment, maintenance and improvement of all new or existing Rights-of-Way, Public Property or Public Ways.

SECTION III. Privileges Conveyed

3.1 Franchise Granted: Pursuant to the laws of the State of Washington including, but not limited to, RCW 47.24.020 (Jurisdiction, control), RCW 47.52.090 (Cooperative agreements — Urban public transportation systems — Title to highway — Traffic regulations — Underground utilities and overcrossings — Passenger transportation — Storm sewers — City street crossings), RCW 35A.47.040 (Franchises and permits — Streets and public ways), RCW 35A.21.160 (General application of laws to code cities), and RCW 35.22.280 (Specific powers enumerated), as they exist or may be amended, Renton grants, under the terms and conditions contained in this Franchise, to Olympic, a Delaware corporation which is authorized to transact business within the State of Washington, and its successors and assigns (subject to and as provided for in Section V), the privilege to construct, operate, maintain and improve its Facilities, together with all necessary equipment and appurtenances, for the transportation and handling of any Petroleum or Petroleum Products, within the existing Pipeline Corridor passing

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through the Franchise Area, such lands being more particularly described in Attachment 1 which is attached and fully incorporated by reference into the Franchise.

3.2 Limited Franchise: This Franchise conveys a limited privilege as to the Franchise Area in which Renton has an actual interest. It is not a warranty of title or interest in the Franchise Area. This privilege shall not limit Renton's police powers, any statutory or inherent authority, jurisdiction over its property, Franchise Area, Rights-of-Way, or its zoning or land use authority.

3.3 Franchise is Non-Exclusive: Renton grants this non-exclusive Franchise to Olympic to operate, maintain and improve its existing Facilities as a liquid petroleum product delivery system for Olympic's business.

3.4 Separate Approval Needed For New Pipeline: The limited privileges granted under this Franchise shall not convey any right to Olympic to install any new pipeline or Facilities without Renton's express prior written consent.

3.5 Acknowledgement: Olympic acknowledges and warrants by its acceptance of the granted privileges, that it has carefully read and fully comprehends the terms and conditions of this Franchise. Olympic accepts all reasonable risks of the meaning of the provisions, terms and conditions of the Franchise. Olympic further acknowledges and states that it has fully studied and considered the requirements and provisions of this Franchise, and believes that the same are consistent with all Laws.

3.6 Enforceable Contract: Olympic specifically agrees to comply with the provisions of any applicable Laws, as they exist or may be amended. The express terms and conditions of

the Franchise constitute a valid and enforceable contract between the Parties, subject to any Laws.

3.7 Prior Franchise Repealed: Upon the effective date of this Ordinance and acceptance of such Ordinance and Franchise by Olympic, all prior franchises between Renton and Olympic, or its predecessors in interest, which it has acquired for the distribution and sale of electrical energy shall be deemed repealed.

SECTION IV. Term

4.1 Length of Term: Each of the provisions of this Franchise shall become effective upon Olympic's acceptance of the terms and conditions of this Franchise and shall remain in effect for ten (10) years, unless it is terminated pursuant to Section XIII, Termination, Violations, and Remedies. At any time not more than three (3) years nor less than one hundred and eighty (180) calendar days before the expiration of the Franchise term, Olympic may make a written request and Renton may consider, at its sole discretion, renewing this Franchise for an additional ten (10) year renewal period, unless either party expresses its intention in writing to terminate this Franchise at the conclusion of the ten (10) year term.

4.2 Extension upon Expiration: If the Parties fail to formally renew or terminate the Franchise prior to the expiration of its term or any extension, the Franchise shall be extended on a year-to-year basis (or such term as the Parties may mutually agree) until a renewed, terminated or extended Franchise is executed.

SECTION V. Assignment and Transfer of Franchise

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5.1 City Council Approval Required: Olympic may not sell, assign, transfer, lease or dispose of this Franchise, either in whole or in part, and Olympic may not pass title or permit it to vest, either legally or equitably, in any person or entity without the passage of an ordinance or resolution. Such consent shall not be deemed to waive any of Renton's rights to subsequently enforce Franchise related non-compliance issues that existed at or before Renton's consent.

5.2 Acceptance: If Renton consents, within thirty (30) calendar days of that consent, Olympic shall file with Renton a written instrument evidencing such sale, assignment or transfer of ownership, with the assignee(s) or transferee(s) acceptance of the Franchise and all of its terms and conditions.

SECTION VI. Compliance with Laws and Standards

6.1 Compliance: In every aspect related to this Franchise, including but not limited to all Work, Olympic shall comply with all applicable Laws and/or standards, as they exist or may be amended, whether specifically mentioned in this Franchise or not.

6.2 Legitimate Municipal Interest: As to matters subject to the terms and conditions of this Franchise, if Renton determines during the Franchise Term that the assertion of a legitimate municipal interest is prohibited by application of federal or state law, then as to such matter and such municipal interest and consistent with its legal obligations, Olympic shall cooperate with Renton in a good faith effort to address such municipal interest. In this context, neither party shall invoke this Franchise as a basis to assert that its consideration of a given issue is excused by operation of the doctrines of estoppel or waiver.

SECTION VII. Construction on or within Franchise Area

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7.1 Permits Required: Except in the event of an emergency, Olympic shall first obtain all required permits from Renton to perform Work on Olympic's Facilities within the Franchise Area. The permit application shall contain detailed plans and specifications showing the position, depth and location of all such Facilities in relation to existing Franchise Area, collectively referred to as the "Plans." The Plans shall specify the class and type of material and equipment to be used, manner of excavation, construction, installation, backfill, erection of temporary structures and facilities, erection of permanent structures and facilities, traffic control, traffic turnouts and road obstructions, and all other necessary information. Olympic shall submit to Renton as-built plans and, when available, digital facility location data in a format compatible with the City's geographic information system. Such Work shall only commence upon the issuance of required permits, and payment of the associated fees, which permits shall not be unreasonably withheld or delayed after submission of a complete application. Except in the event of an emergency, Olympic shall provide Renton with at least seventy-two (72) hours written notice prior to any Work on Olympic's Facilities.

7.2 Waiver of Permit for Emergency: In the event of an emergency requiring immediate action by Olympic for the protection of any Facilities, Renton's property or the property, life, health or safety of any individual, Olympic may act immediately to correct the dangerous condition without first obtaining any required permit so long as: (1) Olympic notifies the Renton Emergency Response staff through the dispatch system of the emergency; and (2) Olympic informs Renton's permitting authority of the nature, location, and extent of the emergency, and the work to be performed, prior to commencing the work if such notification is practical, or where such prior notification is not practical, Olympic shall notify Renton's

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permitting authority on the next business day; and (3) such permit is obtained by Olympic as soon as practicable following cessation of the emergency.

7.3 Bond Requirement: Before undertaking any of the Work authorized by this Franchise, as a condition precedent to Renton's issuance of any permits, Olympic shall, upon Renton's request, furnish a bond executed by Olympic and a corporate surety authorized to operate a surety business in the State of Washington, in a reasonable amount as set by the Administrator as sufficient to ensure performance of Olympic's obligations under this Franchise with respect to the performance of such Work. In lieu of a separate bond for routine individual projects involving Work in the Franchise Area, Olympic may satisfy Renton's bond requirements by posting a single on-going performance bond in an amount approved by the Administrator.

7.4 Workmanship: All Work done by Olympic or at Olympic's direction or on its behalf, including all Work performed by contractors or subcontractors, shall be considered Olympic's Work and shall be undertaken and completed in a workmanlike manner and in accordance with the descriptions, plans and specifications Olympic provided to Renton. Olympic's activities (including work done at Olympic's direction, or on its behalf) shall not damage or interfere with other franchises, licenses, utilities, drains or other structures, or the Franchise Area, and shall not unreasonably interfere with public travel, park uses, other municipal uses, adjoining property, and shall not endanger the safety of or injure persons and property. Olympic's Work shall comply with all applicable Laws.

7.5 Damage during Work: In case of any damage caused by Olympic, or by Olympic's Facilities to Franchise Area, Olympic agrees to repair the damage at its own cost and expense. Olympic shall, upon discovery of any such damage, immediately notify Renton. Renton will

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inspect the damage, and set a reasonable time limit for completion of the repair. If Renton discovers damage caused by Olympic to the Franchise Area, Renton will give Olympic notice of the damage and set a reasonable time limit in which Olympic must repair the damage. In the event Olympic does not make the repair as required in this Section, Renton may repair the damage, to its satisfaction, at Olympic's sole expense.

7.6 Avoiding Interference by Olympic's Facilities: Olympic shall, in recognition that there may be additional costs that accrue to Renton in the course of Renton's public works projects related to avoidance of damage to and/or interference with Olympic's facilities with the construction by Renton of street facilities, water, sewer, and other underground utilities, agree to pay Renton the full amount of additional costs resulting from the existing Olympic facilities.

7.7 Line Markers: Olympic shall place and maintain line markers pursuant to federal regulations within and along the Pipeline Corridor. Olympic shall continue its voluntary practice of placing continuous markers underground, when and where appropriate, indicating the pipeline's location each time Olympic digs to the pipeline, or such other 'industry best practices' as may from time to time be developed as a method of alerting excavators of the presence of the pipeline except that Olympic need not place underground markers for any section of pipeline installed via directional drilling or where such placement otherwise is impractical.

7.8 Member of Locator Service: Olympic shall continuously be a member of the State of Washington one number locator service under RCW 19.122, Underground Utilities, or an approved equivalent, and shall comply with all applicable Laws.

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7.9 Free Passage of Traffic: Olympic's Facilities shall be located and maintained within the Franchise Area to prevent interference with the free passage of pedestrian and/or vehicle traffic, or with the reasonable ingress or egress to the properties abutting the Franchise Area as they exist at the time of installation, maintenance and/or improvement of the Facilities.

7.10 Restoration Requirements: Olympic shall after Work on any of Olympic's Facilities within the Franchise Area, restore the surface of the Franchise Area and any other property within the Franchise Area which may have been disturbed or damaged by such Work. All restoration of Rights-of-Way, sidewalks and other improvements or amenities shall conform to the City of Renton Standard Specifications for Road, Bridge and Municipal Construction and the City of Renton's Trench Restoration Standards in effect at that time. Renton shall have final approval of the condition of the Franchise Area after restoration pursuant to applicable Laws, as they exist or may be amended or superseded, provided that such provisions are not in conflict or inconsistent with the express terms and conditions of this Franchise.

7.11 Survey Monuments: 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, in accordance with WAC 332-120, (Survey Monuments – Removal or Destruction), as it exists or may be amended, and other applicable Laws.

7.12 Coordination: The Parties shall make reasonable efforts to coordinate any Work that either party may undertake within the Franchise Area to promote the orderly and expeditious performance and completion of such Work. At a minimum, such efforts shall include reasonable and diligent efforts to keep the other party and other utilities within the Franchise Areas informed of its intent to undertake Work. The Parties shall make reasonable

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efforts to minimize any delay or hindrance to any construction work undertaken by themselves or utilities with the Franchise Area.

7.13 Records: Olympic shall at all times keep full and complete plans, plat or plats, specifications, profiles and records showing the exact location, and size of all facilities heretofore constructed in Renton, and showing the location of all valves, gauges, and other service appurtenances; and such plans, specifications, profiles, and records shall be kept current annually by Olympic to show the exact location of all replacement and additional facilities hereinafter installed by Olympic. These records shall be subject to inspection at all reasonable times by the proper city officials and agents, and a copy of these plans, specifications, profiles and records, shall be furnished to Renton upon request. Olympic shall, upon Renton's request, field-locate its facilities in order to facilitate planning, design and construction of Renton's improvement projects.

SECTION VIII. Abandonment or Removal of Facilities

8.1 Notification: Olympic shall notify Renton of any abandonment or cessation of use of any of its Facilities within sixty (60) calendar days after such abandonment or cessation of use.

8.2 Removal: In the event of Olympic's abandonment or permanent cessation of use of any portion of its Facilities, or any portion of the Franchised Area, Olympic shall, within one hundred and eighty (180) calendar days after the abandonment or permanent cessation of use, remove the Facilities at Olympic's sole cost and expense. However, with Renton's express written consent, Olympic may, at Olympic's sole cost and expense, secure the Facilities in such a manner as to cause it to be as safe as is reasonably possible, by removing all Petroleum

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Products, purging vapors, displacing the contents of the line with an appropriate inert material and sealing the pipe ends with a suitable end closure, in compliance with all Laws, and abandon them in place, provided that any above-ground Facilities shall be removed at Olympic's sole cost and expense.

8.3 Restoration: In the event of the removal of all or any portion of the Facilities, to the extent reasonably possible, Olympic shall restore the Franchise Area to its pre-installation condition. Such restoration work shall be done at Olympic's sole cost and expense and to Renton's reasonable satisfaction. If Olympic fails to remove or secure the Facilities and/or fails to restore the premises or take such other mutually agreed upon action, Renton may, after reasonable notice to Olympic, remove the Facilities, restore the premises or take such other action as is reasonably necessary at Olympic's sole expense and Renton shall not be liable for any damages, losses or injuries. This remedy shall not be deemed to be exclusive and shall not prevent Renton from seeking a judicial order directing Olympic to remove its Facilities.

8.4 Franchise Fees: Renton shall not charge Olympic franchise fees for any Facilities or parts of Facilities abandoned or removed in compliance with this Section. However, Renton's consent to Olympic's abandonment of Facilities in place shall not relieve Olympic of the obligation and/or costs to remove, alter or re-secure such Facilities in the future in the event it is reasonably determined, as adjudged in Renton's sole discretion, that removal, alteration or re-securing the Facilities is necessary or advisable for the health, safety, necessity and/or convenience of the public, in which case Olympic shall perform such work at its sole expense.

8.5 Survival of Provisions: The Parties expressly agree that the provisions of this Section shall survive the termination, expiration, or revocation of this Franchise.

SECTION IX. Operations and Maintenance – Inspection and Testing

9.1 Excavator Notice to Olympic: Consistent with RCW 19.122.033, Notice of excavation to pipeline companies, Renton shall use reasonable efforts to inform all excavators subject to a city grading and/or right-of-way permit working within one hundred feet (100') of Olympic's Facilities of their responsibility to notify Olympic at least forty-eight (48) hours prior to the start of any work and to ensure compliance with the State of Washington one number locator service laws (RCW 19.122, Underground Utilities). Renton shall not be liable for any damage, loss or injury caused by a third-party that Renton failed to notify, or a third-party's failure to notify Olympic of any work near or affecting Olympic's facilities.

9.2 Pipeline Maintenance Requirements: Olympic shall at all times comply with applicable Laws, including but not limited to, RCW 19.122, RCW 81.88 and WAC 480-75 and all federal regulations governing pipeline safety and maintenance, including those specified in 49 C.F.R. Part 195.

SECTION X. Damage Prevention Program

Damage Prevention Plan Required: Upon request, Olympic shall provide Renton with a copy of its written Damage Prevention Program. The Damage Prevention Program is a ten (10)-page document that describes Olympic's requirements for public notice and follow-up in connection with excavation activities around its pipelines. The Program consists of the following categories: State One-Call Participation, One-Call Notifications, Ticket Processing, Pipeline Right-of-Way Patrol (Aerial and Ground) Programs, Pipeline Security, Operator Qualification Program, Public Awareness Programs, Pipeline Marker Programs, Right-of-Way Maintenance and Program assurance processes.

SECTION XI. Leaks, Spills, Ruptures and Emergency Response

11.1 Emergency Response Plan: Upon request, Olympic will allow Renton to view its Emergency Response Plan. Olympic shall provide to Renton its local emergency response officials contacts and a direct twenty-four (24)-hour emergency contact number.

11.2 Training and Emergency Preparedness: Annually, upon the request of Renton, Olympic will meet with Renton Fire and Emergency Services and Renton Emergency Management to coordinate emergency operations plans and update contact information. Olympic shall offer emergency response training to Renton personnel to conform with, and specifically limited in scope to the requirements of 49 CFR § 195.403 and all applicable Laws.

11.3 Recovery of Costs: Olympic shall be solely responsible for all costs incurred by Renton in responding to any contamination, leak, rupture, or spill from Olympic's Facilities, including, but not limited to, detection and removal of any contaminants from air, earth or water, and all actual remediation costs. This Section shall not limit Olympic's rights or causes of action against any third-party who may be responsible for a leak, contamination, spill or other release of hazardous liquid from Olympic's Facilities, including third-party insurers.

11.4 Notice Required: Leaks, spills, ruptures, and other emergencies shall be investigated and reported as required by all applicable Laws including all state and federal regulations. Pursuant to the Emergency Response Plan, Olympic shall promptly notify the National Response Center, the Washington State Department of Emergency Management, and the Washington State Department of Ecology in the event of any uncontained leak, spill or rupture, outside of a vault or pump station, of petroleum product from its Facilities within or affecting the Franchise Area. Pursuant to RCW 19.122.035, Olympic shall immediately notify

Renton of any reportable release of a hazardous liquid that poses a threat to persons or property from a pipeline.

11.5 Reporting of Leak Event: Olympic agrees to comply with applicable reporting requirements established by relevant state or federal regulatory authorities in the event of a leak, spill, rupture or other emergency involving a release from Olympic's pipeline within the Franchise Area.

11.6 Investigation Required: In the event of an uncontained leak, spill or rupture from Olympic's Facilities affecting the Franchise Area of ten (10) barrels or more, where the cause is not reasonably apparent, and where federal or state regulators do not investigate, Renton may demand that an independent pipeline consultant, selected by Renton, investigate the occurrence. 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 Facilities may be warranted. In cases where federal or state regulators do perform an investigation, Olympic will share the investigation results with Renton within sixty (60) calendar days of the investigation's completion.

SECTION XII. Required Relocation of Facilities

12.1 Relocation of Facilities: Olympic agrees and covenants at its sole cost and expense, to protect, support, temporarily disconnect, relocate or remove from any street or Public Properties, any of its installations when so required by Renton by reason of traffic conditions, public safety, street vacations, dedications of new rights-of-way and the

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establishment and improvement thereof, freeway construction, change or establishment of street grade, or the construction of any public improvement or structure by any governmental agency acting in a governmental capacity, provided that Olympic shall in all such cases have the privilege to temporarily bypass, in the authorized portion of the same street upon approval by Renton, any section of pipeline required to be temporarily disconnected or removed.

12.2 Written Notice: Renton shall provide to Olympic reasonable written notice of any Improvement that requires changes to or the relocation of Facilities. Renton will endeavor, where practical, to provide Olympic at least three hundred and sixty-five (365) calendar days prior written notice, or such additional time as may appropriate, of such Improvement for relocation of facilities across or within watersheds, across or within critical habitats, or across or within areas involving undeveloped land to provide adequate time for proper environmental permitting. Renton shall provide at least one hundred and eighty (180) calendar days prior written notice for all other relocation of Facilities in all other areas. Nothing in this Section relieves Olympic of its duty and obligation to relocate its Facilities to accommodate any Renton or governmental Improvement undertaken after receiving written notice.

12.3 Project Plans: Renton will provide Olympic with copies of pertinent portions of the final plans and specifications for such Improvement so that Olympic may make the required changes to or relocate its Facilities to accommodate such Improvement.

12.4 Consideration of Alternatives: Olympic may, after receipt of written notice requiring changes to or relocation of its Facilities under Subsection 12.2, submit to Renton, within ninety (90) calendar days, proposed written alternatives to such relocation. Renton shall evaluate such alternatives and advise Olympic in writing if one or more of the alternatives are

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suitable to accommodate the Improvement that would otherwise necessitate changes to or relocation of the Facilities. If requested by Renton, Olympic shall submit additional information to assist Renton in making such valuation including actual field verification of the location(s) of Olympic's underground Facilities within the Improvement area by excavating (e.g., pot holing), at no expense to Renton. Renton shall give each alternative proposed by Olympic full and fair consideration but retains sole discretion to decide whether to utilize its original plan or an alternative proposed by Olympic.

12.5 Five-Year Relocation: If any portion of Olympic's Facilities that has been required by Renton to be relocated under the provisions of this Section is subsequently required to be relocated again within five (5) years of the original relocation, Renton will bear the entire cost of the subsequent relocation.

12.6 Private Development: Olympic shall not be required to relocate its Facilities at its expense for the benefit of private developers or third-party projects, unless the third-party is a governmental entity. However, in the event that Renton reasonably determines and notifies Olympic that the primary purpose for requiring such changes to or relocation of Olympic's facilities by a third-party is to cause or facilitate the construction of an Improvement consistent with the City Capital Investment Plan; Transportation Improvement Program; or the Transportation Facilities Program, or other similar plan, then Olympic shall change or otherwise relocate its Facilities in accordance with Subsection 12.1 at Olympic's sole cost, expense and risk.

12.7 Route Selection for Relocation: Renton shall work cooperatively with Olympic in determining a viable and practical route for Olympic to relocate its Facilities under Subsection

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12.1, to minimize costs while meeting Renton's project timelines and objectives. Renton's requirements with regard to the required changes or relocation (i.e. depth of cover, distance from other utilities, etc.) must not be unreasonable and must be consistent with applicable Laws, however, nothing in this Section shall be construed as limiting Renton's police power, land use authority, franchise authority or Renton's authority to regulate the time, place and manner of Olympic's use of the Public Rights-of-Way, Public Property, and Public Ways.

12.8 Timing for Relocation Work: Upon receipt of Renton's reasonable notice, plans and specifications pursuant to Subsection 12.1, Olympic shall take all necessary and prudent measures to complete relocation of such facilities to accommodate the Improvement at least ten (10) calendar days prior to commencement of the Improvement or such time as the Parties may agree in writing.

12.9 Support for Outside Funding: Renton shall take reasonable steps to cooperate with Olympic if Olympic requests support in Olympic's application for any local, state or federal funds that may be available for the relocation of Olympic's Facilities, provided however that Olympic's application for any such funds shall not delay any city Improvement. To the extent such funds are granted, Olympic may apply funds towards the incurred relocation costs.

SECTION XIII. Termination, Violations, and Remedies

13.1 Expiration/Renewal: The term of this Franchise shall be extended for an additional ten (10) year period unless either party provides written notice within eighteen (18) months of the expiration date that it wishes to renegotiate the Franchise terms.

13.2 Termination by Breach: If Olympic materially breaches or otherwise fails to perform, comply with any of the material terms and conditions of this Franchise, or fails to

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maintain any required license, permit or approval, and fails to cure such breach or failure within thirty (30) calendar days of Renton providing Olympic with written notice, or, if not reasonably capable of being cured within thirty (30) calendar days, within such other reasonable period of time as the Parties may agree upon, Renton may terminate this Franchise.

13.3 City Council Termination: This Franchise shall not be terminated except upon a majority vote of the City Council, after reasonable notice to Olympic and an opportunity to be heard, provided that if exigent circumstances necessitate immediate termination, the hearing may be held as soon as possible after the termination.

13.4 Discontinue Operations: If the Franchise is terminated, either party may invoke the dispute resolution provisions in Section XIV or elect to seek relief directly in Superior Court, in which case the dispute resolution requirements shall not be applicable. Once Olympic's privilege to Operate in the Franchise Area has terminated, Olympic shall comply with Franchise provisions regarding removal and/or abandonment of Facilities in Section VIII.

13.5 Retention of Rights: Either party's failure to exercise a particular remedy at any time shall not waive Renton's right to terminate, assess penalties, or assert any equitable or legal remedy for any future breach or default by Olympic.

13.6 Olympic Liability and Obligation: Termination of this Franchise shall not release Olympic from any liability or obligation with respect to any matter occurring prior to such termination, and shall not release Olympic from any obligation to remove and secure the pipeline pursuant to this Franchise and to restore the Franchise Area.

13.7 Injunctive Relief: The Parties acknowledge that the covenants set forth in this Franchise are essential to this Franchise, and, but for the mutual agreements of the Parties to

comply with such covenants, the Parties would not have entered into this Franchise. The Parties further acknowledge that they may not have an adequate remedy at law if the other party violates such covenant. Therefore, in addition to any other rights they may have, the Parties shall have the right to obtain in any court of competent jurisdiction injunctive relief to restrain any breach or threatened breach, or to specifically enforce any of the Franchise covenants should the other party fail to perform them.

13.8 Renton's Remedies: In addition to the terms of this Franchise, or rights that Renton possesses at law or equity, Renton reserves the right to apply any of the following remedies, alone or in combination, in the event Olympic violates any material provision of this Franchise. The remedies provided for in this Franchise are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise of another or any rights of Renton at law or equity.

SECTION XIV. Dispute Resolution

14.1 Meeting of Representatives: In the event of a dispute between Renton and Olympic related to this Franchise, the dispute shall first be referred to the representatives designated by the Parties to have oversight over the administration of this Franchise. The representatives shall meet within thirty (30) calendar days of either party's request for said meeting, and the Parties shall make a good faith effort to attempt to achieve a resolution of the dispute.

14.2 Mediation: In the event that the Parties are unable to resolve the dispute in a Subsection 14.1 meeting, the Parties agree that the matter shall be referred to mediation. The Parties shall endeavor to select a mediator acceptable to both sides. If the Parties cannot

reach agreement then each party shall secure the services of a mediator, who will in turn work together to mutually agree upon a third mediator to assist the Parties in resolving their differences. Any expenses incidental to mediation shall be borne equally by the Parties.

14.3 Judicial Remedies: If either party is dissatisfied with the outcome of the mediation, that party may then pursue any available judicial remedies, provided, that if the party seeking judicial redress does not substantially prevail in the judicial action, it shall pay the other party's reasonable attorneys' and legal fees and costs incurred in the judicial action.

14.4 Operation During Dispute Resolution: Subject to Laws, Olympic shall be permitted to continuously operate its Facilities during dispute resolution.

SECTION XV. Indemnification

15.1 Renton: In Sections XV and XVI, "Renton" means the City of Renton, and its elected officials, agents, employees, officers, representatives, consultants (of any level), and volunteers.

15.2 General Indemnification: Olympic shall indemnify, defend, and hold harmless Renton from and against any and every action, claim, cost, damage, death, expense, harm, injury, liability, or loss of any kind, in law or equity, to persons or property, including reasonable attorneys' and experts' fees and/or costs incurred by Renton in its defense, arising out of or related to, directly or indirectly, Olympic's Work or abandonment of Facilities, or from the existence of Olympic's Facilities, and the products contained in, transferred through, released or escaped from the Facilities, including the reasonable costs of assessing such damages and any liability for costs of investigation, abatement, correction, cleanup, fines, penalties, or other damages arising under any Laws, including, but not limited to, Environmental Laws, and any

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action, claim, cost, damage, death, expense, harm, injury, liability, or loss, to persons or property which is caused by, in whole or in part, and only to the extent of, the willfully tortious or negligent acts or omissions of Olympic or its agents, contractors (of any tier), employees, representatives or trainees related to Olympic's granted Franchise privileges. If any action or proceeding is brought against Renton by reason of Olympic's Facilities, Olympic shall defend Renton at Olympic's sole expense, provided that, for uninsured actions or proceedings, defense attorneys shall be approved by Renton, which approval shall not be unreasonably withheld. The terms of this Section shall not require Olympic to indemnify Renton against and hold harmless Renton from claims, demands, suits or actions based upon Renton's negligent conduct or willful misconduct, and provided further that if the claims or suits are caused by or result from the concurrent negligence of (a) Olympic's agents, officers, or employees and (b) Renton, this provision with respect to claims, demands, suits or actions based upon such concurrent negligence shall be valid and enforceable only to the extent of Olympic's negligence or the negligence of Olympic's agents or employees.

15.3 Environmental Indemnification: Olympic shall indemnify, defend and save Renton harmless from and against any every action, claim, cost, damage, death, expense, harm, injury, liability, or loss, either at law or in equity, to persons or property, including, but not limited to, costs and reasonable attorneys' and experts' fees incurred by Renton, arising directly or indirectly from: (a) Olympic's breach of any Environmental Laws or Laws applicable to the Facilities, or (b) from any release of a hazardous substance on or from the Facilities, or (c) other activity related to this Franchise by Olympic. This indemnity includes, but is not limited to, (a) liability for a governmental agency's costs of removal or remedial action for Hazardous

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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; (d) liability for any investigation, abatement, correction, cleanup, costs, fines, penalties, or other damages arising under any Laws; and (e) liability for personal injury, property damage, or economic loss arising under any statutory or common-law theory or Laws.

15.4 Title 51 Waiver: Olympic's indemnification obligations pursuant to this Section shall include assuming potential liability for actions brought by Olympic's own employees and the employees of Olympic's agents, representatives, contractors (of any tier) even though Olympic might be immune under RCW Title 51 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 persons is limited solely to claims against Renton arising by virtue of Olympic's exercise of the privileges set forth in this Franchise. The obligations of Olympic under this Section have been mutually negotiated by the Parties, and Olympic acknowledges that Renton would not enter into this Franchise without Olympic's waiver of immunity.

15.5 Notice: In the event any matter for which Renton intends to assert its rights under this Section is presented to or filed with Renton, Renton shall promptly notify Olympic in writing and Olympic shall have the privilege, at its election and at its sole costs and expense, to settle and compromise such matter as it pertains to Olympic's responsibility to indemnify, defend and hold harmless Renton. In the event any suit or action is started against Renton based upon any such matter, Renton shall likewise promptly notify Olympic in writing, and Olympic shall have the right, at its election and at its sole cost and expense, to settle and

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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 Renton.

15.6 Real Estate Indemnity: Should a court of competent jurisdiction determine that this Franchise is subject to RCW 4.24.115, (Validity of agreement to indemnify against liability for negligence relative to construction, alteration, improvement, etc.,...), as it exists or may be amended, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of Olympic, its officers, officials, employees, and volunteers and/or the contractor, or Renton, its elected officials, officers, officials, employees, and volunteers, and or the contractor, the party's liability shall be only to the extent of the party's negligence.

15.7 Recovery of Costs: In the event that (a) Olympic wrongfully rejects Renton's proper tender of defense of, and Renton is thus required to defend a "suit or action" as referenced in Subsection 15.1 and (b) Renton is determined to be without fault for the claim or demand giving rise to such "suit or action," Olympic shall reimburse Renton for a percentage of Renton's total defense costs. The percentage of Renton's total defense costs to be reimbursed shall be a percentage equal to the percentage (if any) of fault attributable to Olympic for the claim or demand giving rise to such "suit or action."

15.8 Survival: The provisions of this Section shall survive the expiration or termination of this Franchise if the basis for any such claim, demand, suit or action as referenced in Subsection 15.2 occurred during the Franchise Term.

15.9 Negotiated: THE PARTIES HAVE SPECIFICALLY NEGOTIATED SECTION XV, INDEMNIFICATION.

SECTION XVI. Insurance

16.1 Insurance Required: Olympic shall procure and maintain for the duration of the Franchise, insurance, or provide evidence of 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 privileges granted by Franchise to Olympic. Olympic shall provide to Renton an insurance certificate, and/or a certificate of self-insurance, together with an endorsement on the general and automotive liability policies, naming Renton as an additional insured upon Olympic's acceptance of this Franchise, and such insurance certificate shall evidence the following minimum coverages:

- A. Commercial general liability insurance for the Facilities, including but not limited to, coverage for premises - operations, explosions and collapse hazard, underground hazard and products completed hazard, with limits not less than one hundred million dollars (\$100,000,000) for each occurrence and in the aggregate for bodily injury or death to each person, and property damage; and
- B. Commercial automobile liability for owned, non-owned and hired vehicles with a limit of two million dollars (\$2,000,000) for each person and two million dollars (\$2,000,000) for each accident; and
- C. Worker's compensation within statutory limits and consistent with the Industrial Insurance laws of the State of Washington; and

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D. Pollution Legal Liability shall be in effect throughout the entire Franchise Term, with a limit not less than fifty million dollars (\$50,000,000) for each occurrence, and in the aggregate to the extent such coverage is reasonably available in the marketplace for any pollution condition or occurrence after January 1, 2016; and

E. Excess or umbrella insurance Any and all above policy limits may be met through a combination of primary, excess, or umbrella coverage, at Olympic's option.

16.2 Claims Made Basis: If coverage is purchased on a "claims made" basis, then Olympic 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 (3) years from the date of termination of this Franchise and/or conversion from a "claims made" form to an "occurrence" coverage form.

16.3 Deductibles: All deductibles 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 aggregate limits of the insurer's liability.

16.4 Additional Insured: Renton, its officers, officials, employees, agents and volunteers shall be named as an additional insured on the commercial general liability, automobile liability, and excess liability or umbrella insurance policies, as respects to work performed by or on behalf of Olympic. An endorsement naming Renton as additional insured shall be indicated on the certificate of insurance or certification of self-insurance.

16.5 Primary Insurance: Olympic's insurance shall be primary insurance with respect to Renton. Any insurance maintained by Renton shall be in excess of Olympic's insurance and

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shall not contribute with it. Olympic shall give Renton thirty (30) calendar days prior written notice by certified mail, return receipt requested, of suspension or material change in coverage. Renton does not represent that the minimum required insurance coverage and limits under this Franchise are adequate to protect Olympic from all liability exposures and related costs.

16.6 Cancellation: 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, without the issuing company giving sixty (60) days prior written notice to the certificate holder." In the event of cancellation or a decision not to renew, Olympic shall obtain and furnish to Renton evidence of replacement insurance policies meeting the requirements of this Section before the cancellation date.

16.7 Certificates and Endorsements: Olympic shall furnish Renton with certificates of insurance evidencing the coverage or self-insurance required by this Section upon acceptance of this Franchise. The certificates and endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf and must be received and approved by Renton prior to the commencement of any Work.

16.8 Separate Coverage: Olympic's insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respects to the limits of the insurer's liability.

16.9 Self-Insurance: In addition to the foregoing insurance/self-insurance requirements, Olympic may also insure or self-insure against additional risks in such amounts as are consistent with prudent utility practices. Olympic shall, upon request, provide Renton with sufficient evidence that such self-insurance is being so maintained.

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16.10 Survival: The indemnity and insurance provisions under Sections XIV and XV shall survive the termination of this Franchise and shall continue for as long as Olympic's Facilities remain in or on the Franchise Area or until the Parties execute a new Franchise that modifies or terminates these indemnity or insurance provisions.

SECTION XVII. Annual Franchise Fee

17.1 Fee Amount: As consideration for this Franchise and for the use of the Franchise Area, Olympic agrees to pay an annual fee of fifteen thousand dollars (\$15,000).

17.2 Annual Increase: The annual fee shall increase each year throughout the Term of this Franchise and any renewal terms by CPI-W.

17.3 Annual Payment Due: Each annual payment shall cover the following twelve (12) month period and shall be paid not later than the anniversary date of the Effective Date of this Franchise. Interest shall accrue on any late payment at the rate of twelve percent (12%) per annum. Such interest shall be in addition to any applicable penalties for late payment. Any partial payment shall first be applied to any penalties, then interest, then to principal.

17.4 Additional Administrative Expenses: The Franchise fee set forth in Subsection 17.1 does not include, and Olympic agrees that it is responsible for, payments associated with Renton's expenses incurred in reviewing, inspecting, licensing, permitting or granting any other approvals necessary for Olympic to operate and maintain its Facilities or for any inspection or enforcement costs (i.e., customary permitting fees). The annual fee does not include any generally applicable taxes that Renton may levy.

17.5 Cost of Publication: Olympic shall bear the entire cost of publication of this Ordinance.

SECTION XVIII. Olympic Accepts Franchise Area "As Is"

Olympic agrees and accepts the Franchise Area in an "as is" condition. Olympic agrees that Renton has never made any representations, implied or express warranties, or guarantees as to the suitability, security or safety of the location of Olympic's Facilities or the Franchise Area, or possible hazards or dangers arising from other uses or users of the Franchise Area, Rights-of-Way, Public Property, and Public Ways including any use by Renton, the general public, or by other utilities. As to Renton and Olympic, Olympic shall remain solely and separately liable for the Work, function, testing, maintenance, replacement and/or repair of the Facilities or other activities permitted by this Franchise.

SECTION XIX. Discrimination Prohibited

In connection with this Franchise, including and not limited to all Work, hiring and employment, neither Olympic nor its employees, agents, subcontractors, volunteers or representatives shall discriminate on the basis of race, color, sex, religion, nationality, creed, marital status, sexual orientation or preference, age (except minimum age and retirement provisions), honorably discharged veteran or military status, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification in relationship to hiring and employment, in employment or application for employment or in the administration of the delivery of services or any other benefits under this Franchise. Olympic shall comply fully with all applicable Laws that prohibit such discrimination. A copy of this language must be made a part of any contractor or subcontractor agreement.

SECTION XX. Notice

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20.1 Whenever notice to or notification by any party is required, that notice shall be in writing and directed to the recipient at the address set forth below, unless written notice of change of address is provided to the other party. Any notice or information required or permitted to be given to the Parties under this Franchise may be sent to following Addresses unless otherwise specified:

City Address:

City of Renton
Administrator, Community and Economic Development Department
1055 South Grady Way
Renton, WA 98057

With copy to:

City of Renton
Fire Chief, Fire and Emergency Services Department
1055 South Grady Way
Renton, WA 98057

Company:

Olympic Pipe Line Company
Attn: President
600 SW 39th Street, Suite 275
Renton, WA 98059

With copy to:

Christopher T. Wion
Miller Nash Graham & Dunn LLP
Pier 70, 2801 Alaskan Way, Suite 300
Seattle, WA 98121

20.2 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.

20.3 The Parties may change the address and representative by providing written notice of such change by accepted e-mail or certified mail. All notices shall be deemed

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complete upon actual receipt or refusal to accept delivery. Facsimile or a .pdf e-mailed transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

SECTION XXI. Miscellaneous

21.1 Amendment and Modification: This Franchise may be amended only by an instrument in writing, duly executed by both Parties.

21.2 Assignees and Successors: This Franchise and all of the terms and provisions shall be binding upon and inure to the benefit of the Parties' respective successors and assignees.

21.3 Assignment: Olympic may not assign or transfer this Franchise without the written consent of the City Council of Renton, which consent shall not be unreasonably withheld. Any assignee or transferee shall, at least thirty (30) calendar days prior to the date of any assignment or transfer, file written notice of the assignment or transfer with Renton, together with its written acceptance of all of the Franchise terms and conditions. Olympic shall have the right, without such notice or such written acceptance, to mortgage its benefits and privileges in and under this Franchise to the trustee for its bondholders. The Franchise terms and conditions shall be binding upon the Parties' respective assigns and successors.

21.4 Confidentiality: Subject to the limits of applicable state and/or federal law, including but not limited to RCW 42.56, Renton agrees to treat as confidential any records that constitute proprietary or confidential information under federal or state law, to the extent Olympic makes Renton aware of the need for confidentiality by clearly and conspicuously identifying any such material as confidential and/or proprietary. If Renton receives a request from any person for public disclosure of any information or documents designated by Olympic

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as confidential and/or proprietary ("Confidential Materials"), Renton will so advise Olympic and provide Olympic with a copy of any written request by the party demanding access to such Confidential Materials at least five (5) days before publicly disclosing any such Confidential Materials. If Olympic believes that disclosure of the Confidential Materials would interfere with Olympic's rights under federal or state law, Olympic may take appropriate legal action to prevent disclosure of such materials. Consistent with applicable law, Olympic may seek to obtain a court order precluding public disclosure of any Confidential Materials. Olympic will join the party requesting the materials to any such action. Olympic will defend, indemnify and hold Renton harmless from any associated claim or judgment including any associated claim or judgment including penalties or costs under all applicable laws including but not limited to RCW 42.56.

21.5 Conflicts: If there is a conflict between this and any previous Franchise between the Parties, the terms of this Franchise shall supersede the terms of the previous Franchise.

21.6 Contractors (of any tier): Olympic's Contractors may act on Olympic's behalf to the extent that Olympic permits its Contractors to do so. Olympic's contractors shall also have every obligation, duty and responsibility that Olympic has in discharging its duties related to this Franchise.

21.7 Force Majeure: In the event that Olympic is prevented or delayed in the performance of any of its obligations under this Franchise by reason(s) beyond the reasonable control of Olympic, then Olympic's performance shall be excused during the Force Majeure occurrence. Upon removal or termination of the Force Majeure occurrence Olympic shall promptly perform the affected obligations in an orderly and expedited manner under this

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Franchise or procure a substitute for such obligation or performance that is satisfactory to Renton. Olympic shall not be excused by mere economic hardship or by misfeasance or malfeasance of its directors, officers or employees. Events beyond Olympic's reasonable control include, but are not limited to, Acts of God, war, acts of domestic terrorism or violence, civil commotion, labor disputes, strikes, earthquakes, fire, flood or other casualty, shortages of labor or materials, government regulations or restrictions and extreme weather conditions. Olympic shall use all commercially reasonable efforts to eliminate or minimize any delay caused by a Force Majeure Event.

21.8 Governing Law: This Franchise shall be made in and shall be governed by and interpreted in accordance with the laws of the State of Washington.

21.9 Jurisdiction and Venue: Any lawsuit or legal action brought by any party to enforce or interpret this Franchise or any of its terms or shall be in the United States District Court for the Western District of Washington or in the King County Superior Court for the State of Washington at the Maleng Regional Justice Center, Kent, Washington.

21.10 Modification of Terms and Conditions: Notwithstanding any provisions of this Franchise to the contrary, Renton and Olympic reserve the right to alter, amend or modify the terms and conditions of this Franchise upon written agreement of both Parties to such alternation, amendment or modification.

21.11 No Duty by Renton: This Franchise neither creates any duty by Renton nor any of its elected officials, agents, employees or representatives, and no liability arises from any action or inaction by Renton or any of its elected officials, agents, employees or representatives in the exercise of their powers or authority. This Franchise is not intended to acknowledge, create,

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imply or expand any duty or liability of Renton 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 Renton by this Franchise shall be deemed a duty to the general public and not to any specific party, group or entity.

21.12 Olympic's Acceptance: Renton may void this Franchise Ordinance if Olympic fails to file its unconditional acceptance of this Franchise within thirty (30) calendar days from the final passage of same by the Renton City Council. Olympic shall file this acceptance with the City Clerk of the City of Renton.

21.13 Other Obligations: This Franchise shall not alter, change or limit Olympic's obligations under any other agreement or its obligations as it relates to any other property or endeavor.

21.14 Renton's Police Powers: Nothing in this Franchise shall diminish, or eliminate, or be deemed to diminish or eliminate that governmental or police powers of Renton.

21.15 Public Document/Public Disclosure: This Franchise will be considered a public document and will be available for reasonable inspection and copying by the public during regular business hours. This document may be disclosed pursuant to RCW 42.56 (Public Records Act).

21.16 Remedies Cumulative: Any remedies provided for under the terms of this Franchise are not intended to be exclusive, but shall be cumulative with all other remedies available to Renton at law, in equity, or by statutes, unless specifically waived in this Franchise or in a subsequent signed document.

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21.17 Section Headings: 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.

21.18 Severability: In the event that a court or agency of competent jurisdiction declares a material provision of this Franchise 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 so as to give effect to the intentions of the Parties. If severance from this Franchise of the particular provision(s) determined to be invalid, illegal or unenforceable will fundamentally impair the value of this Franchise, either party may apply to a court of competent jurisdiction to reform or reconstitute the Franchise so as to recapture the original intent of said particular provision(s). All other provisions of the Franchise shall remain in effect at all times during which negotiations or a judicial action remains pending.

21.19 Third-Parties: The Parties do not create any obligation or liability, or promise any performance to, any third-party, nor have the Parties created any third-party right to enforce this Franchise beyond what is provided for by Laws. Third-Parties are any party other than Renton and Olympic. This Franchise shall not release or discharge any obligation or liability of any third-party to either party.

21.20 Time of the Essence: Whenever this Franchise sets forth a time for any act to be performed, such time shall be deemed to be of the essence, and any failure to perform within the allotted time may be considered a material violation of this Franchise.

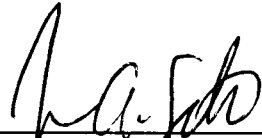
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21.21 Waiver of Worker's Compensation Immunity: Olympic waives its Worker's Compensation immunity under RCW Title 51 in any cases involving Renton and affirms that Renton and Olympic have specifically negotiated this provision, to the extent it may apply.

SECTION XXII. Effective Date

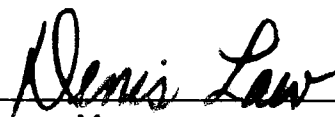
This Ordinance shall be in full force and effect from and after its passage, approval, and five (5) calendar days after its legal publication as provided by law, and provided it has been duly accepted by Olympic as provided above.

PASSED BY THE CITY COUNCIL this 28th day of March, 2016.



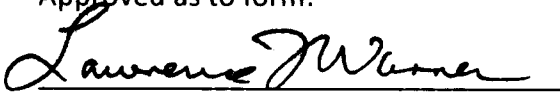
Jason A. Seth, City Clerk

APPROVED BY THE MAYOR this 28th day of March, 2016.



Denis Law, Mayor

Approved as to form:



Lawrence J. Warren, City Attorney

Date of Publication: April 1, 2016 (summary)

ORD:1914:3/8/16:scr



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UNCONDITIONAL ACCEPTANCE

The undersigned, Olympic Pipe Line Company, accepts all the privileges of the above-granted franchise, subject to all the terms, conditions, and obligations of this franchise.

DATED: April 4th, 2016.

Olympic Pipe Line Company

M. Horn

By: Marc Horn

President

Its