CITY COUNCIL MEETING & PUBLIC HEARING
TUESDAY, MAY 7, 2024
HELD REMOTELY & IN PERSON AT CITY HALL
124 S. LEFEVRE ST.

- Sign up to provide Public Comment at the meeting via calling in.
- Submit Written Public Comment Before 4 pm on (May 7, 2024) - *SEE NOTE*
- Join the Zoom Meeting –

https://us06web.zoom.us/j/8444846563?pwd=UVlWTWtqYzl1VGNwWXJPakhWalJCZz09&omn=87002671174

Meeting ID: 844 484 6563
Passcode: 446645

One tap mobile
+12532158782,,8444846563#,,,,*446645# US (Tacoma)
+12532050468,,8444846563#,,,,*446645# US

Find your local number: https://us06web.zoom.us/u/keJnPZTYnM

WRITTEN PUBLIC COMMENTS

If you wish to provide written public comments for the council meeting, please email your comments to sweathers@medical-lake.org by 4:00 p.m. the day of the council meeting and include all the following information with your comments:

1. The Meeting Date
2. Your First and Last Name
3. If you are a Medical Lake resident
4. The Agenda Item(s) which you are speaking about

*Note – If providing written comments, the comments received will be acknowledged during the public meeting, but not read. All written comments received by 4:00 p.m. will be provided to the mayor and city council members in advance of the meeting.

Questions or Need Assistance? Please contact City Hall at 509-565-5000

REGULAR SESSION – 6:30 PM

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL**
2. **AGENDA APPROVAL**
3. **INTERESTED CITIZENS: AUDIENCE REQUESTS AND COMMENTS**
4. **ANNOUNCEMENTS / PROCLAMATIONS / SPECIAL PRESENTATIONS**
    A. USDA Rural Business Grants
5. **REPORTS**
    A. Council Comments
    B. Mayor
    C. City Administrator & City Staff
        i. 2024 Q1 Code Enforcement Report
        ii. Finance Self-Assessment Annual Report
6. **WORKSHOP DISCUSSION**
    A. Government Affairs Professional Services
    B. Grant Writer Professional Services
    C. Historic Preservation ILA with Spokane County (Res 24-655)
    D. Coney Island Dock Design
7. **ACTION ITEMS**
    A. Consent Agenda
        i. Approve **April 16, 2024,** minutes.
        ii. Approve **May 7, 2024** Claim Warrants numbered **51258** through **51297** in the amount of **$433,033.09.**
8. **PUBLIC HEARING –** LU-2022-04 TA Shipping Containers Text Amendment
9. **RESOLUTIONS**
    A. 24-676 Chloeta Service Agreement
    B. 24-677 Treeline Construction Agreement for Services for Coney Island Dock
10. **ORDINANCES**
    A. First Read 1124 Ziply Franchise Agreement
    B. First Read 1125 Comcast Franchise Agreement
11. **EXECUTIVE SESSION –** None scheduled.
12. **EMERGENCY ORDINANCES –** None.
13. **UPCOMING AGENDA ITEMS**
14. **INTERESTED CITIZENS**
15. **CONCLUSION**

04/29/24

Positive Impact Grant Writing, LLC.
Julie Morin. 1430 E 34th Ave, Spokane, WA, 99203.
juliemorin@positiveimpactgrants.com
Mobile: 509-216-0920

City of Medical Lake

RE**: Grant Writing and Fundraising Strategy**

Thank you for reaching back out to me about your grant writing needs. I have attached a scope of work for your review. Let me know if you would like to proceed.

1. **Scope of Work**:
    a. Research and identification of suitable grant opportunities.
    b. Development and preparation of grant proposals.
    c. Editing and proofreading of grant applications.
    d. Consultation and collaboration regarding grant strategy and approach.
    e. Submission of grant applications to relevant funding bodies.
    f. Agree to provide the services for the City of Medical Lake.
    g. Provide a funding strategy for priority projects. This is a simple document that specifies what planning is needed for your organizations success and what grants to pursue and when.
2. **Compensation**:
    a. My fee to provide the above services will be $5,000.
    b. The estimated time spent on contract is 50 hours @ 100 dollars and hour that includes a fundraising strategy.
    c. A retainer of $1,000 will be billed at onset of work and the remainder billed monthly per outline in City of Medical Lake scope of work.
    d. Payment due net 10 days of invoice receipt.

3. **Expenses**: Billed at cost, with client pre-approval. Receipts will be provided with your invoice.

4. **Confidentiality**: Positive Impact will keep all client information confidential. No confidential information will be disclosed to a third party without the client's prior written consent.

5. **Termination**: Either party may terminate the working relationship and this agreement with five days' notice. In the event of termination, Positive Impact will be compensated for all services rendered up to the date of termination. If termination occurs while working on a grant, I will complete the work billed on a pro-rata basis.

_____

PRINTED NAME DATE

_____

SIGNATURE OF AUTHORIZED REPRESENTATIVE

City of Medical Lake
124 S. Lefevre St.
P.O. Box 369
Medical Lake, WA 99022-0369

To: Mayor and City Council

From: Sonny Weathers, City Administrator

TOPIC: HISTORIC PRESERVATION INTERLOCAL AGREEMENT (ILA)

Requested Action:
Staff recommends approval of Resolution No. 24-678 Historic Preservation ILA with Spokane County and the City/County Historic Preservation Office. This ILA will memorialize terms and conditions that enable the Spokane City/County Historic Preservation Office to provide services within the City of Medical Lake.

Key Points:
Medical Lake's vision includes meaningful connections to our history, and strategic objectives include protecting the historical and cultural character, managing the image, and enhancing the appearance of our City. An opportunity to address these objectives is found in partnering with the Spokane City/County Historic Preservation Office. To do so, the City recently adopted a Historic Preservation Ordinance 1122 that establishes regulations and procedures for the designation of historic sites and landmarks and is now exploring an interlocal agreement with Spokane County and the Historic Preservation Office. Resolution No. 24-678 seeks approval and execution of the ILA. There is no cost associated with this opportunity, and it will only impact those property owners who meet the requirements and seek to designate their site as historic. Medical Lake Building and Planning staff will be minimally impacted by providing validation and ensuring compliance.

Background Discussion:
A new local business owner who is renovating her building was seeking to add it to a historic register and pursue related benefits. This led to Logan, from the Spokane City/County Historic Preservation Office, giving a presentation during the 2/20 Council meeting on the benefits of historic preservation and the process for Medical Lake to be served by the Historic Preservation Office at no cost.

Public Involvement:
This opportunity was introduced by interest of a local business owner.

Next Steps:
Resolution No. 24-678 Historic Preservation ILA with Spokane County and the City/County Historic Preservation Office is scheduled for action at the 5/21 Council meeting. If passed, an Interlocal Agreement with Spokane County and the Historic Preservation Office will fully provide a mechanism for interested property owners in the City of Medical Lake to apply.

INTERLOCAL AGREEMENT FOR HISTORIC PRESERVATION SERVICES BETWEEN SPOKANE COUNTY AND THE CITY OF MEDICAL LAKE RELATING TO LANDMARK DESIGNATION AND PROTECTION SERVICES

THIS INTERLOCAL AGREEMENT made and entered into by and between Spokane County, a political subdivision of the State of Washington, having offices for the transaction of business at W. 1116 Broadway Avenue, Spokane, Washington 99260 hereinafter referred to as the "County", and the City of Medical Lake, a municipal corporation of the State of Washington, having offices for the transaction of business at Medical Lake City Hall, P.O. Box 369, 124 S. Lefevre Street, Medical Lake, WA 99022, hereinafter referred to as the "City," jointly referred to as the Parties.

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of RCW 36.32.120(6), the Board of County Commissioners of Spokane County, Washington ("Board") has the care of county property and the management of county funds and business; and

WHEREAS, pursuant to chapter 39.34 RCW (Interlocal Cooperation Act), the Parties are each authorized to enter into an agreement for cooperative action; and

WHEREAS, the City is duly incorporated; and

WHEREAS, local governmental authority and jurisdiction with respect to the designation and protection of landmarks within the City's corporate boundaries resides with the City; and

WHEREAS, the City desires to protect and preserve the historic buildings, structures, districts, sites, objects, landscapes and archaeological sites within the City for the benefit of present and future generations; and

WHEREAS, the County entered into an agreement with the City of Spokane under Resolution No. 21-0579 for calendar years 2022-24 ("City of Spokane Agreement"). The City of Spokane Agreement includes the following language:

> ….The City will oversee the responsibilities of historic preservation within cities within Spokane County having a population of less than 5000 when authorized by the County….

; and

WHEREAS, pursuant to the language in the above recital, the County has provided a vehicle for the City to obtain landmark designation and protection services ("Services") for the City; and

WHEREAS, the City has elected to contract with the County to obtain Services with the understanding that the County can only provide such Services so long as it has an interlocal agreement in place with the City of Spokane regarding Services. The present City of Spokane Agreement is for calendar years 2022-2024 only; and

WHEREAS, it is in the public interest that the jurisdictions cooperate to provide efficient and cost effective landmark designation and protection; and

NOW THEREFORE, for and in consideration of the above recitals which are incorporated herein by reference and the mutual promises set forth hereinafter the County and the City hereby agrees as follows:

1. **Services:**

At the request of the City and so long as the County has an interlocal agreement in place with the City of Spokane for historic preservation services, the County shall provide landmark designation and protection services using the criteria and procedures adopted in Resolution 90-0801 (as revised in Res No. 15-0243), Spokane County Code (S.C.C.), Chapter 1.48 within the City limits ("Services").

2. **City's Responsibilities:**

A. Adopt an ordinance establishing regulations and procedures for the designation of historic buildings, structures, objects, districts, sites, objects, landscapes and archaeological sites as landmarks and for the protection of landmarks. Regulations and procedures shall be substantially the same as the regulations and procedures set forth in S.C.C. Chapter 1.48. The ordinance shall provide that the Spokane Historic Landmarks Commission shall have the authority to designate and protect landmarks within the City corporate boundaries in accordance with the City's ordinance. The ordinance shall include:

1) A provision that appeals from decisions of the Commission pertaining to real property within the City limits shall be taken to the City Council.

2) A provision for penalties for violation of the certificate of appropriateness procedures (COA) (S.C.C. Chapter 1.48.260).

3) A provision that the official responsible for the issuance of building and related permits shall promptly refer applications for permits which affect designated historic buildings, structures, objects, sites, districts, landscapes or archaeological sites to the Spokane County Historic Preservation Officer (HPO) for a Certificate of Appropriateness.

B. Except as to Section 5, the Services provided by the County pursuant to this Agreement do not include legal services.

3. **County Responsibilities:**

A. Process all landmark nomination applications and conduct planning, training, and public information tasks necessary to support designation activities in the City. Such tasks shall be defined by mutual agreement of both parties on an annual basis.

B. Process all Certificate of Appropriateness (CoA) applications to alter, demolish, or move any significant feature of a designated historic property within the City limits.

C. Act as the "Local Review Board" for the purposes of the administration of RCW chapter 84.26 RCW and WAC chapter 254-20 for the special valuation of historic properties within the City limits, a 10-year property tax reduction incentive available to property owners of Spokane Register listed structures who substantially improve their properties.

All of the above responsibilities are subject to the existence of an interlocal between the County and City of Spokane for historic preservation services. If there is no interlocal agreement in place or the interlocal agreement is terminated during any calendar year, the County has no responsibilities to provide the above responsibilities or Services. Provided further the Parties understand that all Services will be provided on a case by case basis as determined by the CEO.

4. **Costs:**

The City shall not incur costs as a result of the Spokane City/County Historic Preservation Office providing Services under this Agreement, including overhead and indirect administrative costs. Costs incurred shall be borne through the interlocal agreement between the City of Spokane and County. Provided, however, the City may determine to assume costs of the Spokane City/County Historic Preservation Office providing Services under this Agreement, including overhead and indirect administrative costs, in instances where the County CEO does not authorize such expenditure. In such circumstance, the City shall execute an appropriate document with the Spokane City/County Historic Preservation Office to assume such costs.

5. **Indemnification:**

A. The County shall indemnify and hold harmless the City and its officers, agents and employees or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason or arising out of any negligent act or omission of the County, its officers, agents, and employees, or any of them, in providing services pursuant to this Agreement. In the event that any suit based upon such a claim, action, loss, or damage is brought against the City, the County shall defend the same at its sole cost and expense; provided, that the City retains the right to participate in said suit if any principle of governmental or public law is involved; and if final judgment be rendered against the City and its officers, agents, employees, or any of them, or jointly against the City and the County and their respective officers, agents and employees, or any of them, the County shall satisfy the same.

B. In executing this Agreement, the County does not assume liability or responsibility for or in any way release the City from any liability or responsibility which arises in whole or in part from the existence or effect of City ordinances, rules or regulations, polices or procedures. If any cause, claim, suit, actions or administrative proceeding is commenced in the enforceability and/or validity or any City ordinance, rule or regulation is at issue, the City shall defend the same at its sole expense and if judgment is entered or damages are awarded against the City, the County, or both, the City shall satisfy the same, including all chargeable costs and attorneys' fees.

C. The City shall indemnify and hold harmless the County and its officers, agents, and employees, or any of them from any and all claims, actions, suits, liability, loss, costs, expenses and damages of any nature whatsoever, by reason of or arising out of any negligent act or omission of the City, its officers, agents, and employees, or any of them. In the event that any suit based upon such a claim, action, loss or damage is brought against the County, the City shall defend the same at its sole cost and expense; provided that the County retains the right to participate in said suit if any principle of governmental or public laws is involved; and if final judgment be rendered against the County, and its officers, agents, and employees, or any of them, the City shall satisfy the same.

D. The City and the County acknowledge and agree that if such claims, actions, suits, liability, loss, costs, expenses and damages are caused by or result from the concurrent negligence of the City, its agents, employees, and/or officers and the County, its agents, employees, and/or officers, this Article shall be valid and enforceable only to the extent of the negligence of each party, its agents, employees and/or officers.

6. **Chapter 39.34 RCW Interlocal Cooperation Act Required Clauses :**

A. Purpose. The purpose of this Agreement is for the City and County to partner to provide historic preservation services within the corporate boundaries of the City.

B. Administration. This Agreement shall be administered for the County by the Historic Preservation Officer and for the City by the Clerk/Treasurer.

C. Budget / Financing / Property upon Termination. No special budget or funds are anticipated, nor will the Parities jointly acquire, hold or dispose of real or personal property.

D. Duration. This Agreement is effective beginning upon the date last executed, and shall continue until terminated pursuant to the terms of this Agreement.

E. Agreement to be Filed: This Agreement will be recorded by the County or otherwise be made public by it in conformance with the Interlocal Cooperation Act.

F. Termination: See Paragraph 7.

G. Responsibilities of the Parties: See Paragraph 2 and 3 above.

H. Organization of Separate Entity and its Powers: No new or separate legal or administrative entity is created to administer the provisions of this Interlocal Agreement.

I. Property Upon Termination of Agreement: No property shall be acquired by either party pursuant to this Agreement.

7. **Termination:** Either party may terminate this Agreement for any reason whatsoever upon forty-five (45) days written notice from one party to the other.

8. **Amendments:** This Agreement may be amended at any time by mutual written agreement of the Parties.

9. Miscellaneous:

A. Non-Waiver. No waiver by any party of any of the terms of this Agreement shall be construed as a waiver of the same or other rights of that PARTY in the future.

B. Headings. Headings are inserted for convenience of reference only and are not to be deemed part of or to be used in construing this Agreement.

C. Entire Agreement. This Agreement contains the entire understanding of the PARTIES. No representations, promises, or agreements not expressed herein have been made to induce any party to sign this Agreement.

D. Severability. If any parts, terms or provisions of this Agreement are held by the courts to be illegal, the validity of the remaining portions or provisions shall not be affected and the rights and obligations of the Parties shall not be affected in regard to the remainder of the Agreement. If it should appear that any part, term or provision of this Agreement is in conflict with any statutory provision of the State of Washington, then the part, term or provision thereof that may be in conflict shall be deemed inoperative and null and void insofar as it may be in conflict therewith and this Agreement shall be deemed to modify to conform to such statutory provision.

E. Compliance with Laws. The Parties shall observe all federal, state and local laws, ordinances and regulations, to the extent that they may be applicable to the terms of this Agreement.

F. Venue. This Agreement shall be construed under the laws of Washington State. Any action at law, suit in equity or judicial proceeding regarding this Agreement or any provision hereto shall be instituted only in courts of competent jurisdiction within Spokane County, Washington.

G. Counterparts. This Agreement may be executed in any number of counterparts, each of

which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same.

H. No Third Party Beneficiaries. Nothing in this Agreement is intended to give, or shall give, whether directly or indirectly, any benefit or right, greater than that enjoyed by the general public, to third persons.

I. Relationship of the Parties. The Parties intend that an independent contractor relationship will be created by this Agreement. No agent, employee, servant or representative of any of the Parties shall be deemed to be an employee, agent, servant or representative of the other Parties for any purpose, and none of them shall be entitled to any benefits to which the other Parties employees are entitled including but not limited to, overtime, retirement benefits, worker's compensation benefits, injury leave or other leave benefits.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on date and year opposite their respective signatures with the effective date being the date of the last signature.

Dated: _____

CITY OF MEDICAL LAKE:

_____
TERRI COOPER, Mayor

SPOKANE COUNTY:

Dated: _____

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

_____
MARY KUNEY, Chair

_____
JOSH KERNS, Vice-Chair

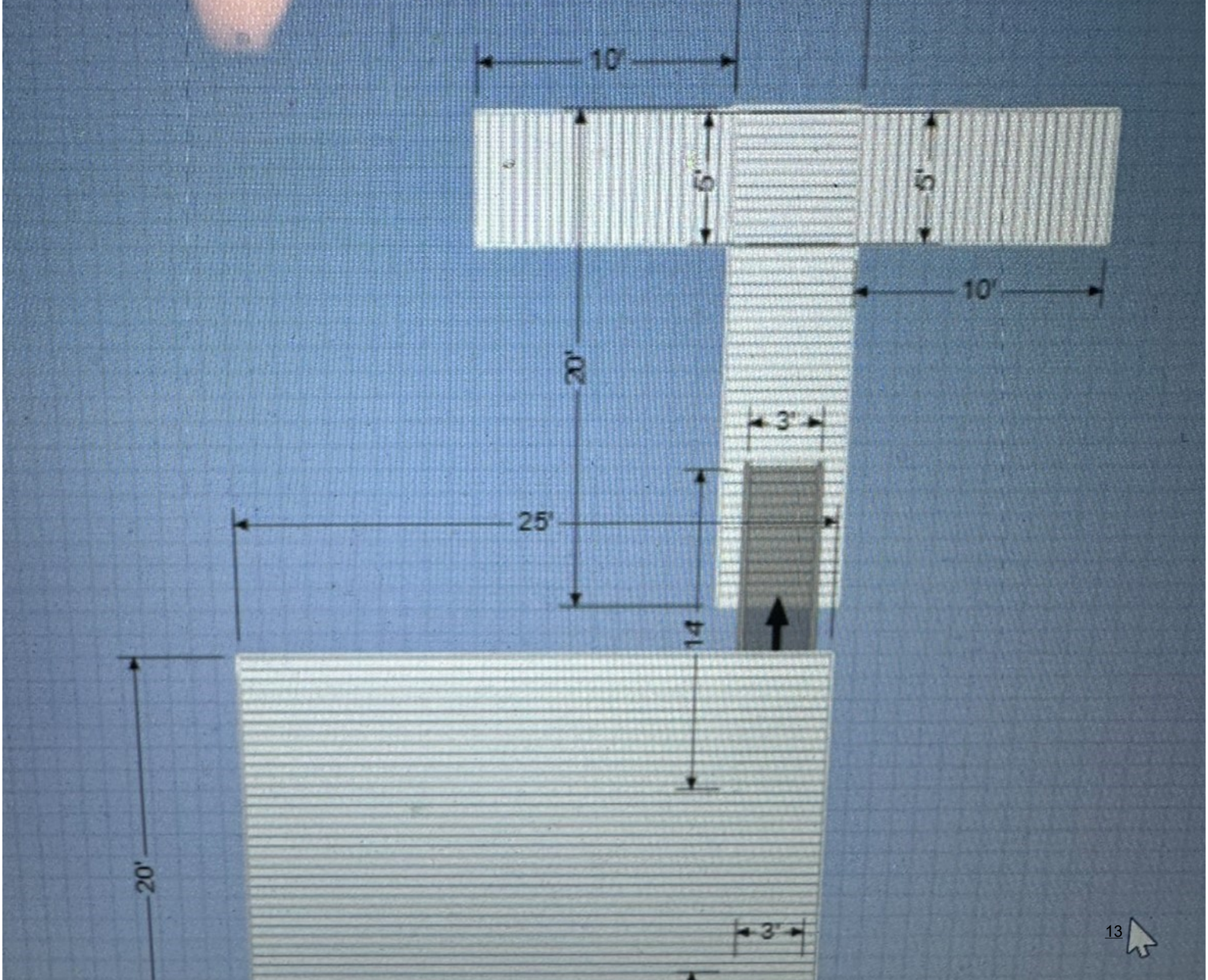
_____
AL FRENCH, COMMISSIONER

_____
AMBER WALDREF, COMMISSIONER

_____
CHRIS JORDAN, COMMISSIONER

ATTEST:

_____
Ginna Vasquez
Clerk of the Board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CITY OF MEDICAL LAKE
City Council Regular Meeting

6:30 PM | Council Chambers
April 16, 2024 | **MINUTES** | 124 S. Lefevre Street

NOTE: This is not a verbatim transcript. Minutes contain only a summary of the discussion. A recording of the meeting is on file and available from City Hall.

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Councilmembers	**Administration/Staff**
Chad Pritchard	Terri Cooper, Mayor
Keli Shaffer	Sonny Weathers, City Administrator
Lance Speirs	Glen Horton, Parks & Recreation Director
Don Kennedy	Koss Ronholt, Finance Director
Bob Maxwell	Roxanne Wright, Administrative Assistant
Ted Olson	Steve Cooper, WWTP Director
Tony Harbolt	Scott Duncan, Public Works Director

REGULAR SESSION – 6:30 PM

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL**
   A. Mayor Cooper called the meeting to order at 6:32 pm, led the Pledge of Allegiance, and conducted roll call. All council members were present in person.

2. **AGENDA APPROVAL**
   A. Motion to approve made by councilmember Kennedy, seconded by councilmember Olson, carried 7-0.

3. **INTERESTED CITIZENS: AUDIENCE REQUESTS AND COMMENTS**
   A. Mayor Cooper acknowledged the receipt of e-mail comments from a Medical Lake resident regarding written comments provided before a council meeting. Each council member received them as well. *The full comments are part of the official record on file at City Hall and can be requested in person or by sending an e-mail to records@medical-lake.org .*

4. **ANNOUNCEMENTS / PROCLAMATIONS / SPECIAL PRESENTATIONS -** none

5. **REPORTS**
   A. Public Safety
      i. FD3 Deputy Chief Bollar - debris pile still being monitored closely. There is now a fence around the area to keep people out. The goal is to mitigate before fire season begins. Multiple agencies involved. Soil and air quality samples have been taken but results have not been shared yet. They are using as little water as possible to prevent runoff into Medical Lake. Fisherman's breakfast scheduled for April 27th 5am-12pm.

ii. SCSO Sheriff Kittilstved – They have been briefed on the burning debris pile and are communicating with dispatch and other deputies for awareness. Gearing up for summer, i.e. water rescue.

B. Council Comments
   i. Councilmember Pritchard – Thirty people came out for the Geo Walk on Saturday, April 13th. STEM Night is May 2nd, 5:30 – 7:30 pm and Medical Lake Middle School.
   ii. Councilmember Shaffer – Finance Committee met and reviewed claims and the Q1 update Mr. Ronholt will give later in the meeting.
   iii. Councilmember Speirs – no report.
   iv. Councilmember Kennedy – no report.
   v. Councilmember Maxwell – General Government Committee met and discussed Public Works updates.
   vi. Councilmember Olson – General Government Committee also provided maps to see the street overlays this summer. Safety Committee met and discussed extra duty deputy needs for summer.
   vii. Councilmember Harbolt – no report.

C. Mayor
   i. Shared about the thank you letter to Steve Cooper received by the City of Creston for his recent assistance. FEMA will leave April 27th. Gray Fire Community Meeting scheduled for Wednesday, April 17th, 6:30 pm at the high school auditorium.

D. City Administrator & City Staff
   i. Koss Ronholt, Finance Director
      1. Gave a Q1 2024 budget update presentation (see attached).
      2. Shared an update on the recent SAO Audit.
   ii. Sonny Weathers, City Administrator
      1. Shared that the Recreation and Conservation Funding Board (RCO) voted to make Medical Lake eligible for a grant to help acquire Waterfront Park. Strategic Planning Council Retreat will be held in June. E-mail will be sent to council members to get schedule preferences. Planning Commission meeting on Thursday, April 18th at 5:30 pm. The contract for extra duty deputies is on a year-to-year basis and needs to be renewed for this year.

6. WORKSHOPS – Franchise Agreements

A. Mr. Weathers – discussion of what franchise agreements are. High speed internet company interest has prompted review of existing agreements. Read a list of those agreements.

7. ACTION ITEMS

A. Consent Agenda
   i. Approve **April 2, 2024,** minutes.
      1. Motion to approve made by councilmember Kennedy, seconded by councilmember Maxwell, carried 7-0.
   ii. Approve **April 16, 2024,** Claim Warrants numbered **51194** through **51248** in the amount of **$264,476.23,** Payroll Claim Warrants **51186** through **51193,** and Payroll Payable Warrants numbered **30102** through **30110** in the amount of **$158,820.15.**
      1. Motion to approve made by councilmember Kennedy, seconded by councilmember Speirs, carried 7-0.

8. RESOLUTIONS

A. 24-671 SAO Interagency Data Sharing Agreement

i. Mr. Ronholt reviewed the briefing sheet. Mayor Cooper - page ten of the agreement has a misspelling. Motion to make the correction and replace page ten with the amended version made by councilmember Kennedy, seconded by councilmember Maxwell, carried 7-0.
ii. Motion to approve as amended made by councilmember Pritchard, seconded by councilmember Olson, carried 7-0.

B. 24-672 Bid Award for Hazard Mitigation Plan to Chloeta
i. Mr. Weathers reviewed the briefing sheet.
ii. Motion to approve made by councilmember Harbolt, seconded by councilmember Shaffer, carried 7-0.

C. 24-673 Bid Award for Coney Island Dock to Treeline Contracting
i. Mr. Holton reviewed.
ii. Motion to approve made by councilmember Olson, seconded by councilmember Speirs, carried 7-0.

D. 24-674 Summer Concert Series Agreement with Hero Events
i. Mr. Horton reviewed. Dates conflict with Blue Waters Bluegrass Festival. Discussion held and decision made to approve as is and amend the dates with the vendor.
ii. Motion to approve made by councilmember Pritchard, seconded by councilmember Speirs, carried 7-0.

9. PUBLIC HEARING – None

10. ORDINANCES

A. Second Read Ordinance 1122 Historic Preservation
i. Legal counsel read onto the record.
ii. Logan Camporeale with Spokane Historic Preservation Office was present to answer any questions.
iii. Motion to approve made by councilmember Harbolt, seconded by councilmember Shaffer, carried 7-0.

B. Second Read Ordinance 1123 Right of Way Permit and Use Requirements Code
i. Legal counsel read onto the record.
ii. Mr. Weathers addressed the addition of 11.02 definitions.
iii. Motion to approve made by councilmember Kennedy, seconded by councilmember Shaffer, carried 7-0.

11. EXECUTIVE SESSION - none

12. EMERGENCY ORDINANCES - none

13. UPCOMING AGENDA ITEMS

A. SCSO Extra Duty Deputy contract.
B. Public Hearing regarding shipping containers will be held at the next meeting.
C. Code enforcement quarterly report.
D. Finance Director self-assessment report.
E. Councilmember Shaffer requested a report on what the previous grant writer did before her contract ended.

14. INTERESTED CITIZENS: AUDIENCE REQUESTS AND COMMENTS

A. none

15. CONCLUSION

A. Motion to conclude at 7:44 pm made by councilmember Pritchard, seconded by councilmember Speirs, carried 7-0.

_____ _____

Terri Cooper, Mayor Koss Ronholt, Finance Director/City Clerk

_____

Date

Budget Report

Quarter 1 – 2024 (25%)

1

General Fund

Account Type	Current Total Budget	Fiscal Activity	Percent Used
Revenue	$2,548,853	$470,030	18%
Expense	$2,917,012	$636,542	22%

Activity Analysis

- First half of Property Taxes will be collected in Quarter 2, deflating revenue %
- Sales tax, gas tax, electric B&O, building permits, plan check fees and interest revenues above expectations

2

General Fund Departments

Department	Current Total Budget	Fiscal Activity	Percent Used
Non-Departmental	$1,007,300	$238,082	24%
Grants	$454,250	$17,075	4%
Legislative	$43,797	$13,325	30%
Court	$64,600	$16,022	25%
Executive	$259,221	$70,343	27%
Legal	$117,790	$11,733	10%
Administrative Svcs	$606,915	$187,952	31%
Code Enforcement	$92,095	$19,449	21%
Building & Planning	$271,043	$59,450	22%

3

Special Revenue Funds

Streets 101	Current Total Budget	Fiscal Activity	Percent Used
Revenue	$262,636	$72,114	27%
Expense	$268,860	$65,252	24%
Streets – Restricted 104	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$1,475,000	$49,042	3%
Expense	$1,545,500	$24,591	2%
ARPA 107	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$5,000	$31,533	631%
Expense	$531,219	$125,252	24%

4

Special Revenue Funds (cont.)

Public Safety 110	Current Total Budget	Fiscal Activity	Percent Used
Revenue	$701,400	$248,142	35%
Expense	$705,941	$114,782	16%
Parks & Rec. 112	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$523,000	$142,914	27%
Dept.: Parks & Rec.	$324,942	$145,201	45%
Dept.: Parks Facilities	$212,006	$52,680	25%
Emergency Response 113	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$75,000	$30,921	41%
Expense	No budget	No Activity	

5

Special Revenue Funds

City Beautification 125	Current Total Budget	Fiscal Activity	Percent Used
Revenue	$6,050	$1,087	18%
Expense	$6,500	$150	2%
Tourism 126	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$6,700	$1,571	23%
Expense	$6,500	$0	0%

6

Capital Improvement Funds

Capital Improvement 301	Current Total Budget	Fiscal Activity	Percent Used
Revenue	$108,680	$8,127	7%
Expense	$364,000	$0	0%
Parks Improvement 302	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$250,500	$62,965	25%
Expense	$295,000	$0	0%

7

Proprietary Funds

Water 401	Current Total Budget	Fiscal Activity	Percent Used
Revenue	$852,000	$181,958	21%
Expense	$847,969	$195,548	23%
Water - Restricted 402	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$625,000	$48,049	8%
Expense	$750,000	$30,062	4%
Solid Waste 407	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$695,000	$185,091	27%
Expense	$728,332	$136,234	19%

8

Proprietary Funds (cont.)

Wastewater 408	Current Total Budget	Fiscal Activity	Percent Used
Revenue	$1,305,500	$376,718	29%
Dept.: WWC	$387,007	$95,526	25%
Dept.: WWT	$1,086,756	$366,779	34%
Wastewater – Restricted 409	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$0	$7,321	
Dept.: WWT	$1,330,000	$24,830	2%
Broadband 410	**Current Total Budget**	**Fiscal Activity**	**Percent Used**
Revenue	$0	$4,028	
Expenditures	$0	$0	%

9

Questions?

10

City of Medical Lake
124 S. Lefevre St.
P.O. Box 369
Medical Lake, WA 99022-0369

PUBLIC NOTICE

The Medical Lake City Council will hold a public hearing on Tuesday, May 7th, 2024, at 6:30 p.m. in person at the Medical Lake City Hall and virtually via Zoom to consider application LU 2022-04 TA (Text Amendment). A web link to the Zoom Meeting will be posted on the City's website www.medical-lake.org with the meeting agenda. The public is encouraged to attend.

The applicant, Larry Stoker, owner of Monark Self Storage, proposes to amend the Medical Lake Municipal Code, Section 17.42.030 to allow shipping containers under certain circumstances. The SEPA environmental checklist has been reviewed and the City issued a mitigated determination of non-significance.

The public comment period (written comments) is open through 4:00 p.m. on May 7th, 2024. Direct comments to Elisa Rodriguez, Planning Department, City of Medical Lake, 124 S Lefevre St, Medical Lake, WA. Phone: 509-565-5019. E-mail: erodriguez@medical-lake.org

For more information or to receive copies of the application, proposed language, and/or any reports, please contact the person above.

Individuals planning to attend the meeting who require special assistance to accommodate physical, hearing, or other impairments, please contact City Hall at (509) 565-5000 as soon as possible so that arrangements may be made. Without advance notice, it may not be possible to provide the required accommodation(s).

Posted April 25, 2024

City of Medical Lake Planning Department
124 S. Lefevre St.
Medical Lake, WA 99022
509-565-5000
www.medical-lake.org

STAFF REPORT TO THE CITY COUNCIL

File: LU 2022-004 TA (Text Amendment)

Date of Staff Report: May 2, 2024

Date of Hearing: May 7, 2024

Staff Planner: Elisa Rodriguez 509-565-5019 or erodriguez@medical-lake.org

SEPA: Mitigated Determination of Non-Significance issued on March 8, 2023

Procedure: This request requires a legislative review, therefore, the Planning Commission has held a public hearing and recommends to the City Council denial of the application. The City Council will hold another public hearing and make the final decision.

For this application, the Planning Commission made a recommendation of denial to the City Council in March of 2023, based on the text language provided by the applicant. The City Council, in response to citizen comment during a public hearing, requested significant changes to the proposed language. The City Council discussed the topic at five meetings and then when presented with the requested draft ordinance, Council voted to return the application to the Planning Commission for their recommendation on the revised language.

Applicant: Larry Stoker, Monark Self Storage, 711 Highway 902, Medical Lake, WA 99022

Proposal Summary: The applicant proposed to amend section 17.42.030 – Shipping containers as storage buildings prohibited, of the Medical Lake Municipal Code to allow shipping containers in the Commercial (C-1) zone as long as they meet certain requirements. Through the review process, the proposed language has changed to only allow shipping containers on sites with mini-storage facilities and schools.

PROPOSAL

The applicant has asked to change MLMC Section 17.42.030 – Shipping containers as storage buildings prohibited. The proposed language below was developed by staff. In addition to the section regulating shipping containers, the proposed language includes new definitions and a zoning permit process.

Current Text:

Unless otherwise permitted by this title, no person shall place or cause to be placed, or use or permit the use of any shipping container as an accessory building, storage building, living unit or any other such primary or accessory building upon any property within the city limits of Medical Lake; provided, that licensed and bonded contractors may utilize said containers for temporary housing of equipment and/or materials during construction as authorized by a city building permit. For the purposes of this chapter, "shipping container" is defined as any container or other device used or designed for use in the transportation industry.

Proposed Text:

Section 1. Amendment. There is hereby added to the MLMC, Chapter 16.03 – Zoning Permits as follows:

Chapter 16.03 – ZONING PERMITS

16.03.010 – Purpose
The purpose of a zoning permit is to provide a permitting process for development that does not require a building permit, yet still necessitates approval per Title 17 – Zoning.

16.03.020 – Applicability
Development that is exempt from the building code shall be reviewed by the Planning Official for conformance with Title 17 – Zoning.

16.03.030 – Fees
Zoning permit fees will be set by the City Council.

16.03.040 – Application
The owner or agent of the property shall submit two copies of a site plan and any other plan or documentation necessary to demonstrate how the regulations of Title 17 are being satisfied.

16.03.050 – Approval
When the proposal is deemed compliant with Title 17, the Planning Official shall issue a permit.

16.03.060 – Inspection
The Planning Official will conduct one or more inspections to verify the development meets the approved plans. For each inspection, the Planning Official will provide, in writing, the status of the development in relation to the approved plans.

16.03.070 – Final
When the approved development is complete, inspected, and found to meet the standards of Title 17, the Planning Official will issue a letter stating the permit is completed.

16.03.080 – Expiration
An approved zoning permit is valid for 180 days. If the approved development is not commenced within such time, the permit is considered expired. If the work has commenced, but is not finished, the Planning Official may issue one or more extensions to the permit.

16.03.090 – Enforcement
If a property owner or agent commences work without the benefit of a required zoning permit, the Code Enforcement Officer will provide, in writing, a stop work order. The property owner or agent will be given the option to undo any unapproved development or apply for a zoning permit. If the property owner or agent does not comply, procedures of Chapter 1.01 – Code Adoption, will be followed.

Section 2. Amendment. There is hereby added to the MLMC Chapter 17.08 – Definitions as follows:

17.08.081 – Development.
All improvements on a site, including buildings, other structures, parking and loading areas, landscaping, paved or graveled areas, and areas devoted to exterior display, storage, or activities.

17.08.220.1 – Planning Director.
The Planning Director, or designee.

17.08.220.2 – Planning Official.
The city official(s) appointed or retained by the city to administer and enforce this title and associated regulations and other such codes and regulations as the city may so designate.

17.08.240 – Storage Containers.
Self-contained structures that are standardized, reusable, and portable. They are meant for the storage of personal or commercial goods. They are available in a variety of sizes and made from a variety of materials. For the purpose of this Title, storage containers are further defined as Shipping Containers or Moving Containers as described below.

Shipping Containers are storage containers that are built as standard sized boxes made of steel, used to store and transport goods from one place to another via cargo ship. These are also referred to as cargo containers or Conex containers.

Moving Containers are storage containers meant for temporary storage of personal items. These containers are typically made of a light metal or wood.

Section 3. Amendment. Section 17.39.015 – Signs of the MLMC is hereby amended to add (e.1) as follows:

(e.1) “Logo” means a symbol or other design adopted by an organization to identify its products, uniform, vehicles, etc.

Section 4. Amendment. Section 17.42.030 of the MLMC is hereby amended to read as follows:

17.42.030 STORAGE CONTAINERS

A. Purpose. These regulations are to allow for economical, secure storage of dry goods while addressing potential aesthetic impacts on the City.

B. During Construction. One or more storage containers may be placed on a site in any zone for storage of materials, construction tools, and equipment, only during an active building permit.

C. Moving Containers. Moving Containers may be placed on site without a permit for up to 30 days.

D. Shipping Containers and similar storage containers. Schools and mini-storage facilities may have storage containers for the sole purpose of dry storage. Schools may have up to four (4) shipping containers. Mini-storage facilities may have up to 15% of the total number of storage units as shipping containers. Prior to placement, containers must be approved through a zoning permit, per Chapter 16.03 – Zoning Permits. The following standards must be met.

1. Each container shall not be more than 200 square feet.
2. A container shall not be closer to the street of address than the primary building.
3. No utilities shall be connected to the container.
4. All containers shall be screened from neighboring residential uses by a fence or hedge. Fences shall be solid or chain link with slats of no less than six (6) feet in height. Hedges shall be evergreen with a mature height of no less than six (6) feet. No screening is required when the shipping container is placed greater than 200 feet from a property line. If a site is composed of multiple properties, the screening applies only to the outermost property line.
5. All containers shall be in good condition, with no rust, peeling paint, or damage.
6. All containers shall be the same or similar color to the primary building.
7. Each container shall meet the standards of the zone in which it is located.
8. Each container shall meet all other standards for an accessory structure.
9. Containers shall not be placed in any required parking or landscaping.
10. Containers shall not violate any building code or fire code regulation.
11. Containers shall not be placed over a septic tank or drain field.
12. Containers shall not be used as living space.
13. No signs or logos may be placed on top of, attached to, or painted on any container.
14. No containers are allowed in the Central Business District.
15. Containers shall not be stacked.

RELEVANT APPROVAL CRITERIA

In order to be approved, this proposal must comply with the criteria of Chapter 17 of the Medical Lake Municipal Code (MLMC). Amendments to development regulations can be approved if the review body finds that the criteria of MLMC Chapter 17.56.100 have been met.

PROCEDURAL HISTORY

October 26, 2022 – Application Submitted
November 22, 2022 – Application Deemed Complete
January 26, 2023 – Planning Commission Workshop
February 23, 2023 – Planning Commission Workshop
March 8, 2023 – SEPA Determination of Non-Significance Issued
March 8, 2023 – Notice of Application Distributed
March 9, 2023 – Notice of Public Hearing Published in Cheney Free Press
March 23, 2023 – Public Hearing at Planning Commission
March 23, 2023 – Planning Commission Decision
April 18, 2023 – City Council Workshop
April 13, 2023 – Notice of Public Hearing Published in Cheney Free Press
May 2, 2023 – Public Hearing at City Council
June 6, 2023 – City Council Workshop
July 27, 2023 – Notice of Public Hearing Published in Cheney Free Press
August 15, 2023 – Public Hearing at City Council
September 19, 2023 – City Council Workshop for Ordinance 1115
October 3, 2023 – City Council Consideration of Ordinance 1115
October 26, 2023 – Planning Commission Workshop
November 30, 2023 – Notice of Public Hearing Published in Cheney Free Press
December 17, 2023 – Public Hearing at Planning Commission

ANALYSIS

The current text of section 17.42.030 – Shipping containers as storage buildings prohibited, was adopted in 1999. No copy of this ordinance or its supporting documents has been found. The current text prohibits shipping containers in every situation except for active construction sites where they are allowed for storage. The applicant, after receiving a letter of violation for placing numerous shipping containers on his mini-storage site, applied for this text amendment in hopes of remedying the situation. The proposed text would allow shipping containers on properties that have mini-storage facilities or schools. The proposed text provides standards for the location on

the site, size, condition of the container, and screening from other properties. The proposed text limits the number of shipping containers allowed and restricts the use to dry storage.

ZONING CODE APPROVAL CRITERIA

17.56.020 - Purpose.
This section shall apply to initial adoption of the comprehensive plan and subsequent adoption of amendments or additional elements to the comprehensive plan. The purpose of this chapter is to establish a procedure pursuant to the requirements of RCW 36.70A of the Growth Management Act for the amendment or revision of the city comprehensive plan and development regulations.

17.56.100 – Criteria for Regulation of Plan Amendments.
Recognizing that the comprehensive plan was developed and adopted after significant study and public participation, the principles, goals, objectives and policies contained therein shall be granted substantial weight when considering any proposed amendment. Therefore, the burden of proof for justifying a proposed amendment rests with the applicant. The approval, modification or denial of an amendment application by the planning commission shall be evaluated on the following criteria:

1. The amendment is necessary to resolve inconsistencies between the comprehensive plan and implementing ordinances, or inconsistencies between the plan or ordinances and local, state or federal mandates.

   Findings: The proposed text amendment does not intend to resolve any inconsistencies between local, state, or federal plans or regulations. Therefore, **this criterion is not applicable**.

2. The amendment of the plan and/or the development regulations will further the implementation of the comprehensive plan and resolve inconsistency between the two in a manner that will not adversely impact the general public health, safety, and/or welfare.

   Findings: The Medical Lake Comprehensive Plan does not specifically address the placement of shipping containers within the City Limits. The current Medical Lake Municipal Code states that shipping containers are prohibited except when used for storage at active construction sites. The proposed text amendment is to allow shipping containers on sites with mini-storage facilities and schools.

   The applicant has stated in his response to the criteria that the “skyrocketing” cost of building supplies has led him and other business owners to prefer shipping containers for storage due to their lower cost. According to the Association of Builders and Contractors, building materials have increased by approximately 40% since the beginning of the pandemic.

   The Comprehensive Plan does not have a goal that specifically pertains to existing businesses. Goals mention an adequate supply of land for new development, the widening

of employment opportunities, and attracting more recreation and tourism businesses. The chapter pertaining to economic development states that an issue for Medical Lake is, "maintaining and enhancing economic vitality." However, this is not expanded upon.

The appearance of the community is a consistent theme throughout the Comprehensive Plan. Goal #1 of the Comprehensive Plan states, "Maintain an attractive and balanced mix of land uses, ensuring the future character of the community." Goal #25 states, "Manage the city's overall image and enhance its overall appearance to convey pride and ownership in the community.

Shipping containers, having been built for durability in transportation, have a very unique look that is difficult to disguise. This aesthetic is considerably different from those businesses and residences in the community. Allowing shipping containers, even if only on sites with mini-storage facilities and schools, has the potential of causing a significant and negative change to the overall appearance of Medical Lake. Hence, this proposal is not further implementing the comprehensive plan and **this criterion is <u>not</u> met.**

3. Conditions have changed so much since the adoption of the comprehensive plan on factors such as, but not limited to population, employment, housing, transportation, capital facilities, or economic conditions that the existing goals, policies, objectives and/or map classifications of the comprehensive plan or development regulations are inappropriate.

Findings: The Medical Lake Comprehensive Plan was updated in 2019. Since that time, Medical Lake, like the rest of the world, has experienced the repercussions of the COVID-19 pandemic. The Comprehensive Plan does not address many of the results from the pandemic. One of these is the economic conditions for construction. The price of materials, delays in supply chains, and labor shortages have led to an increased cost in construction. According to the applicant, "Since 2019 the costs on new buildings and materials has skyrocketed. Lumber up 400%, metal up 250%. Fuel & shipping up 250%. Allowing newer shipping containers for commercial storage purposes help us and small businesses in Medical Lake obtain strong, quality storage units at under half of the cost of new construction." Considering the Comprehensive Plan and Municipal Code were written in better economic times, it is reasonable to look at shipping containers as a cheaper alternative to storage buildings.

However, despite the economic struggles of local businesses to provide storage space at a reasonable price, that does not change the goals in the Comprehensive Plan that speak to appearance of the community. As stated in the findings of criterion #2, there is a running theme in the Comprehensive Plan that demonstrates the importance of attractive appearance to the community. Conditions have not changed in such a way that Medical Lake is willing to forsake its character for the benefit of storage. For these reasons, **the criterion is <u>not</u> met**.

4. Substantial conditions exist where the available supply of forecasted lands for residential, commercial, industrial, recreation or agriculture have been absorbed and there is insufficient land available for a twenty-year supply.

   Findings: The proposed text amendment is not asking to change any zoning designations or increase the amount of land within the city. Hence, there is no change to the 20-year land supply. For this reason, **this criterion is met**.

5. If the comprehensive plan amendment proposal involves extension of water and/or sewer services outside of the urban growth boundary. the following additional criteria must be met:
   a. The proposal must be in response to an immediate threat to public health or safety;
   b. The proposal is necessary for the protection of the aquifer(s) designated pursuant to RCW 36.70.A170; and
   c. The proposal is necessary to maintain existing levels of service in existing urban or suburban developments.

   Findings: The proposed text amendment does not involve the extension of water and/or sewer services outside of the urban growth boundary, therefore, **this criterion is not applicable**.

6. The proposed amendment is consistent with the overall intent of the goals of the comprehensive plan.

   Findings: The Comprehensive Plan does not have a goal that specifically pertains to existing businesses. Goals mention an adequate supply of land for new development, the widening of employment opportunities, and attracting more recreation and tourism businesses. The chapter pertaining to economic development states that an issue for Medical Lake is, “maintaining and enhancing economic vitality.” However, this is not expanded upon.

   The appearance of the community is a consistent theme throughout the Comprehensive Plan. Goal #1 of the Comprehensive Plan states, “Maintain an attractive and balanced mix of land uses, ensuring the future character of the community.” Goal #25 states, “Manage the city’s overall image and enhance its overall appearance to convey pride and ownership in the community.”

   Shipping containers, having been built for durability in transportation, have a very unique look that is difficult to disguise. This aesthetic is considerably different from those businesses and residences in the community. Allowing shipping containers, even if only on sites with mini-storage facilities and schools, has the potential of causing a significant and negative change to the overall appearance of Medical Lake. Hence, this proposal is not further implementing the comprehensive plan and **this criterion is <u>not</u> met.**

7. The proposed amendment is consistent with RCW 36.70A, the Growth Management Act, the county-wide planning policies and applicable multicounty planning policies.

Findings: Neither the Growth Management Act nor the Spokane County Countywide Planning Policies speak directly to the subject of shipping containers. The planning goals of the Growth Management Act states we should, "promote the retention and expansion of existing businesses." The statement of principals in the Countywide Planning Policies speaks to both the unique character of each community and the need to maintain the economic vitality of those communities. The proposed text amendment does not create any inconsistencies with the Growth Management Act or the Spokane County Countywide Planning Policies, therefore, **this criterion is met**.

8. Where an amendment to the comprehensive plan map is proposed, the proposed designation is adjacent to property having a similar and compatible designation.

Findings: The proposal does not include amendments to the comprehensive plan map, therefore, **this criterion is not applicable**.

9. Public facilities, infrastructure and transportation systems are present to serve the intended amendment or provisions have been made in accordance with the comprehensive plan to provide the necessary facilities.

Findings: The proposed text amendment to allow shipping containers on sites with mini-storage facilities or schools, is only applicable on sites that are already developed. The text specifies that the shipping container is an accessory structure, therefore not the primary building on the site. Being accessory in nature, the placement of shipping containers is unlikely to have a significant impact on the public facilities, infrastructure, and transportation system. For these reasons, **this criterion is met**.

10. The proposed amendment is complimentary and compatible with adjacent land uses and the surrounding environment.

Findings: The proposed text amendment is to allow shipping containers on sites with mini-storage facilities or schools. Shipping containers have a unique design as a result of their use in the transportation industry. This steel box aesthetic is difficult to disguise in a community of mainly wood construction. Allowing shipping containers, even if only on sites with mini-storage facilities and schools, is not complimentary to adjacent land uses. For this reason, **this criterion is <u>not</u> met**.

11. The proposed amendment does not adversely affect lands designated as agricultural and/or resource lands of long term commercial significance or critical areas.

Findings: The proposed text amendment is to allow shipping containers on sites with mini-storage facilities or schools. The City of Medical Lake does not have land that is designated agricultural and/or resource lands of long-term commercial significance.

Properties that have critical areas will be subject to chapter 17.10 – Critical Areas of the Medical Lake Municipal Code. Hence, the proposal does not adversely affect these resources and, therefore, **this criterion is met.**

CONCLUSION

The proposed text amendment to allow shipping containers on sites with mini-storage facilities or schools is the applicant's response to increased building material costs. The City recognizes the Comprehensive Plan and the Municipal Code do not take into account changes in the economy due to the COVID-19 pandemic. While sympathizing with local businesses, shipping containers have a distinct industrial look that is not compatible with development in Medical Lake. To allow shipping containers would be in contradiction to the Comprehensive Plan mandate of maintaining an attractive community. For this reason, this application cannot be approved.

RECOMMENDATION

The approval criteria set out in MLMC 17.56.100 have been reviewed and completed. Therefore, the Planning Commission recommends that the City Council deny the proposed text amendment to Section 17.42.030 of the Municipal Code.

ACTION

The City Council may choose to do one of the following:

Deny the proposed text amendment as presented in the staff report.

Approve the proposed text amendment, as written, with a statement of how the approval criteria are met. This will initiate an ordinance to be brought forward at the next meeting.

Approve the proposed text amendment, with changes and a statement of how these changes allow the approval criteria to be met. This will initiate an ordinance to be brought forward at the next meeting.

EXHIBITS (not attached)

A. Application Materials
    1. Letter from Applicant
    2. Proposed Language
    3. SEPA Checklist
    4. Response to Approval Criteria
    5. Zoning Map

B. Public Notifications
    1. Notice of Application, March 8, 2023
    2. Legal Notice, Published in Cheney Free Press on March 9, 2023
    3. Legal Notice, Published in Cheney Free Press on April 13, 2023
    4. Legal Notice, Published in Cheney Free Press on July 27, 2023
    5. Legal Notice, Published in Cheney Free Press on November 30, 2023
    6. Legal Notice, Published in Cheney Free Press on April 25, 2024
C. Meeting Minutes
    1. Planning Commission, December 15, 2022
    2. Planning Commission, January 26, 2023
    3. Planning Commission, February 23, 2023
    4. Planning Commission, March 23, 2023
    5. City Council, April 18, 2023
    6. City Council, May 2, 2023
    7. City Council, June 6, 2023
    8. City Council, August 15, 2023
    9. City Council, October 5, 2023
    10. Planning Commission, October 26, 2023
    11. Planning Commission, December 14, 2023
D. Written Public Comment
    a. Diane Nichols, September 17, 2023
E. SEPA
    1. SEPA Checklist with City Response, March 2, 2023
    2. SEPA MDNS, March 8, 2023
F. Agency Responses
    1. Spokane Regional Health District, March 9, 2023
G. Intent to Adopt
    1. 60-Day Notice of Intent to Adopt, July 11, 2023
H. Staff Report
    1. Staff Report to Planning Commission, March 8, 2023
    2. Staff Report to City Council, April 11, 2023
    3. Staff Report to City Council, August 15, 2023
    4. Staff Report to Planning Commission, October 19, 2023
    5. Staff Report to Planning Commission, December 7, 2023
I. Ordinance
    1. Draft Ordinance 1115, August 15, 2023
    2. Draft Ordinance 1115, October 3, 2023
    3. Draft Ordinance 1115, October 17, 2023

CITY OF MEDICAL LAKE
SPOKANE COUNTY, WASHINGTON
RESOLUTION NO. 24-676

A RESOLUTION OF THE CITY OF MEDICAL LAKE APPROVING A SERVICES AGREEMENT FOR HAZARD MITIGATION PLANNING SERVICES WITH CHLOETA

WHEREAS, on July 23, 2023, House Bill 1181 was passed, opening non-competitive grant funding opportunities through the Department of Commerce ("Commerce") to develop the Growth Management Act ("GMA") climate change and resiliency element requirements within House Bill 1181 and climate related implementation activities ("Project"); and

WHEREAS, the City of Medical Lake ("City") was granted One Hundred Thousand Dollars ($100,000) from Commerce for the Project; and

WHEREAS, on April 16, 2024, the City awarded the Hazard Mitigation Planning Services bid for the Project to Chloeta Holdings, LLC ("Service Provider"), in the amount of Fifty-Nine Thousand Seven Hundred Twenty-Nine and 85/100 Dollars ($59,729.85); and

WHEREAS the Service Provider has described the terms of the parties' agreement as contained in the Master Services Agreement set forth in Exhibit A ("Agreement").

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEDICAL LAKE, WASHINGTON as follows:

Section 1. Award of Contract. The City Council hereby approves the Agreement for Hazard Mitigation Planning Services, as detailed in Exhibit A, in the amount of $59,729.85 plus applicable taxes, between the City and Service Provider.

Section 2. Severability. If any section, sentence, clause, or phrase of this Resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Resolution.

Section 3. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 7th day of May, 2024.

_____
Mayor, Terri Cooper

Attest:

_____
Koss Ronholt, City Clerk

Approved as to Form:

_____
City Attorney, Sean P. Boutz

CHLOETA
701 Cedar Lake Blvd, Suite 320
Oklahoma City, OK 73114
877.245.6382
chloeta.com

MASTER SERVICES AGREEMENT

This MASTER SERVICES AGREEMENT, together with all of its exhibits and attachments (hereinafter, this "**Agreement**") is made, entered into and effective as of the 16th day of April, 2024 (the "**Effective Date**") by and between "**Chloeta**" and "**City**", as set forth below:

"**City**": CITY OF MEDICAL LAKE, WA, for and on behalf in this regard, of any or all of its wholly owned subsidiaries and affiliates.

"**Chloeta**": CHLOETA HOLDINGS, LLC, an Oklahoma limited liability company, for and on behalf in this regard, of any or all of its wholly owned subsidiaries and affiliates.

City and Chloeta are sometimes referred to herein individually as a "**Party**" and sometimes referred to herein collectively as the "**Parties**". City desires to obtain the services of Chloeta described herein, and Chloeta desires to provide such services to City, all on the terms, conditions, and provisions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

1. **Non-Exclusive Agreement**. It is contemplated that from time to time during the term of this Agreement, City may request that Chloeta render the Services (defined below). In the event that Chloeta agrees to undertake the performance of the Services, then Chloeta and City shall confirm acceptance of such request in writing, and the provisions of this Agreement shall govern and be fully applicable to the performance of the Services, and the relationship of the Parties relating to or arising out of the performance of the Services shall be controlled and regulated hereby. It is further expressly agreed that nothing contained in this Agreement shall serve to obligate City to use or engage Chloeta for the Services, nor does it obligate Chloeta to accept any request from City to perform the Services.

2. **Duties of Chloeta**

(a) Services. Chloeta will provide to City those products, labor, work, and services (collectively, the "Services") specifically listed in the written statement of work (hereinafter "SOW") attached hereto as Exhibit "A". In addition, Chloeta will maintain, as applicable, all of its personnel and payroll records, benefits, payroll, withholding and transmittal payroll taxes, make unemployment contributions, and handle unemployment and workers' compensation claims with respect to compensation that Chloeta has agreed to pay its employees.

(b) SOWs. Each SOW shall include, among other things, the term of the SOW, a detailed description of the Services to be performed, rates for compensation for the Services, any reports to be furnished by Chloeta, and performance standards. Each SOW executed hereunder shall be deemed to be a separate and independent agreement between the Parties which incorporates by reference each of the terms and conditions in this Agreement and shall contain such additional terms, conditions, and provisions as Chloeta and City mutually agree upon. In the event of a conflict between the language of

this Agreement and any work order, the language of this Agreement shall govern except only to the extent that specific language of a work order expressly states that is supersedes particular language of this Agreement. Chloeta will submit proposed SOWs to City. City shall indicate its acceptance of a proposed work order by signing and returning a copy to Chloeta within ten (10) days of receipt of the proposed SOW. Chloeta shall not perform any Services for City until a signed SOW is received. City may request changes in the Services set forth in a SOW. The changes shall be binding only if expressly agreed to in a writing signed by both Parties.

(c) **Performance**. Chloeta warrants that the Services contemplated by this Agreement shall be performed or rendered by Chloeta safely and with due diligence, in a good and workmanlike manner, using skilled, competent, and experienced workers, in accordance with good industry practices and in accordance with any specifications or instructions of City. Chloeta further agrees to keep and maintain City's property, both real and personal, in good and clean condition at all times during its performance of the Services.

(d) **Provision of Equipment, Supplies and Training**. Except as set forth in an applicable SOW, Chloeta shall provide its employees and agents with all equipment, facilities, technology, and supplies reasonably necessary for Chloeta's employees or agents to perform the Services as described in the applicable SOW. Chloeta shall train its employees or agents with regard to all Chloeta policies and procedures that will enable them to successfully perform their specific job duties. Additionally, Chloeta will supply and train its employees or agents with regard to City's policies and procedures as they apply to the Services being performed on City's property.

3. **Duties of City**. City will provide to Chloeta, with Chloeta's assistance as needed, an accurate description in the SOW of the material aspects and requirements of the Services. Such description will be provided to Chloeta prior to commencing the Services. Chloeta will not make material changes to any such matters without City's prior written approval. City will also promptly provide all information and take such other actions, including reasonable access to City's premises, as are reasonably necessary to assist or enable Chloeta to perform the Services. In performing its obligations under this Agreement, City agrees and understands that "time is of the essence" and that City's performance of its obligations is necessary to enable Chloeta to perform under this Agreement. City agrees that if City does not perform its obligations under this Agreement and such non-performance affects Chloeta's ability to perform, Chloeta shall not be considered in default under this Agreement to the extent so affected, and City shall remain fully obligated to pay Chloeta as provided in this Agreement regardless of any failure to perform any services so affected.

4. **Mutual Duties**

(a) **Cooperation**. The Parties agree to cooperate fully with each other in the investigation and resolution of any formal or informal complaints, allegations, claims, accidents, injuries, actions, or proceedings which may be brought by or involve either of the Parties or otherwise relate to the Services. The Parties agree to immediately notify each other of any such event occurring while the Services are being performed.

(b) **Confidentiality**. Each Party will at all times, during the term of this Agreement and for a period of one (1) year thereafter, keep in confidence all of the other Party's Confidential

Information (as defined herein), and will not use such Confidential Information without the other Party's prior written consent. Neither Party will disclose the other Party's Confidential Information to any person except to whom it is necessary to disclose the Confidential Information for purposes permitted under this Agreement and who have agreed to receive it under terms at least as restrictive as those specified in this Agreement. Each Party will take reasonable measures to maintain the confidentiality of the other Party's Confidential Information, but never less than the standard of care that an ordinarily prudent business would exercise to maintain the secrecy of its own confidential information. Each Party will immediately give notice to the other Party of any unauthorized use or disclosure of the other Party's Confidential Information of which it becomes aware. Each Party will return (or, if requested, destroy) the Confidential Information of the other upon termination of this Agreement or at the termination of the work under a given SOW, or upon request. For purposes of this Agreement, "Confidential Information" means any and all technical and non-technical information, including, but not limited to, trade secrets, marketing or business plans or financial, contractual or personnel matters relating to either Party or its present or future products, sales, suppliers, customers, employees, investors or affiliates and disclosed or otherwise supplied in confidence by either Party to the other Party. Confidential Information will not include information to the extent that: (i) such information is or becomes publicly available other than through any act or omission of either Party in breach of this Agreement; (ii) such information was received by the receiving Party, other than under an obligation of confidentiality, from a third Party who had no obligation of confidentiality to the other Party; (iii) such information was in the possession of the receiving Party at the time of the disclosure or was independently developed by the receiving Party; or (iv) any applicable regulation, court order or other legal process requires the disclosure of such information, provided that prior to such disclosure the disclosing Party will give notice to the other Party so that the other Party may take reasonable steps to oppose or limit such disclosure, and that the disclosing Party does not disclose any more information than necessary to comply with such legal process.

5. **Payment**

(a) **Payment**. City agrees to pay Chloeta for the Services hereunder at the rates or on the basis set forth on each SOW and also agrees to pay any additional costs or fees as set forth in this Agreement. Except as otherwise set forth in the applicable SOW, Chloeta will invoice City monthly at the address set forth above or provided in the applicable SOW, and payment from City will be due within thirty (30) days of receipt of such invoice. City will pay interest to Chloeta for any balance unpaid after thirty (30) days at a rate of one and one-half percent (1.5%) per month on the outstanding balance due or at the highest rate of interest allowed by law, whichever is less. In the event of a dispute, City shall notify Chloeta in writing within twenty (20) days of receipt of Chloeta's invoice. The Parties agree to cooperate in order to resolve any disputed invoice. If the Parties are unable to resolve the dispute within twenty (20) days of City's notice of dispute, the issue shall be escalated to senior executives of both Parties who shall cooperate, in good faith, to attempt to resolve the dispute. Notwithstanding the foregoing, no payment of any amount, disputed or undisputed, shall operate as a waiver of any of City's rights, including the right to later contest such payment and obtain reimbursement.

(b) **Reimbursement for Expenses**. In the event that Chloeta is required to incur business expenses for the Services, such expenses will be presented to City, and upon City's approval, Chloeta will be reimbursed by City in an amount equal to the pre-approved expenses incurred.

(c) **Taxes.** In connection with the Services or the performance of this Agreement, Chloeta agrees to pay: (1) all taxes, licenses and fees levied or assessed on Chloeta or the provision of the Services by any governmental agency, including, without limitation, any sales, use, excise or other taxes thereon or in connection therewith, (2) unemployment compensation insurance, (3) old age benefits, (4) social security, and (5) any other taxes upon the compensation of Chloeta, its agents, employees and representatives (with (1) through (5) collectively referred to as the "Taxes"). Chloeta shall pay, report and remit all Taxes in accordance with applicable laws and regulations. Chloeta agrees to reimburse City on demand for all such Taxes (and all interest and penalties with respect thereto) that City may be required or deem it necessary to pay on account of Chloeta. Chloeta agrees to furnish City with the information required to enable it to make the necessary reports and to pay such Taxes or charges.

6. **Term and Termination**

(a) **Term**. This Agreement will begin on the Effective Date and will continue in force until it is terminated pursuant to this Section 6. Notwithstanding anything to the contrary in this Section 6, this Agreement shall continue in effect during the existence of any SOWs.

(b) **Termination for Convenience**. Either Party may terminate this Agreement for any reason upon thirty (30) days' prior written notice to the other Party.

(c) **Termination for Cause**. Notwithstanding any other provision of this Agreement, either Party may terminate this Agreement immediately upon written notice in the event the other Party declares or becomes bankrupt or insolvent, dissolves or discontinues operations, fails to make any payments within the time periods specified in this Agreement, or breaches any provision in this Agreement and fails to cure such event within fifteen (15) days of receipt of such notice.

(d) **Effect of Termination**. Upon termination of this Agreement, Chloeta will promptly provide an invoice to City for the outstanding balance due to Chloeta for the Services provided by Chloeta under this Agreement. City will pay all amounts set forth on the invoice within forty-five (45) days of receipt.

7. **Indemnification**

(a) City assumes full responsibility for and agrees to release, protect, defend, indemnify and hold harmless Chloeta, its directors, officers, managers, employees and agents (collectively, the "**Chloeta Indemnitees**") from and against every demand, claim, suit, cause of action, judgment, loss, liability, indemnity obligation, expense, interest, legal fee, fine, penalty, assessment, lien and damage (whether in law or in equity and whether general, special, penal or statutory) (collectively, "**Losses**") of every kind and character which directly or indirectly results from, or arises in connection with, (i) any failure on the part of City to comply with its obligations under this Agreement and any particular SOW hereunder, or (ii) any negligent act or omission of City, its agents, or employees, pertaining to its obligations under this Agreement and any particular SOW hereunder; provided, however, City's responsibility for, and agreement to, release, protect, defend, indemnify and hold harmless the Chloeta Indemnitees shall not extend to Losses resulting from the willful misconduct or gross negligence of a Chloeta Indemnitee.

(b) City assumes full responsibility for and agrees to release, waive, protect, defend, indemnify and hold harmless the Chloeta Indemnitees from and against Losses of every kind and character arising out of injury, illness, disability, or death of any employee or independent contractor of Chloeta and any loss, destruction or damage to Chloeta's property arising out of, in connection with, incident to or resulting directly or indirectly from (i) any known or unknown defects or pre-existing conditions on any premises owned, leased, or controlled by City, or (ii) any negligent act or omission of City, its agents, or employees, pertaining to its obligations under this Agreement and any particular SOW hereunder; provided, however, City's responsibility for, and agreement to, release, protect, defend, indemnify and hold harmless the Chloeta Indemnitees shall not extend to Losses resulting from the willful misconduct or gross negligence of a Chloeta Indemnitee.

(c) Chloeta will indemnify and hold City harmless from any and all Losses caused by, resulting from, or alleging (i) gross negligence or willful misconduct of Chloeta or any employee or contractor of Chloeta, or (ii) any failure on the part of Chloeta to comply with its obligations under this Agreement and any particular SOW hereunder.

(d) The Parties agree that this Section 7 is the complete agreement between them with respect to any possible indemnification claim and waive their right to assert any common law indemnification or contribution claim against the other. The Parties each agree to promptly inform the other after its receipt of any claim, demand, or notice for which indemnification hereunder may be sought, and to cooperate in the investigation and defense of any such claim, demand, or notice; provided, however, that the indemnitee shall have the right to approve the indemnitor's selection of counsel, such approval not to be unreasonably withheld. Additionally, the indemnification obligations of this Agreement are intended to comply with applicable laws. To the extent the indemnification provisions in this Agreement are found to violate any applicable law, or in the event any applicable law is enacted or amended so as to cause these provisions to be in violation therewith, this Agreement shall automatically be amended to provide that the indemnification provided hereunder shall extend only to the maximum extent permitted by the applicable law, but not so as to exceed the express provisions in this Agreement.

8. **Limitation of Liability; Disclaimer of Warranties**. **UNLESS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, INCLUDING LOST PROFIT, REGARDLESS OF HOW CHARACTERIZED AND EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHICH ARISE FROM THE PERFORMANCE OF THIS AGREEMENT OR IN CONNECTION WITH THIS AGREEMENT, AND REGARDLESS OF THE FORM OF ACTION (WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE). IN THE EVENT CHLOETA IS HELD LIABLE FOR ITS ACTIONS UNDER THIS AGREEMENT, THEN THE AGGREGATE AMOUNT OF ALL SUCH DAMAGES THAT ARISE OUT OF, OR RELATE TO, ANY AND ALL EVENTS AND OCCURRENCES SHALL NOT UNDER ANY CIRCUMSTANCE EXCEED THE GREATER OF (I) AN AMOUNT EQUAL TO THE LIMITS OF A COVERED INSURANCE CLAIM MADE BY CHLOETA TO ITS INSURANCE PROVIDER PURSUANT TO THE INSURANCE REQUIREMENTS CONTAINED IN SECTION 10(M), OR (II) THE AGGREGATE AMOUNT OF FEES PAID TO CHLOETA FOR THE TWELVE (12) MONTH PERIOD PRIOR TO THE DATE OF SUCH CLAIM**.

CHLOETA EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, WITHOUT LIMITATION, THOSE OF MERCHANTABILITY AND SUITABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE OR USE.

9. **Independent Contractor**. In the performance of the Services, Chloeta shall be deemed to be an independent contractor. City shall designate the Services it desires to be performed and the ultimate results to be obtained but shall leave to Chloeta the methods and details of performance, City being interested only in the results obtained, and having no control over the manner and method of performance. It is the understanding and intention of the Parties that no relationship of master and servant, joint venture partner, agency or otherwise shall exist between City and Chloeta. Notwithstanding the foregoing: (a) City shall not be precluded from asserting any borrowed employer or statutory employer defense, exclusive remedy defense available to a premises owner, or other defenses that may exist, and (b) all Services shall meet the approval of City and shall be subject to the general right of inspection. Chloeta's employees are not entitled to participate in any of City's benefit plans or programs. City will not offer or promise any Chloeta employee compensation or benefits under any City-provided plan or program and will exclude Chloeta's employees from any City-provided plan or program.

10. **Miscellaneous**

(a) Compliance with Law. The Parties shall comply with all applicable federal, state, and local laws and regulations governing the Services, this Agreement, and their businesses generally.

(b) Survival of Certain Provisions. Except as expressly set forth herein, those provisions of this Agreement which by their terms extend beyond the termination or non-renewal of this Agreement will remain in full force and effect and survive such termination or non-renewal.

(c) Severability. In the event that any sections, paragraphs, sentences, clauses or phrases of this Agreement shall be found invalid, void and/or unenforceable, for any reason, neither this Agreement generally nor the remainder of this Agreement shall thereby be rendered invalid, void and/or unenforceable, but instead each such provision and (if necessary) other provisions hereof, shall be reformed by a court of competent jurisdiction so as to effect, insofar as is practicable, the intention of the parties as set forth in this Agreement, and this Agreement shall then be enforced as so reformed. Notwithstanding the preceding sentence, if such court is unable or unwilling to affect such reformation, the remainder of this Agreement shall be construed and given effect as if such invalid, void and/or unenforceable provisions had not been a part hereof.

(d) Entire Agreement and Amendment. This Agreement and the exhibits attached hereto contain the entire understanding between the Parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof. In the event of any conflict between the provisions hereof and any prior or subsequent oral or written work order, statement of work, purchase order, material requisition, invoice, or other agreement between the Parties, the provisions of the Agreement shall control, unless expressly modified by a subsequent written document specifying the particular areas to be revised and signed by each Party' s duly authorized representative. No provision of this Agreement may be amended or waived unless such amendment or waiver is agreed to in writing signed by both Parties.

(e) **Interpretation**. The headings of the sections of this Agreement are inserted solely for the convenience of reference. The headings will in no way define, limit, extend or aid in the construction of the scope, extent or intent of this Agreement. The rule of construction that ambiguities in an agreement are to be construed against the drafter will not be invoked or applied in any dispute regarding the meaning or interpretation of any provision of this Agreement.

(f) **Waiver**. The failure of a Party to enforce the provisions of this Agreement will not be construed as a waiver of any provision or the right of such party thereafter to enforce any provision of this Agreement.

(g) **Assignment**. Neither Party may, directly or indirectly, in whole or in part, neither by operation of law or otherwise, assign or transfer this Agreement or delegate any of its obligations under this Agreement without the other party's prior written consent. Notwithstanding the foregoing, City may assign this Agreement to a subsidiary or to an affiliated entity under common control (common control meaning City has the ability to vote and control the actions of such subsidiary or affiliate). This Agreement will be binding upon and inure to the benefit of the Parties and their permitted successors and assigns.

(h) **Counterparts.** This Agreement may be signed in one or more counterparts including via facsimile or email, or by electronic signature in accordance with Oklahoma law, all of which shall be considered one and the same agreement, binding on all parties hereto, notwithstanding that both Parties are not signatories to the same counterpart. A signed facsimile or photocopy of this Agreement shall be binding on the parties to this Agreement.

(i) **Notices.** Any notice or communication required or permitted to be given under this Agreement shall be served personally, sent by United States certified mail or sent by email to the following address:

If to City:
CITY OF MEDICAL LAKE
124 S Lefevre St
PO Box 369
Medical Lake, WA 99022-0369
Attn:_____
Email: _____

If to Chloeta:
Chloeta Holdings, LLC
701 Cedar Lake Blvd, Suite 320
Oklahoma City, OK 73114
Attn: Chet Dodrill, Vice President, Contract Administration
Email: chet.dodrill@chloeta.com

Any change to the notice address listed above must be given to the other Party in the same manner as described in this Section 10(i). The date of notice shall be the date of delivery if the notice is personally delivered, the date of mailing if the notice is sent by United States certified mail or the date of transmission

if the notice is sent by email. Each Party agrees to maintain evidence of the respective notice method utilized.

(j) Force Majeure. Neither Party will be responsible for failure or delay in performance hereunder if the failure or delay is due to labor disputes, strikes (including but not limited to strikes of Chloeta and/or City), fire, riot, war, terrorism, pandemic, acts of God or any other causes beyond the control of the non-performing party.

(k) Choice of Law and Venue. This Agreement will be governed in all respects, including validity, construction, interpretation and effect by the laws of the State of Oklahoma, without regard to its conflicts of law principles. The Parties hereto consent to the jurisdiction of any state or federal court in the district in which Oklahoma City, Oklahoma, is located for the resolution of any dispute arising from this Agreement.

(l) Insurance.

(i) Chloeta. At all times during the term of this Agreement, Chloeta shall procure and maintain commercial general liability insurance covering itself and its employees and agents providing services pursuant to the Agreement on an occurrence basis in the minimum amounts of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) annual aggregate of all claims. Chloeta shall also maintain professional liability insurance coverage on an occurrence basis for its employees and agents providing services hereunder with minimum limits of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) annual aggregate. Chloeta shall maintain Worker's Compensation coverage equal to statutory limits for its employees performing services pursuant to this Agreement. Upon request, Chloeta shall provide City a certificate of insurance evidencing that such coverage is in effect during the term of this Agreement.

In the event Chloeta procures insurance coverage which is not on an occurrence basis, Chloeta shall at all times, including without limitation, after the expiration or termination of this Agreement for any reason, maintain professional liability insurance coverage for any liability directly or indirectly resulting from the provision of Services pursuant to this Agreement by Chloeta or Chloeta's employees or agents, or acts or omissions of Chloeta or Chloeta's employees or agents, occurring in whole or in part during the term of this Agreement (hereinafter "**continuing coverage**"). Chloeta may procure such continuing coverage by obtaining subsequent policies which have a retroactive date of coverage equal to the Effective Date of this Agreement, by obtaining an extended reporting endorsement applicable to the insurance coverage maintained by Chloeta during the term of this Agreement, or by such other methods acceptable to City.

(ii) City. At all times during the term of this Agreement, City shall procure and maintain commercial general liability insurance, or self-insurance, covering itself and its employees and agents providing services pursuant to the Agreement on an occurrence basis in the minimum amounts of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) annual aggregate of all claims. City shall also maintain adequate property casualty and Worker's Compensation coverage.

(m) Affirmative Action Statement. City and all covered subcontractors shall abide by the requirements of 29 CFR Part 741, 41 CFR § 60-1.4(a), Appendix A to Subpart A, 60-

300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

(n) **Referrals**. The Parties acknowledge that none of the benefits granted to either Party hereunder are conditioned on any requirement that either Party make referrals or be in a position to make or influence referrals to, or otherwise generate business for, the other Party. The Parties further acknowledge that neither Party is restricted from establishing staff privileges at, referring any service to, or otherwise generating any business for any other entity of the other Party's choosing.

Signature page follows this page.

CHLOETA
701 Cedar Lake Blvd, Suite 320
Oklahoma City, OK 73114
877.245.6382
chloeta.com

IN WITNESS WHEREOF, this Agreement has been duly executed by authorized signatories of the Parties on the dates set forth below.

"CHLOETA" CHLOETA HOLDINGS, LLC, an Oklahoma Limited Liability Company

By: _____

Name: Chet Dodrill

Title: Vice President, Contract Administration

"CITY" CITY OF MEDICAL LAKE

By: _____

Name: _____

Title: _____

CHLOETA
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Oklahoma City, OK 73114
877.245.6382
chloeta.com

EXHIBIT "A"

STATEMENT OF WORK

This SOW, effective as of the date set forth below, is incorporated in and shall be attached to that certain Master Services Agreement entered into by and between CHLOETA HOLDINGS, LLC, an Oklahoma limited liability Chloeta ("**Chloeta**") and CITY OF MEDICAL LAKE, WA ("**City**") as of 16 April 2024 (the "**Agreement**").

City and Chloeta are sometimes referred to herein individually as a "**Party**" and sometimes referred to herein collectively as the "**Parties**".

Effective Date: 16th day of April, 2024

Service Description/Scope: The City is contracting with Chloeta to prepare a Hazard Mitigation Plan for the City. The Hazard Mitigation Plan is being funded through Washington's Climate Commitment Act. The plan will be part of the newly required climate resiliency element, which will be incorporated into the Medical Lake Comprehensive Plan through the mandatory update process. The consultant will need to identify and organize an advisory team to discuss and define goals, objectives, and initiatives that address a comprehensive risk assessment, hazard mitigation strategy, and response/recovery framework and process directly related to the Medical Lake community.

Scope of Work:

1. Understand Exposure
1.1. Identify Community Assets
1.2. Explore Potential Hazards: Gather Climate Data
1.3. Identify Potential Hazards for Each Asset
1.4. Describe Potential Consequences
1.5. Identify Priority Hazards
1.6. Public Comment via Public Engagement Plan
1.7. Report to Planning Commission
1.8. Submit memo summarizing completion

2. Understand Vulnerability
2.1. Assess Asset Sensitivity
2.2. Assess Asset Adaptive Capacity
2.3. Assess Vulnerability
2.4. Assess Risk
2.5. Public Comment via Public Engagement Plan
2.6. Report to Planning Commission
2.7. Submit memo summarizing completion

CHLOETA
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Oklahoma City, OK 73114
877.245.6382
chloeta.com

3. Audit Plans and Policies
3.1. Review Existing Plans for climate gaps and opportunities
3.2. Public Comment via Public Engagement Plan
3.3. Report to Planning Commission
3.4. Public Engagement Plan
3.5. Submit memo summarizing completion

4. Explore Solutions
4.1. Develop List of Strategies to Reduce Risk
4.2. Investigate options
4.3. Evaluate potential solutions
4.4. Public Comment via Public Engagement Plan
4.5. Prioritize solutions
4.6. Report to Planning Commission
4.7. Submit memo summarizing completion

5. Mitigation Strategies
5.1. Develop Goals and Policies
5.2. Develop Hazard Mitigation Plan
5.3. Public Comment via Public Engagement Plan
5.4. Report to Planning Commission
5.5. Submit memo summarizing completion

Term: The period during which Chloeta shall perform the Services shall commence on the 22nd day of April, 2024 and shall terminate on the 15th day of June, 2025 (the "**SOW Term**"). However, both Parties shall recognize the possibility that the SOW Term may be revised based on City's or Chloeta's circumstances or other situations that may arise. Further, any extension of the SOW Term beyond 15 June, 2025 be determined upon consultation between the Parties and shall be agreed upon in writing.

Fees: Chloeta will invoice for this project monthly based upon percentage of the project completed, not to exceed **$59,729.85.**

Invoice and Payment: Pursuant to section 5(a) of the Services Agreement entered into between the parties, Chloeta will invoice City monthly, and payment from City will be due within thirty (30) days of receipt of such invoice. City will pay interest to Chloeta for any balance unpaid after thirty (30) days at a rate of one and one-half percent (1.5%) per month on the outstanding balance due or at the highest rate of interest allowed by law, whichever is less. In the event that Chloeta is required to incur business expenses for the Services, such expenses will be presented to City, and upon City's approval, Chloeta will be reimbursed by City in an amount equal to the pre-approved expenses incurred.

Exhibit "A": SOW

CHLOETA
701 Cedar Lake Blvd, Suite 320
Oklahoma City, OK 73114
877.245.6382
chloeta.com

Additional Services: Any additional services shall be separately requested in writing by City and separately invoiced by Chloeta in accordance with the terms agreed to and acknowledged by the Parties in a separate written Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to enter into this SOW, effective on the Effective Date set forth above.

"CHLOETA"	**CHLOETA HOLDINGS, LLC, an Oklahoma Limited Liability Company**	
	By:	_____
	Name:	Chet Dodrill
	Title:	Vice President, Contract Administration
"CITY"	**CITY OF MEDICAL LAKE, WA**	
	By:	_____
	Name:	_____
	Title:	_____

Exhibit "A": SOW

CITY OF MEDICAL LAKE
SPOKANE COUNTY, WASHINGTON
RESOLUTION NO. 24-677

A RESOLUTION OF THE CITY OF MEDICAL LAKE APPROVING AN AGREEMENT FOR SERVICES WITH TREELINE CONTRACTING LLC FOR THE CITY OF MEDICAL LAKE, WASHINGTON

WHEREAS, the City of Medical Lake ("City") desires to provide a dock at Coney Island Park as a recreational service; and

WHEREAS, City Staff recommends outsourcing construction of this service to Treeline Contracting, LLC ("Operator"); and

WHEREAS, the City and Operator have set for the terms and conditions of the parties' agreement contained in Exhibit A ("Agreement").

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEDICAL LAKE, WASHINGTON as follows:

Section 1. Approval of Agreement. The City Council hereby approves the Agreement in the form attached to this Resolution as Exhibit "A", and by reference incorporated herein.

Section 2. Authorization. The Mayor is authorized and directed to execute the Agreement on behalf of the City in substantially the form attached as Exhibit "A". The Mayor and Finance Director/City Clerk are each hereby authorized and directed to take such further action as may be appropriate in order to affect the purpose of this Resolution and the Agreement authorized hereby.

Section 3. Severability. If any section, sentence, clause, or phrase of this Resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Resolution.

Section 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 7th day of May, 2024.

_____
Mayor, Terri Cooper

Attest:

_____
Finance Director, Koss Ronholt

Approved as to Form:

_____
City Attorney, Sean P. Boutz

AGREEMENT FOR SERVICES

THIS AGREEMENT FOR SERVICES ("Agreement") is made by and between the City of Medical Lake, a municipal corporation, hereinafter referred to as "City," and Treeline Contracting, LLC, hereinafter referred to as "Service Provider," jointly referred to as "Parties."

IN CONSIDERATION of the terms and conditions contained herein the Parties covenant and agree as follows:

1. **Services to be Performed**. The Service Provider will provide all labor, services, equipment, and material to satisfactorily complete the Scope of Services, which is attached hereto as "Exhibit A." Scheduling of the Scope of Services shall be coordinated with and approved by the City prior to commencement of such services.

    a. **Administration.** The Mayor or his/her designee, shall administer this Agreement and be the primary contact on behalf of the City. Service Provider shall commence work and perform the tasks as described in the Scope of Services and shall promptly cure any failure in performance under this Agreement.

    b. **Representations.** The City has relied upon the qualifications of the Service Provider in entering into this Agreement. By execution of this Agreement, Service Provider represents it possesses the materials, equipment, experience, ability, skill, and resources necessary to perform the services, as described in the Scope of Services, and is familiar with all current laws, rules, and regulations which reasonably relate to the Scope of Services. No substitutions of personnel shall be made without the express written consent of the City.

    c. **Modifications. Amendments.** No modification or amendment to this Agreement shall be valid until the same is reduced to writing and executed with the same formalities as this Agreement. The Parties understand that the Scope of Services is a "living document" and may be amended, as mutually agreed upon by the Parties or as required by other factors.

2. **Term of Agreement.** Unless otherwise terminated as provided for herein, this Agreement shall be in full force and effect upon execution by the Parties and shall remain in effect until completion of all requirements herein.

    Either Party may terminate this Agreement for any reason, with or without cause, by providing ten (10) days written notice to the other party. In the event of such termination, the City shall pay the Service Provider for all services previously authorized and satisfactorily performed prior to the termination date.

3. **Payment**. The City agrees to pay Service Provider a sum not to exceed that set forth in Exhibit A for all Scope of Services to be performed under this Agreement, or as otherwise provided for in this Agreement, unless mutually agreed by the Parties in writing, after receipt of an invoice(s) for all completed services.

4. **Notice.** Notice shall be given in writing or electronically through email as follows:

CITY:	**SERVICE PROVIDER**
City of Medical Lake Mayor Terri Cooper 509-565-5030 P.O. Box 369 Medical Lake, WA 99022	Treeline Contracting, LLC Adam Archambault TreelineContracting@hotmail.com 509-215-0658 PO Box 1477 Airway Heights, WA 99001

5. **Applicable Laws and Standards.** The Parties, in the performance of this Agreement, agree to comply with all applicable Federal, State, Local Laws, ordinances, and regulations.

6. **Relationship of the Parties.** It is understood, agreed, and declared that the Service Provider shall be an independent contractor and not the agent, employee, servant, or otherwise of the City. It is further understood, agreed, and declared that the City is interested in only the results to be achieved and that the right to control the particular manner, method and means in which the services are performed is solely within the discretion of the Service Provider. Any and all employees who provide services to the City under this Agreement shall be deemed employees solely of the Service Provider. The Service Provider shall be solely responsible for the conduct and actions of all employees under this Agreement and any liability that may attach thereto.

7. **Ownership of Documents.** All drawings, plans, specifications, and other related documents prepared by the Service Provider under this Agreement are and shall be the property of the City.

8. **Records.** The City or State Auditor any of its' representatives, shall have full access to and the right to examine during normal business hours any and all of the Service Provider's records with respect to all matters covered in this Agreement. Such representatives shall be permitted to audit, examine, and make excerpts or transcripts from such records and to make audits of all contracts, invoices, materials, payrolls and records of matters covered by this Agreement for a period of three (3) years from the date final payment is made hereunder.

9. **Insurance.** The Service Provider shall furnish and maintain all insurance as required herein and comply with all limits, terms and conditions stipulated therein, at their expense, for the duration of this Agreement. Following is a list of requirements for this Agreement: Any exclusion that may restrict the required coverage must be pre-approved by the City. The Service Provider's insurer shall have a minimum A.M. Best's rating of A-VII and shall be authorized to do business in the State of Washington. Evidence of such insurance shall consist of a completed copy of certificate of insurance, copies of required policy endorsement(s) and Service Provider's proof of industrial injury/illness insurance coverage. The insurance policy or policies will not be canceled, materially changed or altered without at least thirty (30) days prior notice submitted to the City with whom the contract is executed. The policy shall be endorsed and the certificate of insurance shall reflect that the City of Medical Lake is an additional named insured on the Service Provider's general liability policy with respect to activities under the contract.

   The policy shall provide and the certificate of insurance shall reflect that the insurance afforded applies separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability and also reflect that the insurance afforded therein shall be primary insurance and any insurance or self-insurance carried by the City shall be excess and not contributory insurance to that provided by the Service Provider.

   The Service Provider shall not commence work, nor shall the Service Provider allow any subcontractor to commence work on any subcontract until all required evidence of insurance, meeting the requirements set forth herein, has been approved by the City and filed with the City with whom the contract is executed.

   Upon request, the Service Provider shall forward to the City the original policy, or endorsement obtained, to the Service Provider's policy in force for any period within the effective dates required under the terms of the contract.

   Failure of the Service Provider to fully comply with the insurance requirements set forth herein, during the term of the Agreement, shall be considered a material breach of contract and cause for immediate termination of the Agreement at the City's discretion. Providing coverage in the amounts listed shall not be construed to relieve the Service Provider from Liability in excess of such amounts.

   REQUIRED COVERAGE: The insurance shall provide the minimum coverage as set forth below:

   a. **GENERAL LIABILITY INSURANCE**: The Service Provider shall have Commercial General Liability with limits of $1,000,000.00 per occurrence, which includes general aggregate, products, completed operation, personal injury, fire damages, and medical expenses.

ADDITIONAL INSURED: The Service Provider's general liability insurance policy must provide that the City of Medical Lake be specifically named additional insured(s) for all coverage provided by the Service Provider's general liability insurance policy and shall be fully and completely protected from all claims. Proof of Additional Insured status shall be submitted in the following ways:

- Forward the insurance policy language that provides "Blanket additional insured status through contract or to government agencies or,
- A copy of the general liability additional insured endorsement that names "City of Medical Lake, It's officers, Agents, and Employees" as additional Insured.

b. **WORKERS' COMPENSATION**: When the Service Provider has employees of the company, the Service Provider shall carry Worker's Compensation Industrial Injury Insurance coverage and effective in Washington State. Proof of insurance shall be reflected on the Service Provider's Certificate of Insurance or by providing the Service Provider's State Industrial Account Identification Number.

10. **Indemnification.** Each party agrees to be responsible and assume liability for its own wrongful and/or negligent acts or omissions or those of their officials, officers, agents, or employees to the fullest extent required by law, and further agree to save, indemnify, defend, and hold the other party harmless from any such liability. It is further provided that no liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

    Service Provider further agrees that this duty to indemnify the City applies regardless of any provisions in RCW Title 51 to the contrary, including but not limited to any immunity of the Service Provider for liability for injuries to the Service Provider's workers and employees, and the Service Provider hereby waives any such immunity for this duty to indemnify the City.

11. **Waiver.** No officer, employee, agent or other individual acting on behalf of either party has the power, right or authority to waive any of the conditions or provisions of this Agreement. No waiver in one instance shall be held to be waiver of any other subsequent breach or nonperformance. All remedies afforded in this Agreement or by law, shall be taken and construed as cumulative and in addition to every other remedy provided herein or by law. Failure of either party to enforce at any time any of the provisions of this Agreement or to require at any time performance by the other party of any provision hereof shall in no way be construed to be a waiver of such provisions nor shall it affect the validity of this Agreement or any part thereof.

12. **Assignment and Delegation.** Neither party shall assign, transfer or delegate any or all of the responsibilities of this Agreement or the benefits received hereunder without first obtaining the written consent of the other party.

13. **Subcontracts.** Except as otherwise provided herein, the Service Provider shall not enter into subcontracts for any of the services to be performed under this Agreement without obtaining express written approval from the City.

14. **Confidentiality.** Service Provider may from time to time receive information which is deemed by the City to be confidential. Service Provider shall not disclose such information without the express written consent of the City or upon order of a Court of competent jurisdiction.

15. **Governing Law; Jurisdiction and Venue.** This Agreement is entered into in Spokane County, Washington. This Agreement is to be governed by and construed in accordance with the Laws of the State of Washington. The Parties hereby agree that venue shall be in Spokane County, Washington, State of Washington.

16. **Cost and Attorney's Fees.** In the event a lawsuit is brought with respect to this Agreement, the prevailing party shall be awarded its costs and attorney's fees in the amount to be determined by the Court as reasonable. Unless provided otherwise by the statute, Service Provider's attorney fees payable by City shall not exceed the total sum amount paid under this Agreement.

17. **Entire Agreement.** This written Agreement, together with any Exhibits hereto, constitutes the entire and complete understanding and agreement between the Parties respecting the subject matter hereof and cancels and supersedes any and all prior and contemporaneous negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter. The Parties understand and agree that this Agreement may not be changed, modified, or altered except in writing signed by the Parties hereto. No agreement or understanding varying or extending this Agreement will be binding upon either Party, unless set forth in writing which specifically refers to the Agreement that is signed by duly authorized officers or representatives of the respective Parties, and the provisions of the Agreement not specifically amended thereby will remain in full force and effect.

18. **Anti-kickback**. No officer or employee of Parties, having the power or duty to perform an official act or action related to this Agreement, shall have or acquire any interest in this Agreement, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from any person with an interest in this Agreement.

19. **Business License.** Service Provider shall, prior to performance of any work under this Agreement, apply for and obtain all business licenses necessary to operate in Spokane County, as applicable (please contact the Washington State Department of Licensing at (360) 664-1400 or online at www.dol.wa.gov for more info).

20. **Non-waiver**. Any waiver of the terms and conditions hereof must be explicitly in writing.

21. **Severability.** Should any section, or portion thereof, of this Agreement be held invalid by reason of any law, statute, or regulation existing now or in the future in any jurisdiction by any court of the competent authority or by a legally enforceable directive of any governmental body, such section or portion thereof will be validly referred so as to approximate the intent of the Parties as nearly as possible and, if unreformable, will be deemed divisible and deleted with respect to such jurisdiction, but the Agreement will not otherwise be affected.

22. **Force Majeure.** Neither Party will be held responsible for delay or failure to perform hereunder when such delay or failure is due to fire, flood, riot, epidemic, pandemic, acts of God or under the public enemy, acts of terrorism, acts of war, unusually severe weather, legal acts of public authorities, public carries, or other circumstances which cannot be forecast or provided against.

23. **Time is of the Essence.** Time is and will be of the essence for each term and provision of this Agreement.

24. **Headings.** All headings appearing in this Agreement have been inserted solely for convenience and ready reference. They do not define, limit, or extend the scope or intent of any sections to which they pertain.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement this _____ day of May, 2024.

CITY OF MEDICAL LAKE

By: _____

Terri Cooper, Mayor

TREELINE CONTRACTING, LLC

By: _____

Its: _____

ORDINANCE NO. 1124
CITY OF MEDICAL LAKE
SPOKANE COUNTY, WASHINGTON

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MEDICAL LAKE WASHINGTON, GRANTING THE RIGHT OF FRANCHISE TO ZIPLY FIBER PACIFIC, LLC, A STATE OF WASHINGTON CORPORATION, FOR THE OPERATION OF A TELECOMMUNICATIONS SYSTEM IN THE CITY OF MEDICAL LAKE.

WHEREAS, Ziply Fiber Pacific, LLC, a Delaware limited liability company ("Grantee") has applied to the City of Medical Lake ("City") for a non-exclusive Franchise for the right of entry, use, and occupation of certain public right(s)-of-way within the City, expressly to install, construct, erect, operate, maintain, repair, relocate and remove its facilities in, on, over, under, along and/or across those right(s)-of-way; and

WHEREAS, following proper notice, the City Council held a public hearing on Grantee's request for a Franchise, at which time representatives of Grantee and interested citizens were heard in a full public proceeding affording opportunity for comment by any and all persons desiring to be heard; and

WHEREAS, from information presented at such public hearing, and from facts and circumstances developed or discovered through independent study and investigation, the City Council now deems it appropriate and in the best interest of the City and its inhabitants that the franchise be granted to Grantee,

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL BENEFITS AND THE TERMS AND CONDITIONS OF THE BELOW FRANCHISE AGREEMENT, THE CITY COUNCIL OF THE CITY OF MEDICAL LAKE, WASHINGTON, DO ORDAIN as follows:

Section 1. Definitions

For the purpose of this Franchise, and all exhibits attached hereto (if any), the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined shall be given their common and ordinary meaning.

"City" means the City of Medical Lake, a code city of the State of Washington, and its successors and assigns.

“City Code” means the City of Medical Lake Municipal Code.

“Days” means calendar days.

"Emergency" means a condition of imminent danger to the health, safety and welfare of persons or property located within the City including, without limitation, damage to persons or property from natural consequences, such as storms, earthquakes, riots, acts of terrorism or wars.

“Facilities” means those facilities normally and regularly used in providing telecommunications services, including any and all wires, lines, conduits, cables, vaults, duct runs, and all necessary or convenient facilities and appurtenances thereto, whether the same is located over, above or underground.

“Franchise” means this Ordinance, which sets forth the terms and conditions of the Franchise.

“Franchise Area” means the Public Right of Way.

“Grantee” means Ziply Fiber Pacific, LLC, a Delaware limited liability company.

“Parties” means the City and Ziply Fiber Pacific, LLC, a Delaware limited liability company.

“Party” means the City or Ziply Fiber Pacific, LLC, a Delaware limited liability company.

“Public Right of Way” means any, every and all of the roads, streets, avenues, alleys and highways of the City as now laid out, platted, dedicated or improved; and any, every and all roads, streets, avenues, alleys and highways that may hereafter be laid out, platted, dedicated or improved with the present limits of the City and as such limits may be hereafter extended.

“State” means the State of Washington.

Section 2. Grant of Right to Use Franchise Area

A. Subject to the terms and conditions of this Franchise, the City grants to the Grantee the non-exclusive privilege to use the Public Right of Way to provide telecommunication services, and for no other purpose. Grantee accepts all areas in existing condition(s) and the City makes no express or implied assurances of suitability of any area for Grantee’s needs or purposes, whether now or hereafter.

B. The City hereby grants to Grantee the privilege to set, erect, lay, construct, extend, support, attach, connect and stretch wire cable between, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area for purposes of maintaining and operating a telecommunication network.

C. This Franchise does not authorize the use of the Franchise Area for any facilities or services other than Grantee Facilities, and it extends no rights or privilege relative to any Facilities or services of any type, including Grantee Facilities, on public or private property elsewhere within the City.

D. This Franchise is non-exclusive and does not prohibit the City from entering into other agreements, including franchises, impacting the Franchise Area, unless the City determines that entering into such agreements interferes with Grantee's right set forth herein. This Franchise shall also not prohibit or prevent the City from using the Franchise Area or affect the jurisdiction of the City over the same or any part thereof. Grantee shall be bound by all ordinances, resolutions, codes, rules, regulations or policies now or hereafter adopted regarding the City's Franchise Area.

By granting this Franchise, the City is not assuming any risks or liabilities therefrom, which shall be solely and separately borne by Grantee. Grantee shall, at its sole cost and expense, take all necessary and prudent steps to protect, support, and keep safe from harm, its Facilities, or any part thereof, when necessary to protect the public health and safety.

Further, this Franchise is only intended to convey a limited right and interest. It is not a warrant of title or interest in the Franchise Area or any other City-owned property. None of the rights granted herein shall affect the City's jurisdiction over its property, including but not limited to the Franchise Area.

Facilities in the Franchise Area that are incidental to the Franchise Area, or that have been, or are at any future time acquired, newly constructed, leased or utilized in any manner by Grantee shall be subject to all provisions of this Franchise.

Any subsequent additions or modifications of the boundaries of the City, whether by annexation, consolidation, or otherwise, shall be subject to the provisions of this Franchise as to all such areas.

E. Except as explicitly set forth herein, this Franchise does not waive any rights that the City has or may hereafter acquire with respect to the Franchise Area or any other City roads, rights-of-way, property, or any portions thereof. This Franchise shall be subject to the power of eminent domain, and in any proceeding

under eminent domain, the Grantee acknowledges its use of the Franchise Area shall have no value.

F. Failure of the City to declare any breach or default of this Franchise immediately upon the occurrence thereof, or delay in taking any action in connection therewith, shall not waive such breach or default, but the City shall have the right to declare any such breach or default at any time. Failure of the City to declare one breach or default does not act as a waiver of the City's right to declare another breach or default. In addition, the pursuit of any right or remedy by the City shall not prevent the City from thereafter declaring a forfeiture or revocation for breach of the conditions therein.

G. The City reserves the right to change, regrade, relocate, abandon, or vacate any right-of-way within the Franchise Area. If, at any time during the term of this Franchise, the City vacates any portion of the Franchise Area containing Grantee Facilities, the City shall reserve an easement for public utilities within that vacated portion, pursuant to RCW 35.79.030, within which the Grantee may continue to operate any existing Grantee Facilities under the terms of this Franchise for the remaining term of this Franchise.

H. The Grantee agrees that its use of Franchise Area shall at all times be subordinated to and subject to the City and the public's need for municipal infrastructure, travel, and access to the Franchise Area, except as may be otherwise required by law.

Section 3. Notice

A. Written notices to the Parties shall be sent by certified mail to the following addresses unless a different address shall be designated in writing and delivered to the other Party.

City: City Administrator
City of Medical Lake City Hall
124 S. Lefevre
Medical Lake, WA 99022

with a copy to: Sean P. Boutz
Evans, Craven & Lackie, P.S.
818 W. Riverside Ave., Suite 250
Spokane, WA 99201
sboutz@ecl-law.com

Grantee: Ziply Fiber Pacific, LLC
135 Lake Street South, Suite 155
Kirkland, Washington 98033
legal@ziply.com

B. Any changes to the above-stated Grantee information shall be sent to the City's City Administrator, with copies to the City Clerk, referencing the title of this Franchise.

Section 4. Term of Agreement

A. This Franchise shall run for a period of ten (10) years, from the Effective Date of this Franchise.

B. Renewal Option of Term: The Grantee may renew this Franchise for an additional ten (10) year period upon submission and approval of the application for such renewal, including approval by the City's City Council. Any materials submitted by the Grantee for a previous application may be considered by the City in reviewing a current application, and the Grantee shall only submit those materials deemed necessary by the City to address changes in the Grantee Facilities or Grantee Services, or to reflect specific reporting periods mandated by the City Code.

C. Failure to Renew Franchise – Automatic Extension. If the Parties fail to formally renew this Franchise prior to the expiration of its term or any renewal thereof, the Franchise automatically continues month to month until renewed or either party gives written notice at least one hundred eighty (180) days in advance of intent not to renew the Franchise.

Section 5. Acceptance of Franchise

A. This Franchise, and any rights granted hereunder, shall not become effective for any purpose on the Effective Date unless and until Grantee accepts this Franchise and files with the City Clerk (1) all verifications of insurance coverage specified under Section 19, and (2) the financial guarantees specified in Section 20.

B. Should the Grantee fail to file the documents referenced in Section 5(A) with the City Clerk within thirty (30) days after the Effective Date of this Franchise, the City's grant of the Franchise will be null and void, and the City may take any and all actions required thereof to effectuate such nullity and voidness.

Section 6. Construction and Maintenance

A. The Grantee shall apply for, obtain, and comply with the terms of all permits required under all ordinances and regulations of the City, and/or applicable City Code provisions for any work done upon Grantee Facilities. Grantee shall comply with all applicable City, State, and Federal codes, rules, regulations, and orders in undertaking such work, which shall be done in a thorough and proficient manner, including inspection(s) of any work performed within in the Public Right of Way or as provided for in any approved permit. In no case shall any such work commence within the Franchise Area without a permit, except as otherwise provided in this Franchise.

B. Grantee agrees to coordinate its activities with the City and all other utilities located within the Public Right of Way within which Grantee is undertaking its activity. Grantee also acknowledges that such activities required in arterial streets, especially during peak hours of operation, or during special civic events requires substantial coordination with the City prior to issuance of a permit. Grantee agrees to coordinate such activity prior to commencing such activity as necessary to minimize impacts to the public as required by the City.

Grantee shall at all times post and maintain proper barricades and comply with all applicable safety regulations during any period of construction or maintenance activities within the Public Right of Way as required by City or State regulations, including RCW 39.04.180, for the construction of trench safety systems. Additionally, such activities or work identified in this Section or Franchise shall be performed with reasonable dispatch, in a workmanlike manner, and with as little interference or inconvenience to the rights of the public as may be reasonable.

C. The City expressly reserves the right to prescribe how and where Grantee Facilities shall be installed within the Public Right of Way and may from time to time, pursuant to the applicable sections of this Franchise, require the removal, relocation and/or replacement thereof in the public interest and safety at the expense of the Grantee.

In the event of any emergency where any Facilities located in the Franchise Area are broken or damaged, or if Grantee's work area within the Franchise Area is in such a condition as to endanger any person or property, Grantee shall immediately take any and all necessary emergency measures to repair or remove its Facilities or otherwise make its work area safe without first applying for and obtaining a permit as required by this Franchise. This provision shall not relieve Grantee from later obtaining any necessary permit for the emergency work. Grantee shall apply for the required permit the next business day following the emergency work or, in the case of an extended state of emergency, as soon thereafter as practical and comply with any mitigation requirements or other conditions in the after-the-fact permit. The City shall not be responsible for any costs associated with such emergency action.

D. Before commencing any work within the public right-of-way, the Grantee shall comply with the One Number Locator provisions of RCW Chapter 19.122 to identify existing utility infrastructure.

E. Tree Trimming. Upon prior written approval of the City and in accordance with City ordinances, Grantee shall have the authority to reasonably trim trees upon and overhanging streets, Public Right of Way, and places in the Franchise Area so as to prevent the branches of such trees from coming in physical contact with the Grantee Facilities. Grantee shall be responsible for debris removal from such activities. If such debris is not removed within twenty-four (24) hours of completion of the trimming, the City may, at its sole discretion, remove such debris and charge Grantee for the cost thereof. This section does not, in any instance, grant automatic authority to clear vegetation for purposes of providing a clear path for radio signals. Any such general vegetation clearing will require a land clearing permit. Furthermore, this section does not grant authority to perform such work or activity on private property or non-Franchise Area property.

Section 7. Repair and Emergency Work

In the event that Grantee's Facilities or operations cause or contribute to a condition that appears to endanger any person or substantially impair the lateral support of any portion of the Franchise Area, or other public or private property or create other risk of loss or liability to the City, the City may direct Grantee, at no charge or expense to the City, to promptly take such action as may be reasonably necessary to resolve such condition or to eliminate such endangerment. Such directive may include compliance within a prescribed period of time.

In the event Grantee fails to promptly take action as directed by the City, or fails to fully comply with such direction, the City may take action(s) as it reasonably believes are necessary to protect persons or property and in such event Grantee shall be responsible to reimburse the City for its costs incurred in so doing.

In the event of an emergency, the Grantee may commence such repair and emergency response work as required under the circumstances, provided that the Grantee shall notify the City in writing as promptly as possible, before such repair or emergency work commences, or as soon thereafter as possible, if advance notice is not practical. The City may act, at any time, without prior written notice in the case of emergency, but shall notify the Grantee in writing as promptly as possible under the circumstances.

Section 8. Damages to City and Third-Party Property

Grantee agrees that if any of its actions under this Franchise impairs or damages any City property, survey monument, or property owned by a third-party,

Grantee will restore, at its own cost and expense, said property to a safe condition. Such repair work shall be performed and completed to the satisfaction of the City.

Section 9. Location Preference

Any structure, equipment, appurtenance, or tangible property of a utility, other than the Grantee's, which was installed, constructed, completed or in place prior in time to Grantee's application for a permit to construct or repair Grantee Facilities under this Franchise shall have preference as to positioning and location with respect to the Grantee Facilities. However, to the extent that the Grantee Facilities are completed and installed prior to another utility's submittal of a permit for new or additional structures, equipment, appurtenances, or tangible property, then the Grantee Facilities shall have priority. These rules governing preference shall continue in the event of the necessity of relocating or changing the grade of any City road or right-of-way. A relocating utility shall not necessitate the relocation of another utility that otherwise would not require relocation. This Section shall not apply to any City facilities or utilities that may in the future require the relocation of Grantee Facilities. Such relocations shall be governed by Section 12.

Section 10. Noninterference of Facilities

Grantee's Facilities shall be located, constructed, installed, maintained and repaired within the Franchise Area in accordance with applicable safety standards, and so as not to unreasonably interfere with the free and safe passage of pedestrian and/or vehicle traffic therein or with the reasonable ingress or egress to properties abutting thereto and in accordance with the laws of the State. Grantee shall exercise its rights within the Franchise Area in accordance with applicable City codes and ordinances governing use and occupancy of the Franchise Area, including but not limited to those contained in Section 27; provided, however, in the event of any conflict or inconsistency of such codes and ordinances with the terms and conditions of this Franchise, the codes and ordinances, as now or hereafter amended, shall govern and control; provided, further, nothing herein shall be deemed to waive, prejudice or otherwise limit any right of appeal afforded Grantee by such City codes and ordinances.

In the event that the City reasonably determines, after providing, consistent with applicable City Code(s), written notice to Grantee and a reasonable opportunity for Grantee to respond to its concerns, that any one or more of its Facilities within the Franchise Area interferes with the free and safe passage of pedestrian and/or vehicular traffic therein or with the reasonable ingress or egress to properties abutting thereto, then Grantee shall promptly take such action as is reasonably necessary to eliminate such interference. In so doing, the City shall, within reason, fully cooperate with Grantee. In the event such interference requires relocation of Grantee's Facilities within the Franchise Area, such relocation shall be accomplished in accordance with Section 12 below. Any such interference,

resulting from new development, with ingress or egress to properties abutting the Franchise Area in proximity to Grantee's Facilities existing within the Franchise Area prior to the development shall be subject to Section 12.

All location, construction, installation, repair, replacement, relocation, or operation of Facilities and appurtenances performed by Grantee in the Franchise Area shall be done in such a manner as to not interfere with existing facilities of other utilities, public or private, including drains, drainage ditches and structures, irrigation ditches and structures located therein, nor with the final grading or improvement of the Franchise Area.

During the term of this Franchise and with respect to poles, if any, which are Facilities and which are wholly owned by Grantee and which are within the Franchise Area, the City may, subject to Grantee's prior written consent, which consent shall not be unreasonably withheld, install and maintain City-owned overhead wires upon such poles for traffic signal communications and to provide for communications to various City buildings such as City Hall, Public Works operation building(s), and other public buildings as they presently exist or may exist in the future. The foregoing rights of the City to install and maintain such wires are further subject to the following:

a) Such installation and maintenance shall be done by the City at its sole risk and expense in accordance with all applicable laws (including, but not limited to, RCW 70.54.090), and subject to such reasonable requirements as Grantee may specify from time to time (including without limitation, requirements accommodating Grantee or the facilities of other parties having the right to use Grantee's Facilities); and

b) Grantee shall have no obligation under Section 18 (or arising under the purview of Section 18) in connection with any City-owned wires so installed or maintained except for the negligence of Grantee's employees, agents, servants, or representatives.

c) Grantee shall charge the City a fee for the use of such poles consistent with rules promulgated by the Washington Utilities and Transportation Commission (WUTC); provided however, nothing herein shall require Grantee to bear any cost or expense in connection with such installation and maintenance by the City including Grantee's administrative review of and consent to City's request to make use of such poles or any relocation required of City-owned wires under Section 12 hereof.

d) All installation of City-owned wires shall be done by a qualified contractor with approval by the State electrical inspector and in

accordance with all applicable regulations including but not limited to the National Electric Safety Code.

e) If any work by City contractors or the City involving the installation and maintenance of City-owned wires shall cause Grantee to replace a utility pole, the City shall reimburse Grantee for the cost of such pole.

Section 11. Grantee Information

A. Grantee agrees to supply, at no cost to the City, any information reasonably requested by the City to coordinate municipal functions with Grantee's activities and fulfill any municipal obligations under state law. Said information shall include, at a minimum, as-built drawings of Grantee Facilities, installation inventory, and maps and plans showing the location of existing or planned facilities within the City. Said information may be requested either in hard copy or electronic format, as maintained in Grantee's data base system, as now or hereinafter existing. Grantee shall keep the City informed of its long-range plans for coordination with the City's long-range plans.

In addition, in the City's reasonable and prudent judgment that it is beneficial to both parties in connection with the design of new streets, intersections and/or municipally funded public works projects and major renovations of existing streets and intersections, Grantee shall verify the actual location of its underground Facilities within the Franchise Area by excavating, including pot holing. The cost of such work shall be at Grantee's expense.

Notwithstanding the foregoing, nothing in this Section 11 is intended (nor shall it be construed) to relieve either Party of their respective obligations arising under applicable law with respect to determining the location of utility facilities.

B. The Parties understand that Washington law limits the ability of the City to shield from public disclosure any information given to the City. Accordingly, the City agrees to notify the Grantee of requests for public records related to the Grantee, and to give the Grantee a reasonable amount of time to obtain an injunction to prohibit the City's release of records.

Grantee shall indemnify and hold harmless the City for any loss or liability for fines, penalties, and costs (including attorneys' fees) imposed on the City because of non-disclosures requested by Grantee under Washington's Public Records Act, RCW 42.56, provided the City has notified Grantee of the pending request.

Section 12. Relocation of Grantee Facilities

12.1 Whenever the City undertakes (or causes to be undertaken at City expense) the construction of any Public Works improvement within the Franchise Area, or the Public Works Director reasonably determines that Grantee's Facilities interfere with the free and safe passage of pedestrian and/or vehicular traffic pursuant to Section 10 above, and such Public Works improvement or interference necessitates the relocation of Grantee's Facilities then existing within the Franchise Area, the City shall:

a. provide Grantee, within a reasonable time prior to the City's commencement of activities requiring such Public Works improvement, written notice requesting such relocation, not less than sixty (60) days prior to the commencement of such improvement; and

b. provide Grantee with copies of relevant portions of the City's plans and specifications for such Public Works improvements.

After receipt of such notice and such plans and specifications, and consistent with RCW 35.99.060, Grantee shall relocate such Facilities within the Franchise Area at no charge to the City. If, during the construction of any such Public Works improvement, an emergency posing a threat to public safety or welfare, or a substantial risk of severe economic consequences to the City, arises requiring the relocation of Grantee's Facilities within the Franchise Area, the City shall give Grantee notice of the emergency as soon as reasonably practicable. Upon receipt of such notice from the City, Grantee shall endeavor to respond as soon as reasonably practicable to relocate the affected Facilities at no charge to the City.

In the event federal, state or other funds are available in whole or in part for utility relocating purposes, upon Grantee's request in writing, the City agrees to use reasonable efforts to apply for such funds, provided such funds do not interfere with the City's right to obtain the same or similar funds, or otherwise create any expense or detriment to the City. The City may recover all costs, including internal costs, associated with obtaining such funds.

12.2 The City shall act in good faith and shall use its best efforts to provide sufficient space within the Franchise Area for the safe and efficient installation, operation, repair and maintenance of the relocated and/or underground converted Facilities. Grantee shall act in good faith and shall use its best efforts to install relocated and/or underground converted Facilities in such space within the Franchise Area, consistent with prudent utility practice. If the City and Grantee agree that there is not sufficient space for the relocated and/or underground converted Facilities in the existing Franchise Area, then, unless otherwise mutually agreed by the City and Grantee, the City shall, as is reasonably practicable, provide sufficient space for the relocated and/or underground converted Facilities by obtaining additional right-of-way or other equivalent rights mutually agreeable

to the City and Grantee, which shall be Franchise Area, title of which shall be in the City's name.

12.3 Grantee may install relocated and/or underground converted Facilities on property outside of the Franchise Area, the rights for which shall be obtained by Grantee at no expense to the City. Notwithstanding the use of best efforts by the City and Grantee as outlined above, if the City and Grantee do not agree whether there is or will be sufficient space within the Franchise Area for the relocated and/or underground converted Facilities, or if the City and Grantee disagree whether underground converted Facilities within such space within the Franchise Area would be inconsistent with prudent utility practice, the City and Grantee shall each act in good faith and use their respective best efforts to mutually agree on the location of such relocated and/or underground converted Facilities outside of the Franchise Area. Absent such mutual agreement, nothing in this Section 12 shall limit the rights of the City or Grantee with respect to acquisition or use of property rights outside of the Franchise Area.

12.4 Grantee shall have the right as a condition of any relocation described in this Section 12.4 to require such person or entity other than the City to make payment to Grantee, at a time and upon terms acceptable to Grantee, for any and all costs and expenses incurred by Grantee in the relocation of Grantee's Facilities, but without expense or liability to the City, whenever:

a. any person or entity, other than the City, requires the relocation of Grantee's Facilities to accommodate the work of such person or entity within the Franchise Area, including but not limited to, activities relating to development, roadway frontage improvements or mitigation of impacts; or

b. the City requires any person or entity to undertake work (other than work undertaken at the City's cost and expense) within the Franchise Area and such work requires the relocation of Grantee's Facilities within the Franchise Area.

c. Where the relocation of Grantee's Facilities is due in part to a person or entity other than the City, but also results in construction of a Public Works improvement, Grantee's costs and expenses of relocation shall be proportionally allocated between such person or entity and City, provided the City shall not be responsible for any costs or expenses for its proportionate share.

Unless agreed to specifically in writing between the City and Grantee, work funded by the creation of a local improvement district (LID) shall be considered the work of the City and Grantee shall not be entitled to recover costs and expenses

incurred by Grantee in the relocation of Grantee's Facilities as necessary to facilitate construction of improvements funded through an LID.

12.5 Any condition or requirement imposed by the City upon any other person or entity (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits obtained pursuant to any zoning, land use, construction or other development regulation) which requires the relocation of Grantee's Facilities within the Franchise Area shall be a condition or requirement causing relocation of Grantee's Facilities to occur subject to the provisions of Section 12.4 above; provided, however:

a. in the event the City reasonably determines and notifies Grantee that the primary purpose of imposing such condition or requirement upon such person or entity is to cause the construction of a Public Works improvement within a segment of the Franchise Area on the City's behalf, and

b. such Public Works improvement is otherwise reflected in the City's adopted Six-Year Transportation Improvement Program or Capital Facilities Program;

then only those costs and expenses incurred by Grantee in connecting such relocated Facilities with Grantee's other Facilities shall be paid to Grantee by such person or entity, and Grantee shall otherwise relocate its Facilities within such segment of the Franchise Area in accordance with Sections 12.1-12.3.

12.6 As to any relocation of Grantee's Facilities whereby any part of the cost and expense thereof is to be borne by Grantee in accordance with Sections 12.1-12.3, Grantee may, after receipt of written notice requesting such relocation, submit in writing to the City alternatives to relocation of its Facilities. Upon the City's receipt from Grantee of such written alternatives, the City shall evaluate such alternatives and shall advise Grantee in writing if one or more of such alternatives are suitable to accommodate the work which would otherwise necessitate relocation of Grantee's Facilities. In evaluating such alternatives, the City shall give each alternative proposed by Grantee full and fair consideration with due regard to all facts and circumstances which bear upon the practicality of relocation and alternatives to relocation. No alternatives proposed by Grantee shall be evaluated by the City in an arbitrary or capricious manner. In the event the City determines that such alternatives are not appropriate, Grantee shall relocate its Facilities as otherwise provided in Sections 12.1-12.3.

12.7 Nothing in this Section 12 shall require Grantee to bear any cost or expense in connection with the location or relocation of any Facilities existing under benefit of easement or other prior rights not derived from this Franchise.

Section 13. Moving Buildings within the Franchise Area

If any person or entity obtains permission from the City to use the Franchise Area for the moving or removal of any building or other object, the City shall, prior to granting such permission, require such person or entity to make any necessary arrangements with Grantee for the temporary adjustment of Grantee's wires and/or cable to accommodate the moving or removal of said building or other object. Such necessary arrangements with Grantee shall be made to Grantee's satisfaction, not less than thirty (30) days prior to the moving or removal of said building or other object. In such event Grantee shall at the expense of the person or entity desiring to move or remove such building or other object, adjust any of its wires and/or cables which may obstruct the moving or removal of such building or other object, provided that:

a. The moving or removal of such building or other object which necessitates the adjustment of wires and/or cable shall be done at a reasonable time and in a reasonable manner so as not to unreasonably interfere with Grantee's business;

b. Where more than one route is available for the moving or removal of such building or other object, such building or other object shall be moved or removed along the route approved by the City; and

c. The person or entity obtaining such permission from the City to move or remove such building or other object shall be required to indemnify and save Grantee harmless from any and all claims and demands made against it on account of injury or damage to the person or property of another arising out of or in conjunction with the moving or removal of such building or other object, to the extent such injury or damage is caused by the negligence or intentional misconduct of the person or entity moving or removing such building or other object or the negligence or intentional misconduct of the agents, servants or employees of the person or entity moving or removing such building or other object.

Section 14. Shared Use of Excavations

Grantee and the City shall exercise best efforts to coordinate construction work either may undertake within the Franchise Area so as to promote the orderly and expeditious performance and completion of such work as a whole. Such efforts shall include, at a minimum, reasonable and diligent efforts to keep the other Party and other utilities within the Franchise Area(s) informed of its intent to undertake such construction work. Grantee and the City shall further exercise its best efforts to minimize any delay or hindrance to any construction work undertaken by themselves or other utilities within the Franchise Area.

If at any time either Grantee, the City, or another franchisee, shall cause excavations to be made within the Franchise Area, the party causing such excavation to be made shall afford the other party upon receipt of a written request to do so, an opportunity to use such excavation, provided that:

a. Such joint use shall not unreasonably delay the work of the party causing the excavation to be made; and

b. Such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties. The parties shall each cooperate with other utilities in the Franchise Area to minimize hindrance or delay in construction.

The party causing the excavation to be made shall give the other parties a written notice at least ninety (90) days prior to the commencement of the project except in cases due to an emergency; provided, however, that Grantee shall be deemed to have met its obligation under this Section when it applies for a permit as required within Section 6. The City reserves the right to require Grantee to joint trench with other facilities if both parties are anticipating trenching within the same Franchise Area and provided that the terms of (a) and (b) above are met.

Section 15. Abandonment and or Removal of Grantee Facilities

A. In the event of Grantee's abandonment or permanent cessation of use of Grantee's Facilities, or any portion thereof, Grantee shall, within a reasonable period of time after such abandonment or cessation of use, but not more than one hundred eighty days (180), remove such Facilities from the Franchise Area.

The City may allow, in its sole discretion, applicable conduit and wires to remain underground after Grantee has abandoned or permanently ceased to use such conduit and wire within the Franchise Area, provided said conduit and wires shall become the sole property of the City.

B. The parties expressly agree that this Section shall survive the expiration, revocation or termination of this Franchise.

Section 16. Undergrounding Installation of Facilities

A. The Parties agree that this Franchise does not limit the City's authority under federal law, state law, or local ordinance, to require the undergrounding of utilities.

B. To the extent any applicable law(s) derived under Section 16(A) do not apply, this Section 16 shall govern all matters related to underground

installation of Grantee's Facilities within the Franchise Area subject to the required permit(s) set forth in Section 6 and restoration of the Franchise Area set forth in Section 17.

C. Grantee acknowledges that the City desires to promote a policy of underground installation of Facilities within the Franchise Area.

D. New extensions of Facilities constructed by Grantee within the Franchise Area during the term of this Franchise shall be located underground unless 1) existing above-ground installations are in place and City consents to placement above ground, or 2) such underground Facilities are not permissible given the location and/or topography of the proposed installation and with the consent of the City.

E. If, during the term of this Franchise, the City shall direct Grantee to replace (convert) its overhead Facilities then existing within the Franchise Area or portion thereof with underground Facilities, Grantee will cooperate and participate with the City and underground its Facilities within the Franchise Area including paying all costs thereof.

1. Public Works Improvements. If the City undertakes any Public Works improvement which would otherwise require relocation of Grantee's above-ground Facilities in accordance with Section 12.1, or if Section 12.5 applies, the City may, by written notice to Grantee, direct that Grantee convert any such Facilities to underground Facilities. All costs for such conversion shall be paid by Grantee.

2. Location of Equipment. All equipment to be installed within the Franchise Area shall be installed underground; provided, however, that such equipment or Facilities may be installed above ground if so, authorized by the City, such as splice boxes, which authorization shall not be unreasonably withheld or delayed, consistent with the provision of the City's Municipal Code and applicable development standards.

3. If any third party requests the underground installation or relocation of Grantee's above-ground Facilities to accommodate work of such third party within the Franchise Area or on other public grounds then Grantee shall have the right as a condition of any such underground installation or relocation to require payment to Grantee, at a time and upon terms acceptable to Grantee, for any and all costs and expenses incurred by Grantee for the underground installation or relocation of its above-ground Facilities, as provided for by applicable law or regulation. Where the underground installation or relocation of Grantee's above-ground Facilities is due in part to development or improvement of a third party's property, which also results in construction of a Public Works

improvement project for the City pursuant to 16(E) above, Grantee's costs and expenses of underground installation or relocation shall be proportionally allocated between the third party and City, provided the City shall not be responsible for any costs or expenses for its proportionate share as set forth herein.

Section 17. Restoration

A. Grantee shall, after any installation, construction, excavation, relocation, maintenance, or repair of Facilities within the Franchise Area, promptly restore the Franchise Area to at least the same condition as existed immediately prior to any such installation, construction, excavation, relocation, maintenance or repair in accordance with City standards, as now or hereafter amended, and at its sole cost and expense. All survey monuments which are to be disturbed or displaced by such work shall be referenced and restored per WAC 332-120, as the same now exists or may hereafter be amended, and all pertinent federal, State and City standards and specifications. The Public Works Director shall have final approval of the condition of the Franchise Area after restoration.

The City reserves the right to not allow open trenching for five (5) years following a street overlay or improvement project. Grantee shall be given written notice at least ninety (90) days prior to the commencement of the project. Required trenching due to an emergency, or in the case that no commercially viable alternative route exists, will not be subject to the five (5) year street trenching moratorium, however the respective pavement restoration in such instances shall include a trench patch meeting with the City, as well as City approval of asphalt over lay of the street itself. For trenches which cross the street pavement or portions thereof, the limits of the overlay shall extend one hundred (100) linear feet along said street as measured in both directions from the centerline of the trench patch. Further, prior to installing the overlay the existing pavement within the area to be overlaid shall first be ground down to the thickness of the anticipated overlay, including along any curbs if such curbs are present, such that the final driving surface with respect to ride and appearance shall be almost indistinguishable as reasonably determined by the City from the before condition. For trenches which parallel the roadway the overlay shall encompass the full roadway width and like crossings. The existing roadway pavement shall first be ground down to the thickness of the anticipated overlay including along any curbs, if such curbs area present, such that the final roadway driving surface with respect to ride and appearance shall be almost indistinguishable as reasonably determined by the City from the before condition. The limits of the full roadway width overlay shall extend one hundred (100) linear feet beyond the end or ends of the trench cut. Where the paralleling trench cut is limited to one side or the other of the road center line then subject to the approval of the City the grinding and asphalt overlay restoration work can be limited to the affected half street portion.

B. If it is determined by the City that Grantee has failed to restore the Franchise Area in accordance with Section 17, the City shall provide Grantee with written notice including a description of actions the City reasonably believes necessary to restore the Franchise Area. If the Franchise Area is not restored in accordance with the City's notice within thirty (30) days of that notice, the City, or its authorized agent, or contractor, may restore the Franchise Area. Grantee shall be responsible for all costs and expenses incurred by the City in restoring the Franchise Area in accordance with this Section. The remedy granted to the City under this Section shall be in addition to those otherwise provided by this Franchise.

C. All work by Grantee pursuant to this Section 17 shall be performed in accordance with the permit issued by the City, together with the laws of the State, City Municipal Code and applicable regulations and standards of the City as the same now exists or as may be hereafter amended or superseded.

Section 18. Indemnification and Hold Harmless

A. The Grantee shall defend, indemnify, and hold the City and its officers, officials, agents, employees, and volunteers harmless from any and all costs, claims, injuries, damages, losses, suits, or liabilities of any nature including attorneys' fees and costs to the extent arising out of the Grantee's performance, including its agents, servants, or employees, under this Franchise, except to the extent such costs, claims, injuries, damages, losses, suits, or liabilities are caused by the negligence of the City.

Grantee's indemnification obligations pursuant to this Section shall include assuming liability for actions brought by Grantee's own employees and the employees of Grantee's agents, representatives, contractors, and subcontractors even though Grantee might be immune under Title 51 RCW from direct suit brought by such employees. It is expressly agreed and understood that this assumption of liability for actions brought by the aforementioned employees is limited solely to claims against the City arising by virtue of Grantee's exercise of the rights set forth in this Franchise. The obligations of Grantee under this Section have been mutually negotiated by the Parties hereto, and Grantee acknowledges that the City would not enter into this Franchise without Grantee's waiver thereof. To the extent required to provide this indemnification and this indemnification only, Grantee waives its immunity under Title 51 RCW as provided in RCW 4.24.115.

B. The Grantee shall hold the City harmless from any liability arising out of or in connection with any damage or loss to the Grantee Facilities caused by maintenance and/or construction work performed by, or on behalf of, the City within the Franchise Area or any other City road, right-of-way, or other property, except to the extent any such damage or loss is directly caused by the negligence of the City, or its agent performing such work.

C. The Grantee acknowledges that neither the City nor any other public agency with responsibility for fire fighting, emergency rescue, public safety or similar duties within the City has the capability to provide trench, close trench or confined space rescue. The Grantee, and its agents, assigns, successors, or contractors, shall make such arrangements as Grantee deems fit for the provision of such services. The Grantee shall hold the City harmless from any liability arising out of or in connection with any damage or loss to the Grantee for the City's failure or inability to provide such services, and, pursuant to the terms of Section 18(A), the Grantee shall indemnify the City against any and all third-party costs, claims, injuries, damages, losses, suits, or liabilities based on the City's failure or inability to provide such services.

D. Acceptance by the City of any work performed by the Grantee shall not be grounds for avoidance of this Section.

E. In the event any matter is presented to or filed with the City, the City shall promptly notify Grantee thereof, and Grantee shall have the right, at its election and at its sole cost and expense, to settle and compromise such matter provided Grantee supplies the City with written acceptance of its indemnification obligations as contained in this Section. In the event any suit or action is commenced against the City based upon any such matter, the City shall likewise promptly notify Grantee thereof, and Grantee shall have the right, at its election and 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 provided Grantee has agreed in writing to the full indemnification and defense of the City and its officers, elected officials, agents, representatives, engineers, consultants, employees and volunteers. In the event of a less than full written agreement to indemnify and defend, the City may select attorneys and bill the costs of the same to Grantee and Grantee shall pay the same.

Section 19. Insurance

A. The Grantee shall procure and maintain for the duration of this Franchise, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Grantee, its officers, directors, agents, representatives, servants, volunteers, or employees in the amounts and types set forth below:

1. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles with a limit of $2,000,000 for each person and $2,000,000 for each accident.

2. Commercial General Liability insurance, written on an occurrence basis, with limits no less than $2,000,000.00 for bodily injury or death

to each person and $2,000,000.00 for property damage resulting from any one accident. Coverage shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, and personal injury and advertising injury and liability assumed under an insured contract. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse, or underground property damage. The City shall be named as an additional insured under the Grantee's Commercial General Liability insurance policy with respect to the work performed under this Franchise.

Any deductibles or self-insured retentions must be declared to and approved by the City. Payment of deductibles and self-insured retentions shall be the sole responsibility of Grantee. Such coverage shall continue to apply after termination, cancellation, or expiration of the Franchise as to all claims accruing during any hold-over period for a minimum of three (3) years, or longer if the Facilities remain in the ground.

3. Professional Liability insurance with limits no less than $1,000,000.00 per claim for all professional(s) employed or retained by Grantee to perform services under this Franchise.

4. Workers' Compensation coverage as required by the Industrial Insurance laws of the State and employer's liability insurance with limits of not less than $2,000,000.

B. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

1. The Grantee's insurance coverage shall be primary insurance with respect to the City, its officers, elected officials, agents, employees, representatives, consultants, and volunteers. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of the Grantee's insurance and shall not contribute with it.

2. The Grantee's insurance shall not be cancelled by either party except after thirty (30) days' prior written notice has been given to the City. In the event such insurance is cancelled or otherwise not renewed during the term of this Franchise, Grantee shall promptly acquire replacement insurance to restore and maintain the amount of coverage required by this Section 19 and shall promptly provide to the City certificate(s) of insurance and all applicable policy endorsement as provided in this Section 19 as may be applicable.

C. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

D. Verification of Coverage. Grantee shall furnish the City with certificates and required endorsements, evidencing the insurance requirements of this Section 19 before commencement of the work.

On or before sixty (60) days of the anniversary Effective Date of the Franchise, Grantee shall file with the City Clerk proof of continued insurance coverage, at least in the amounts required in this Section, through a Certificate of Insurance, indicating the coverage required herein.

E. Grantee shall have the right to self-insure any or all of the above-required insurance. Any such self insurance is subject to approval by the City.

F. Grantee's maintenance of insurance as required by this Franchise shall not be construed to limit the liability of Grantee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy to which the City is otherwise entitled at law or in equity.

Section 20. Performance Security

A. Before undertaking any of the work authorized by this Franchise, Grantee shall furnish an ongoing performance bond executed by Grantee and a corporate surety authorized to do surety business in the State, in a sum to be set and approved by the Public Works Director as reasonably sufficient to ensure performance of Grantee's obligations under this Franchise. The bond shall be conditioned so that Grantee shall observe all the covenants, terms and conditions and faithfully perform all of the obligations of this Franchise, and to restore or replace any defective work or materials discovered in the restoration of the Franchise Area within a period of two (2) years from the final City inspection date of any such restoration. Grantee may meet the obligations of this section with one (1) or more bonds issued by a surety with an A VII Best's rating or better. In the event that a bond furnished pursuant to this Section is canceled by the surety, after proper notice and pursuant to the terms of said bond, Grantee shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this Section.

B. With respect to undertaking any of the work authorized by this Franchise, in the event Grantee fails to perform its obligations under this Franchise and further fails to cure any deficiency within a reasonable period of time after receipt of written notice of such deficiency by the City, then the City may use any bond(s) furnished by Grantee pursuant to Section 20(A) to cure such deficiency if so authorized by the City Council after a hearing. Neither the amount of such bond(s) nor the City's use thereof shall limit the City's full recovery from Grantee of costs incurred by the City to cure such deficiency.

C. In the event the City makes use of such bond(s) furnished by Grantee pursuant to Section 20(B), the City shall promptly provide written notice of same to Grantee. Within thirty (30) days of receipt of such notice, Grantee shall replenish or replace such bond(s) as provided in Section 20(A).

D. The rights reserved to the City by this Section 20 are in addition to other rights of the City whether reserved by this Franchise or authorized by law, and no action, proceeding, or exercise of right under this Section 20 shall constitute an election or waiver of any rights or other remedies the City may have.

Section 21. Forfeiture, Revocation and Remedies

If Grantee shall fail to comply with any of the provisions of this Franchise, unless otherwise provided for herein, the City may serve upon Grantee a written notice to so comply within thirty (30) days from the date such notice is received by Grantee. If Grantee is not in compliance with this Franchise after expiration of said thirty (30) day period, the City may act to remedy the violation and may charge the costs and expenses of such action to Grantee, provided, however, if any failure to comply with this Franchise by Grantee cannot be corrected with due diligence within said thirty (30) day period (Grantee's obligation to comply and to proceed with due diligence being subject to unavoidable delays and events beyond its control), then the time within which Grantee may so comply shall be extended for such time as may be reasonably necessary and so long as Grantee commences promptly and diligently to effect such compliance.

The City may act without the thirty (30) day notice in case of an emergency. In the event Grantee fails to substantially cure defaults on more than two (2) occasions, the City may in addition, by motion of City Council, declare an immediate forfeiture of this Franchise. No forbearance by the City shall constitute a waiver of the City's right to enforce any provision of this Franchise.

Section 22. Administrative Fees and Reimbursement of Costs

A. As specifically provided by RCW 35.21.860, the City may not impose a franchise fee or any other fee or charge of whatever nature or description upon Grantee. However, as provided in RCW 35.21.860, the City may recover from Grantee actual administrative expenses incurred by the City that are directly related to: (i) receiving and approving a permit, license or this Franchise, (ii) inspecting plans and construction, or (iii) preparing a detailed statement pursuant to Chapter 43.21C RCW. Grantee agrees to pay the City $2,000.00 as an administrative fee to cover the cost to the City of preparing this Franchise.

B. If, at some time, the restrictions of RCW 35.21.860, or related statute, should be removed, Grantee and the City shall negotiate a fair and reasonable franchise fee. Nothing in this Section shall preclude the City from collecting from

Grantee fees lawfully imposed by the City (related to this Franchise or otherwise) including fees for permits and inspections.

Section 23. Successors and Assignees

A. All the provisions, conditions, regulations and requirements herein contained shall be binding upon the successors, assigns of, and independent contractors of the Grantee, and all rights and privileges, as well as all obligations and liabilities of the Grantee shall inure to its successors, assignees and contractors equally as if they were specifically mentioned herein wherever the Grantee is mentioned.

B. This Franchise shall not be assigned or otherwise alienated without the express prior consent of the City by ordinance. In the event such a transfer, assignment, or disposal of franchisee's ownership is approved by the Washington Utilities and Transportation Commission ("WUTC"), the City will be deemed to have consented to such transfer. Grantee will provide City with a copy of any such approval.

C. In the case of an assignment or transfer not subject to WUTC approval, Grantee and any proposed assignee or transferee shall provide and certify the following to the City not less than sixty (60) days prior to the proposed date of transfer: (a) complete information setting forth the nature, term and conditions of the proposed assignment or transfer; and (b) all information required by the City of an applicant for a franchise with respect to the proposed assignee or transferee.

D. In the case of an assignment or transfer not subject to WUTC approval, prior to the City's consideration of a request by Grantee to consent to a Franchise assignment or transfer, the proposed assignee or transferee shall file with the City a written promise to unconditionally accept all terms of the Franchise, effective upon such transfer or assignment of the Franchise. The City is under no obligation to undertake any investigation of the transferor's state of compliance and failure of the City to insist on full compliance prior to transfer does not waive any right to insist on full compliance thereafter.

Section 24. Alteration of Franchise

A. The City and Grantee hereby reserve the right to alter, amend or modify the terms and conditions of this Franchise in accordance with the provisions of this Section.

B. At any time during the term of this Franchise, the City or Grantee may request, by written notice, that the other Party promptly participate in negotiations to alter, amend or modify the terms and conditions of this Franchise.

C. Within a reasonable time after receipt of the notice required by Section 24(B), the City and Grantee shall, at a mutually agreed-upon time and place, commence negotiations to alter, amend or modify the terms and conditions of this Franchise. The City and Grantee shall conduct such negotiations in good faith and with due regard to all pertinent facts and circumstances; provided, however, that neither the City nor Grantee shall be obligated to agree to any proposed alteration, amendment or modification. Further, no rights or privileges granted by this Franchise shall be prejudiced, impaired or otherwise affected by the failure of the City or Grantee to agree to any proposed alteration, amendment or modification.

D. Neither the City nor Grantee shall be obligated to continue negotiations after the expiration of ninety (90) days from the date they commence such negotiations; provided, however, the City and Grantee may agree to continue such negotiations for an additional period of time.

F. Any alteration, amendment or modification to which the City and Grantee agree shall be submitted to the legislative authority of the City as a proposed ordinance. The ordinance so proposed shall expressly provide that, unless Grantee properly files a written notice of acceptance within sixty (60) days of its effective date, the ordinance shall not be effective and this Franchise shall not be altered, amended or modified. To the extent permitted by law, the party proposing the alteration, amendment or modification shall bear all actual administrative costs directly related to approval thereof.

Section 25. Dispute Resolution

A. Except in cases of forfeiture under Section 21, disputes between the City and Grantee arising by reason of this Franchise, shall first be referred to the operational officers or representatives designated by City and Grantee to have oversight over the administration of this Franchise. The officers or representatives shall meet within thirty (30) calendar days of either Party's request for a meeting, whichever request is first, and the Parties shall make a good faith effort to achieve a resolution of the dispute.

B. In the event direct discussions do not result in resolution of the dispute, the Parties shall in good faith attempt resolution of the matter through mediation. The Parties shall select a mediator as soon as reasonably possible after the failure of direct discussions. Should the Parties not agree on mediator selection, either of them may request that one be appointed by the Seattle office of the American Arbitration Association. Once a mediator is appointed, the Parties shall abide by the rules and instructions of the mediator. A mediation session shall be held as soon as reasonably possible after appointment of the mediator, and decision makers with authority to resolve the dispute shall personally attend the mediation session.

Participation in direct discussions and mediation shall be conditions precedent to the commencement of any other form of dispute resolution. The Parties shall share the cost of mediation fees and expenses equally.

C. If the Parties fail to achieve a resolution of the dispute in this manner, either party may then pursue any available judicial remedies. This Franchise shall be governed by and construed in accordance with the laws of the State. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Franchise, the Parties specifically understand and agree that venue shall be exclusively in Spokane County, Washington or the appropriate U.S. District Court. Each Party in any action arising out of the existence of this Franchise shall pay its attorneys' fees and costs of suit.

Section 26. Enforcement and Remedies

If the Grantee shall willfully violate or fail to comply with any of the provisions of this Franchise through gross negligence, or should it fail to heed or comply with any notice given to Grantee under the provisions of this Franchise, the City may, at its discretion, provide Grantee with written notice to cure the breach within thirty (30) days of notification. If the breach cannot be cured within thirty days, the Grantee will be provided a longer period, in the City's sole discretion, provided that Grantee commences work on the cure within the original thirty-day cure period, and makes reasonable efforts to complete the work. If Grantee does not comply with the specified conditions, the City may claim damages of Two Hundred Fifty Dollars ($250.00) per day against the performance bond in Section 20 for every day after the expiration of the cure period that the breach is not cured, up to a maximum claim of $5,000.

A. Should the City determine that Grantee is acting beyond the scope of this Franchise, the City reserves the right require the Grantee to apply for, obtain, and comply with all applicable City permits, franchises, or other City permissions for such actions, and if the Grantee's actions are not allowed under applicable federal and State or City laws, to compel Grantee to cease such actions.

Section 27. Compliance with Laws and Regulations

A. This Franchise is subject to, and the Grantee shall comply with all applicable federal and State or City laws, regulations and policies (including all applicable elements of the City's comprehensive plan), in conformance with federal laws and regulations**,** affecting performance under this Franchise, as of the Effective Date of this Franchise or that may be subsequently enacted by any governmental entity with jurisdiction over Grantee and/or the Facilities. These requirements also include applicable requirements of the City's Municipal Code. Furthermore, notwithstanding any other terms of this agreement appearing to the

contrary, the Grantee shall be subject to the police power of the City to adopt and enforce general ordinances necessary to protect the safety and welfare of the general public in relation to the rights granted in the Franchise Area.

Section 28. License, Tax and Other Charges

This Franchise shall not exempt the Grantee from any future license, tax, or charge which the City may hereinafter adopt pursuant to authority granted to it under state or federal law for revenue or as reimbursement for use and occupancy of the Franchise Area.

Section 29. Severability

If any section, sentence, clause or phrase in this Franchise shall be held to be invalid, unenforceable, or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity, enforceability, or the constitutionality of any other section, sentence, clause or phrase of this Franchise.

Section 30. Titles

The section titles used in this Franchise are for the purpose of reference only and shall not in any way affect the interpretation or construction of this Franchise.

Section 31. Implementation.

The Mayor or designee is hereby authorized to implement such administrative procedures as may be necessary to carry out the directions of this Franchise.

Section 32. Effective date.

This Ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law, and unconditional acceptance by Grantee.

ADOPTED by the City Council of the City of _____, this ____day of _____2024.

_____

Mayor Terri Cooper

ATTEST:

_____
Koss Ronholt, City Clerk

APPROVED AS TO FORM:

_____
Sean P. Boutz, City Attorney

Published: _____

UNCONDITIONAL ACCEPTANCE BY:

I, the undersigned officer of Ziply Fiber Pacific, LLC, a Delaware limited liability company, am authorized to bind Ziply Fiber Pacific, LLC and to unconditionally accept the terms and conditions of the foregoing City of Medical Lake Franchise Ordinance, which are hereby accepted by Ziply Fiber Pacific, LLC this _____ day of _____, 2024.

By: _____

Name: _____

Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that s/he signed the instrument, on oath stated s/he was authorized to execute the instrument and acknowledged it as the _____ of Ziply Fiber Pacific, LLC, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

_____
Notary Public for the State of WA
Print Name: _____
Residing in:_____
My Commission expires:_____

ORDINANCE NO. 1125

An Ordinance of the City of Medical Lake, Washington ("City") granting a nonexclusive Franchise to Comcast Cable Communications Management, LLC ("Grantee"), to occupy and use public rights-of-way for the purpose of providing Cable Services to the public for a term of ten (10) years, subject to the terms and conditions set forth in this Ordinance and applicable law. The City and Grantee are sometimes referred to hereinafter collectively as the "parties."

WHEREAS, the City has a legitimate and necessary regulatory role in ensuring the availability of cable communications service, and reliability of cable systems in its jurisdiction, and quality Customer service; and

WHEREAS, diversity in Cable Service programming is an important policy goal and Grantee's Cable System offers a wide range of programming services; and

WHEREAS, the City is authorized by applicable law to grant one or more nonexclusive Franchises to construct, operate and maintain cable systems within the boundaries of the City; and

WHEREAS, the Grantee has agreed to be bound by the terms and conditions set forth in this Ordinance and Franchise; and

WHEREAS, in consideration of the mutual promises made herein, and other good and valuable consideration as provided herein, the receipt and adequacy of which are hereby acknowledged, the City and Grantee do hereby agree as follows; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF MEDICAL LAKE, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

CABLE FRANCHISE

Between

CITY OF MEDICAL LAKE, WASHINGTON

And

COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC

TABLE OF CONTENTS

DEFINITIONS

For the purposes of this Franchise and the Exhibits attached hereto, the following terms, phrases, words and their derivations shall have the meanings given herein when indicated with the text of the Franchise by being capitalized. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined, or those defined, but not capitalized within the text shall be given their common and ordinary meaning. The word "shall" is always mandatory and not merely directory. The word "may" is permissive.

1.1 "Activation" or "Activated"
means the status of any capacity on or part of the Cable System wherein the use of that capacity or part thereof may be made available without further installation of Cable System equipment other than Subscriber premise equipment, whether hardware or software.

1.2 "Affiliated Entity" or "Affiliate"
when used in connection with Grantee means any Person who owns or controls, is owned or controlled by, or is under common ownership or control of Grantee.

1.3 "Bad Debt"
means amounts lawfully owed by a Subscriber and accrued as revenues on the books of Grantee, but not collected after reasonable efforts by Grantee.

1.4 "Base Coverage Area"
means an area comprised of 75% of the Dwelling Units in the Franchise Area.

1.5 "Basic Service"
means any Cable Service Tier that includes, at a minimum, the retransmission of local television Broadcast Signals.

1.6 "Broadcast Signal"
means a television or radio signal transmitted over the air to a wide geographic audience, and received by a Cable System off-the-air by antenna, microwave, satellite dishes or any other means.

1.7 "Cable Act"
means the Cable Communications Policy Act of 1984, as amended by the Cable Television Consumer Protection and Competition Act of 1992, and as amended by the Telecommunications Act of 1996, and any amendments thereto.

1.8 "Cable Operator"
means any Person or group of Persons, including Grantee, who provides Cable Service over the Cable System and directly or through one or more Affiliates owns a significant interest in such Cable System or who otherwise control(s) or is (are) responsible for, through any arrangement, the management and operation of the Cable System.

1.9 "Cable Service"
means the one-way transmission to Subscribers of Video Programming, or other programming service and Subscriber interaction, if any, that is required for the selection or use of such Video Programming or other programming service.

1.10 "Cable System"
means a facility, consisting of a set of closed transmission paths and associated signal generation, reception and control equipment that is designed to provide Cable Service that includes Video Programming and that is provided to multiple Subscribers within a community, but such term does not include:

1.10.1 a facility that serves only to retransmit the television signals of one or more television broadcast stations;

1.10.2 a facility that serves Subscribers without using any public right-of-way;

1.10.3 a facility of a common carrier that is subject, in whole or in part, to the provisions of Title II of the federal Communications Act (47 U.S.C. Section 201 et seq.), except that such facility shall be considered a cable system (other than for purposes of Section 621(c) (47 U.S.C. Section 541(c)) to the extent such facility is used in the transmission of Video Programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services;

1.10.4 an open video system that complies with Section 653 of the Cable Act; or

1.10.5 any facilities of any electric utility used solely for operating its electric utility systems. When used herein, the term "Cable System" shall mean Grantee's Cable System in the Franchise Area unless the context indicates otherwise.

1.11 "Channel"
means a portion of the frequency band capable of carrying a Video Programming Service or combination of Video Programming Services, whether by analog or digital signal, on a twenty-four (24) hour per day basis or a portion thereof.

1.12 "City"
means the City of Medical Lake, Washington, a municipal corporation, of the State of Washington.

1.13 "Customer Service Representative" or "CSR"
shall mean any person employed by Grantee to assist, or provide service to, Customers, whether by answering public telephone lines, writing service or installation orders, answering Customers' questions, receiving and processing payments, or performing other Customer service-related tasks.

1.14 "Downstream Channel"
means a Channel capable of carrying a transmission from the Headend to remote points on the Cable System.

1.15 "Dwelling Unit"
means any building or portion thereof that has independent living facilities, including provisions for cooking, sanitation and sleeping, and that is designed for residential occupancy.

1.16 "FCC"
means the Federal Communications Commission or its lawful successor.

1.17 "Fiber Optic"
means a transmission medium of optical fiber cable, along with all associated electronics and equipment capable of carrying electric lightwave pulses.

1.18 "Franchise"
means the document, in which this definition appears, that is executed between the City and Grantee, containing the specific provisions of the authorization granted and the contractual and regulatory agreement created hereby.

1.19 "Franchise Area"
means the area within the jurisdictional boundaries of the City, including any areas annexed by the City during the term of this Franchise.

1.20 "Franchise Fee"
includes any tax, fee or assessment of any kind imposed by the City on Grantee or Subscribers, or both solely because of their status as such. The term Franchise Fee does not include:

1.20.1 Any tax, fee or assessment of general applicability (including any such tax, fee, or assessment on both utilities and Cable Operators or their services, but not including a tax, fee, or assessment that is unduly discriminatory against Cable Operators or cable Subscribers);

1.20.2 Capital costs that are required by the Franchise to be incurred by Grantee for Educational or Governmental Access facilities;

1.20.3 Requirements or charges incidental to the awarding or enforcing of the Franchise, including but not limited to, payments for bonds, security funds, letters of credit, insurance, indemnification, penalties or liquidated damages; or

1.20.4 Any fee imposed under Title l7, United States Code.

1.21 "Grantee"
means Comcast Cable Communications Management, LLC or its lawful successor, transferee or assignee.

1.22 "Gross Revenues"

1.22.1 "Gross Revenues" means, and shall be construed broadly to include all revenues derived directly or indirectly by Grantee and/or an Affiliated Entity that is the cable operator of the Cable System, from the operation of Grantee's Cable System to provide Cable Services within the City. Gross Revenues include, by way of illustration and not limitation:

(1) monthly fees for Cable Services, regardless of whether such Cable Services are provided to residential or commercial customers, including revenues derived from the provision of all Cable Services (including but not limited to pay or premium Cable Services, digital Cable Services, pay-per-view, pay-per-event, and video-on-demand Cable Services);

(2) installation, reconnection, downgrade, upgrade, or similar charges associated with changes in subscriber Cable Service levels;

(3) fees paid to Grantee for channels designated for commercial/leased access use and shall be allocated on a pro rata basis using total Cable Service subscribers within the City;

(4) converter, remote control, and other Cable Service equipment rentals, leases, or sales;

(5) Advertising Revenues as defined herein;

(6) late fees, convenience fees, and administrative fees, which shall be allocated on a pro rata basis using Cable Services revenue as a percentage of total subscriber revenues within the City;

(7) revenues from program guides;

(8) commissions from home shopping channels and other Cable Service revenue sharing arrangements which shall be allocated on a pro rata basis using total Cable Service subscribers within the City; and

(9) any Cable Service revenues that may develop in the future, whether or not anticipated, and consistent with GAAP.

1.22.2 "Advertising Revenues" shall mean revenues derived from sales of advertising that are made available to Grantee's Cable System subscribers within the City and shall be allocated on a pro rata basis using Grantee's Cable System Subscribers within the Franchise Area in related to the total number of Grantee's Cable Service subscribers covered under the advertising arrangement. Additionally, Grantee agrees that Gross Revenues subject to franchise fees shall include all commissions, representative fees, Affiliated Entity fees, or rebates paid to National Cable Communications ("NCC") and Comcast Effectv ("Effectv") or their successors associated with sales of advertising on the Cable System within the City allocated according to this paragraph using total Cable Service subscribers reached by the advertising.

1.22.3 "Gross Revenues" shall not include:

(1) actual bad debt write-offs, except any portion which is subsequently collected which shall be allocated on a *pro rata* basis using Cable Services revenue as a percentage of total subscriber revenues within the City;

(2) any taxes and/or fees on services furnished by Grantee imposed by an municipality, state, or other governmental unit.

(3) Franchise Fees;

(4) FCC regulatory fees;

(5) fees imposed by any municipality, state, or other governmental unit on Grantee.

(6) launch fees and marketing co-op fees; and

(7) unaffiliated third-party advertising sales agency fees which are reflected as a deduction from revenues.

1.22.4 To the extent revenues are received by Grantee for the provision of a discounted bundle of services which includes Cable Services and non-Cable

Services, Grantee shall calculate revenues to be included in Gross Revenues using a methodology that allocates revenue on a *pro rata* basis when comparing the bundled service price and its components to the sum of the published rate card, except as required by specific federal, state, or local law. It is expressly understood that equipment may be subject to inclusion in the bundled price at full rate card value. This calculation shall be applied to every bundled service package containing Cable Service from which Grantee derives revenues in the City. To the extent discounts reduce revenues includable for purposes of calculating Franchise Fees, Grantee may not unfairly or unlawfully allocate discounts for bundled services for the purpose of evading payment of Franchise Fees to the City. The City reserves its right to review and to challenge Grantee's calculations.

1.22.5 Grantee reserves the right to change the allocation methodologies set forth in this definition of Gross Revenues in order to meet the standards required by governing accounting principles as promulgated and defined by the Financial Accounting Standards Board ("FASB"), Emerging Issues Task Force ("EITF") and/or the U.S. Securities and Exchange Commission ("SEC"). Grantee will explain and document the required changes to the City within sixty (60) days of making such changes, and as part of any audit or review of Franchise Fee payments, and any such changes shall be subject to 1.22.6 below.

1.22.6 Resolution of any disputes over the classification of revenue should first be attempted by agreement of the parties, but should no resolution be reached, the parties agree that reference shall be made to generally accepted accounting principles ("GAAP") as promulgated and defined by the FASB, EITF and/or the SEC. Notwithstanding the foregoing, the City reserves its right to challenge Grantee's calculation of Gross Revenues, including the application of GAAP to Franchise Fees and the interpretation of GAAP as promulgated and defined by the FASB, EITF and/or the SEC.

1.22.7 For the purposes of determining Gross Revenue, Grantee shall use the same method of determining revenues under GAAP as that which Grantee uses in determining revenues for the purpose of reporting to national and state regulatory agencies.

1.23 "Headend" or "Hub"
means any Facility for signal reception and dissemination on a Cable System, including cable, antennas, wires, satellite dishes, monitors, switchers, modulators, processors for Broadcast Signals or other signals, and all other related equipment and Facilities.

1.24 "Leased Access Channel"
means any Channel or portion of a Channel commercially available for programming in accordance with Section 612 of the Cable Act.

1.25 "Pay Service" or "Premium Service"
means Video Programming or other programming service choices (such as movie Channels or pay-per-view programs) offered to Subscribers on a package tier, per-Channel, per-program or per-event basis.

1.26 "Person"
means any natural person, sole proprietorship, partnership, joint venture, association, or limited liability entity or corporation, or any other form of entity or organization.

1.27 "Rights-of-Way"
means land acquired or dedicated for public roads and streets including easements dedicated for compatible use and consistent with Section 621 of the Cable Act, but does not include:

(1) State highways;

(2) Land dedicated for roads, streets, and highways not opened and not improved for motor vehicle use by the public, unless specifically used as a utility corridor;

(3) Structures, including poles and conduits, located within the right-of-way;

(4) Federally granted trust lands or forest board trust lands;

(5) Lands owned or managed by the state parks and recreation commission; or

(6) Federally granted railroad rights-of-way acquired under 43 U.S.C. Sec. 912 and related provisions of federal law that are not open for motor vehicle use.

1.28 "Service Interruption"
means the loss of picture or sound on one or more cable Channels.

1.29 "State"
means the State of Washington.

1.30 "Subscriber" or "Customer"
means any Person who lawfully receives Cable Services provided by Grantee by means of the Cable System with Grantee's express permission.

1.31 "Tier"
means a category of Cable Services provided by Grantee for which a separate rate is charged.

1.32 "Video Programming"
means programming provided by, or generally considered comparable to programming provided by, a television broadcast station, or cable programming provider.

SECTION 2. GRANT OF FRANCHISE

2.1 Grant

2.1.1 The City hereby grants to Grantee a nonexclusive authorization to make reasonable and lawful use of the Rights-of-Way within the Franchise Area to construct, operate, maintain, reconstruct, repair and upgrade the Cable System for the purpose of providing Cable Services, subject to the terms and conditions set forth in this Franchise and applicable law.

2.1.2 Grantee, through this Franchise, is granted the right to operate its Cable System using the public Rights-of-Way within the Franchise Area in compliance with all lawfully enacted applicable construction codes and regulations. This Franchise is intended to convey limited rights and interests only as to those streets in which the City has an actual interest. It is not a warranty of title or interest in any Right-of-Way; it does not provide Grantee any interest in any particular location within the Right-of-Way; and it does not confer rights other than as expressly provided in the grant hereof. This Franchise does not deprive the City of any powers, rights or privileges it now has, or may later acquire in the future, to use, perform work on or to regulate the use of and to control the City's streets covered by this Franchise, including without limitation the right to perform work on its roadways, Rights-of-Way or appurtenant drainage facilities, including constructing, altering, paving, widening, grading, or excavating thereof.

2.1.3 This Franchise is subject to and shall be governed by all applicable provisions now existing or hereafter amended of federal, State and local laws and regulations, including but not limited to the Medical Lake Municipal Code and Engineering Design and Development Standards. This Franchise is subject to the general lawful police power of the City affecting matters of municipal concern. Nothing in this Franchise shall be deemed to waive the requirements of the other codes and ordinances of general applicability enacted, or hereafter enacted, by the City. Grantee agrees to comply with the provisions of the City ordinances, provided that in the event of a conflict between the provisions of ordinances and the Franchise, the express provisions of the Franchise shall govern.

2.1.4 Grantee agrees, as a condition of exercising the privileges granted by this Franchise, that any Affiliate of Grantee that is a Cable Operator of the Cable System in the Franchise Area, as defined herein, or directly involved in the management or operation of the Cable System in the Franchise Area, will comply with the terms and conditions of this Franchise.

2.1.5 No rights shall pass to Grantee by implication. Without limiting the foregoing, by way of example and not limitation, this Franchise shall not include or be a substitute for:

(1) Any other permit or authorization required for the privilege of transacting and carrying on a business within the City that may be required by the ordinances and laws of the City.

(2) Any permit, agreement or authorization required by the City for Rights-of-Way users in connection with operations on or in Rights-of-Way or public property; or

(3) Any permits or agreements for occupying any other property of the City or private entities to which access is not specifically granted by this Franchise.

2.1.6 This Franchise authorizes Grantee to engage in providing Cable Service, as that term is defined in 47 U.S.C. Sec. 522(6), as amended. Neither the Grantor nor the Grantee waive any rights they may have under Applicable Law

as to the lawful use of the Cable System for other services and the regulatory obligations related to such services.

2.2 Use of Rights-of-Way

2.2.1 Grantee may erect, install, construct, repair, replace, reconstruct, and retain in, on, over, under, upon, across, through, below and along the Rights-of-Way within the Franchise Area, such wires, cables (both coaxial and Fiber Optic), conductors, ducts, conduit, vaults, manholes, amplifiers, appliances, pedestals, attachments and other property and equipment as are necessary and appurtenant to the operation of a Cable System for the provision of Cable Service within the Franchise Area. Grantee shall comply with all applicable construction codes, laws, ordinances, regulations and procedures regarding placement and installation of Cable System facilities in the Rights-of Way.

2.2.2 Grantee must follow the City-established requirements, as well as all the City codes, ordinances and other regulations regarding placement of Cable System facilities in Rights-of-Way, including the specific location of facilities in the Rights-of-Way. Grantee must in any event install Cable System facilities in a manner that minimizes interference with the use of the Rights-of-Way by others, including others that may be installing communications facilities. To protect public health, safety and welfare, the City may require that Cable System facilities be installed at a particular time, at a specific place or in a particular manner as a condition of access to a particular Rights-of-Way; may deny access if Grantee is not willing to comply with the City's requirements; and may remove, or require removal of, any facility that is not installed in compliance with the requirements established by the City, or that is installed without prior City approval of the time, place or manner of installation (including charging Grantee for all the costs associated with removal); and the City may require Grantee to cooperate with others to minimize adverse impacts on the Rights-of-Way through joint trenching and other arrangements. Grantee shall assume its costs (in accordance with applicable law) associated with any requirement of the City in the exercise of its police powers, to relocate its Cable System facilities located in the Rights-of-Way.

2.3 Term

2.3.1 This Franchise and the rights, privileges, and authority granted hereunder and the contractual relationship established hereby shall remain in full force and effect for a period of ten (10) years from and after the effective date of this Ordinance, as specified in Section 17, subject to acceptance of this Franchise by Grantee pursuant to Section 16.16.

2.3.2 The grant of this Franchise shall have no effect on any ordinance in effect prior to the effective date of this Franchise to indemnify or insure the City against acts and omissions occurring during the period that the prior franchise was in effect, nor shall it have any effect upon liability to pay all Franchise Fees (for any prior years) that were due and owed under a prior franchise and the franchise ordinance.

2.4 Franchise Nonexclusive

This Franchise shall be nonexclusive, and subject to all prior rights, interests,

easements, or franchises granted by the City or its predecessors to any Person to use any property, Rights-of-Way, easement, including the right of the City to use same for any purpose it lawfully deems fit, including the same or similar purposes allowed Grantee hereunder. The City may at any time grant authorization to use the Rights-of-Way for any purpose not incompatible with Grantee's authority under this Franchise and for such additional franchises for Cable Systems, as the City deems appropriate.

2.5 Grant of Other Franchises

2.5.1 Grantee acknowledges and agrees that the City reserves the right to grant one or more additional franchises subsequent to this Franchise to provide Cable Service or wireline video programming service within the Franchise Area; provided, the City agrees that it shall amend this Franchise to include any material terms or conditions that it makes available to the new entrant within ninety (90) days of Grantee's request, so as to ensure that the regulatory and financial burdens on each entity are materially equivalent. "Material terms and conditions" include but are not limited to: Franchise Fees; insurance; system build-out requirements; security instruments; Access Channels and support; customer service standards; required reports and related record keeping; and notice and opportunity to cure breaches. The parties agree that this provision shall not require a word-for-word identical franchise or authorization so long as the regulatory and financial burdens on each entity are materially equivalent. Video Programming services delivered over wireless broadband networks are specifically exempted from the requirements of this Section so long as the City does not have lawful authority to regulate such wireless broadband networks within the Franchise Area.

2.5.2 The modification process of this Franchise as provided in the preceding paragraph shall only be initiated by written notice by Grantee to the City regarding specified franchise obligations. Grantee's notice shall address the following:

(1) identifying the specific terms or conditions in the competitive cable services franchise which are materially different from Grantee's obligations under this Franchise;

(2) identifying the Franchise terms and conditions for which Grantee is seeking amendments;

(3) providing text for any proposed Franchise amendments to the City, and

(4) a written explanation of why the proposed amendments are necessary.

2.5.3 Upon receipt of Grantee's written notice as provided in Section 2.5.2, the City and Grantee agree that they will use best efforts in good faith to negotiate Grantee's proposed Franchise modifications, and that such negotiation will proceed and conclude within a ninety (90) day time period, unless that time period is reduced or extended by mutual agreement of the parties. If the City and Grantee reach agreement on the Franchise modifications pursuant to such negotiations, then the parties shall amend this Franchise to include the modifications. Notwithstanding any modification of this Franchise pursuant to the provisions of this Section 2.5, should any entity, whose authorization to provide Cable Services or similar wireline video programming service resulted

in a triggering of the amendments under this Section, fail or cease to provide such services within the City, the City may provide ninety (90) days' written notice to Grantee of such fact, and the City and Grantee shall enter into good faith negotiations to determine the original terms, conditions and obligations of this Franchise shall be reinstated and fully effective.

2.5.4 In the event an application for a new cable television franchise is filed with the City proposing to serve the Franchise Area, in whole or in part, the City shall provide notice of such application to the Grantee.

2.5.5 In the event that a wireline multichannel video programming distributor, legally authorized by state or federal law, makes available for purchase by Subscribers or customers, Cable Services or wireline video services within the City without a Cable Service franchise or other similar lawful authorization granted by the City, then Grantee shall have a right to request Franchise amendments that relieve the Grantee of regulatory burdens that create a competitive disadvantage to Grantee. In requesting amendments, Grantee shall file a petition seeking to amend this Franchise. Such petition shall:

(1) indicate the presence of such wireline competitor;

(2) identify the Franchise terms and conditions for which Grantee is seeking amendments;

(3) provide the text of all proposed Franchise amendments to the City,

(4) identify all material terms or conditions in the applicable state or federal authorization which are substantially more favorable or less burdensome to the competitive entity.

2.5.6 The City shall not unreasonably withhold consent to Grantee's petition.

2.6 Familiarity with Franchise

Grantee acknowledges and warrants by acceptance of the rights, privileges and agreement granted herein, that it has carefully read and fully comprehends the terms and conditions of this Franchise and is willing to and does accept all reasonable risks of the meaning of the provisions, terms and conditions herein. Grantee further acknowledges and states that it has fully studied and considered the requirements and provisions of this Franchise, and finds that the same are commercially practicable at this time and consistent with all local, State and federal laws and regulations currently in effect, including the Cable Act.

2.7 Effect of Acceptance

By accepting the Franchise, Grantee:

(1) acknowledges and accepts the City's legal right to issue and enforce the Franchise;

(2) agrees that it will not oppose the City's intervening to the extent it is legally entitled to do so in any legal or regulatory proceeding affecting the Cable System;

(3) accepts and agrees to comply with each and every provision of this Franchise subject to applicable law; and

(4) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

2.8 Police Powers

Grantee's rights hereunder are subject to the police powers of the City to adopt and enforce ordinances necessary to the safety, health and welfare of the public, and Grantee agrees to comply with all applicable laws, ordinances and regulations lawfully enacted pursuant to the police powers of the City, or hereafter enacted in accordance therewith, by the City or any other legally constituted governmental unit having lawful jurisdiction over the subject matter hereof, to the extent that the exercise of such authority does not directly contravene any provision of the Franchise. The City reserves the right to exercise its police powers, notwithstanding anything in this Franchise to the contrary.

2.9 Franchise Area

Grantee shall provide Cable Services, as authorized under this Franchise, within the Franchise Area in accordance with line extension and density provisions as provided herein.

2.10 Reservation of Rights

Nothing in this Franchise shall

(1) abrogate the right of the City to perform any public works or public improvements of any description,

(2) be construed as a waiver of any codes or ordinances of general applicability promulgated by the City, or

(3) be construed as a waiver or release of the rights of the City in and to the Rights-of-Way.

SECTION 3. FRANCHISE FEE AND FINANCIAL CONTROLS

3.1 Franchise Fee

As compensation for the use of the City's Rights-of-Way, Grantee shall pay as a Franchise Fee to the City, throughout the duration of this Franchise, an amount equal to five percent (5.0%) of Grantee's Gross Revenues or such greater or lesser percentage subject to Section 3.8 below. Accrual of such Franchise Fee shall commence as of the effective date of this Franchise.

3.2 Payments

Grantee's Franchise Fee payments to the City shall be computed quarterly for the preceding quarter. Each quarterly payment shall be due and payable no later than forty-five (45) days after the end of the preceding quarter. The quarters shall end respectively on the last day of March, June, September and December.

3.3 Acceptance of Payment

No acceptance of any payment shall be construed as an accord by the City that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim the City may have for further or additional sums payable or for the performance of any other obligation of Grantee.

3.4 Franchise Fee Reports

3.4.1 Each payment shall be accompanied by a written report to the City on a form commonly used by Grantee, verified by an officer of Grantee, containing an accurate statement in summarized form, of Grantee's Gross Revenues and the computation of the payment amount. Such reports shall include all Gross Revenues of the Cable System.

3.4.2 Grantee shall, no later than ninety (90) days after the end of each calendar year, furnish to the City an accurate statement in summarized form, of Grantee's Gross Revenues and the computation of the payment amount for the prior calendar year. Such reports shall include all Gross Revenues of the Cable System.

3.5 Audits

No more than on an annual basis, upon thirty (30) days' prior written notice, the City shall have the right to conduct an independent audit of Grantee's financial records necessary to enforce compliance with this Franchise and to calculate any amounts determined to be payable under this Franchise. Provided Grantee cooperates in making all relevant records available upon request, the City will in good faith attempt to complete each audit within six (6) months, and the audit period shall not be any greater than the previous six (6) years. Any additional amounts due to the City as a result of the audit shall be paid within sixty (60) days following written notice to Grantee, and Grantee's agreement that the audit findings are correct, which notice shall include a copy of the audit findings. If a Franchise Fee underpayment is discovered as the result of an audit, Grantee shall pay, in addition to the amount due, interest at the maximum allowed rate as provided under State law calculated from the date the underpayment was originally due until the date the City receives the payment.

3.6 Financial Records

Grantee agrees to meet with a representative of the City upon request to review Grantee's methodology of record-keeping, financial reporting, the computing of Franchise Fee obligations and other procedures, the understanding of which the City deems necessary for reviewing reports and records that are relevant to the enforcement of this Franchise.

3.7 Underpayments

In the event any payment is not received within forty-five (45) days from the end of the scheduled payment period, Grantee shall pay, in addition to the amount due, interest at the maximum allowed rate as provided under State law calculated from the date the underpayment was originally due until the date the City receives the payment. The period of limitation for recovery of franchise fees payable hereunder shall be six (6) years from the date on which payment by the Grantee was due.

3.8 Maximum Franchise Fee

The parties acknowledge that, at present, applicable federal law limits the City to collection of a Franchise Fee of five percent (5%) of Gross Revenues in any twelve (12) month period. In the event that at any time throughout the term of this Franchise, the City is authorized to collect an amount in excess of five percent (5%) of Gross Revenues in any twelve (12) month period, the parties hereby agree to amend the Franchise after written notice to Grantee, and a public meeting to discuss same, provided that all

wireline cable systems in the Franchise Area over which the City has jurisdiction are treated in an equivalent manner. In the event that at any time throughout the term of this Franchise, the City is limited by federal law to collecting an amount which is less than five percent (5%) of Gross Revenues in any twelve (12) month period, Grantee may request reduction of the Franchise Fee payments to the City in accordance with federal law and the parties hereby agree to amend the Franchise unless the City would be covered under grandfathered provisions under federal law to keep the Franchise Fee at five percent (5%) of Gross Revenues.

3.9 Payment on Termination

If this Franchise terminates for any reason, Grantee shall file with the City within ninety (90) calendar days of the date of the termination, a financial statement, certified by an independent certified public accountant, showing the Gross Revenues received by Grantee since the end of the previous fiscal year. Within forty five (45) days of the filing of the certified statement with the City, Grantee shall pay any unpaid amounts as indicated. If Grantee fails to satisfy its remaining financial obligations as required in this Franchise, the City may do so by utilizing the funds available in a letter of credit or other security provided by Grantee pursuant to Section 5.3 or may exercise any other remedies provided to the City in law or equity to collect on such financial obligations.

3.10 Service Packages

In addition to the requirements elsewhere in this Franchise, City acknowledges that, during the term of this Franchise, Grantee may offer to its Subscribers, at a discounted rate, a bundled or combined package of services consisting of Cable Services, which are subject to the Franchise Fee referenced above, and other services that are not subject to that Franchise Fee. To the extent discounts reduce revenues includable for purposes of calculating Franchise Fees, Grantee may not unfairly or unlawfully allocate discounts for bundled services for the purpose of evading payment of Franchise Fees to the City. As between Cable Services and non-Cable Services, revenues shall be allocated on a pro rata basis. If a dispute arises between the parties regarding this matter, City and Grantee will meet within twenty (20) days' notice and discuss such matters in good faith in an attempt to reach a reasonable compromise thereof.

3.11 Alternative Compensation

In the event that Franchise Fees are prohibited by any law or regulation, Franchisee shall pay to the City that amount, if any, which is determined by applicable law.

3.12 Tax Liability

The Franchise Fees shall be in addition to any and all taxes or other levies or assessments which are now or hereafter required to be paid by businesses by any law of the City, the State or the United States including, without limitation, sales, use, utility, property, permits and other taxes, or business license fees.

SECTION 4. ADMINISTRATION AND REGULATION

The City shall be vested with the power and right to administer and enforce this Franchise and the regulations and requirements of applicable law, including the Cable Act, or to delegate that power and right of administration, or any part thereof, to the extent permitted under federal, State and local law, to any agent in the sole discretion of the City.

4.1 Rates and Charges

Grantee rates and charges related to or regarding Cable Services shall be subject to regulation by the City to the full extent authorized by applicable federal, State and local laws. Customer billing shall be itemized by service(s) per FCC Regulation 76.309(B)(ii)(A) and 76.1619 or as amended. Grantee shall comply with all applicable laws regarding rates for Cable Services and all applicable laws covering issues of cross subsidization.

4.2 No Rate Discrimination

All Grantee rates and charges shall be published (in the form of a publicly-available rate card), made available to the public, and shall be non-discriminatory as to all Persons of similar classes, under similar circumstances and conditions, to the extent required by applicable law. Grantee shall not deny cable service or otherwise discriminate against customers or others. Grantee shall apply its rates in accordance with governing law. Nothing herein shall be construed to prohibit:

(1) The temporary reduction or waiving of rates or charges in conjunction with promotional campaigns;

(2) The offering of reasonable discounts to similarly situated Persons;

(3) The offering of rate discounts for either Cable Service generally; or

(4) The offering of bulk discounts for Multiple Dwelling Units.

4.3 Filing of Rates and Charges

Throughout the term of this Franchise, Grantee shall maintain on file with the City a complete schedule of applicable rates and charges for Cable Services provided under this Franchise. Nothing in this subsection shall be construed to require Grantee to file rates and charges under temporary reductions or waivers of rates and charges in conjunction with promotional campaigns.

4.4 Time Limits Strictly Construed

Whenever this Franchise sets forth a time for any act to be performed by Grantee, such time shall be deemed to be of the essence, and any failure of Grantee to perform within the allotted time may be considered a breach of this Franchise.

4.5 Performance Evaluation

4.5.1 Performance evaluation sessions may be held at any time upon request by the City during the term of this Franchise following Grantee's repeated failure to comply with the terms of this Franchise or no more than once in any annual period.

4.5.2 All evaluation sessions shall be open to the public and announced at least one week in advance in a newspaper of general circulation in the Franchise Area.

4.5.3 Topics that may be discussed at any evaluation session may include those issues surrounding Grantee's failure to comply with the terms of the Franchise, provided that nothing in this subsection shall be construed as requiring the renegotiation of this Franchise or any term or provision therein and further provided that this subsection need not be followed before other legal or equitable remedies within this Franchise.

4.5.4 During evaluations under this subsection, Grantee agrees to participate in such evaluation sessions described in this Section 4.5 and to provide such information or documents as the City may request to perform the evaluation.

4.6 Leased Access Channel Rates

Upon request, Grantee shall provide a complete schedule of current rates and charges for any and all Leased Access Channels, or portions of such Channels, provided by Grantee.

4.7 Late Fees

4.7.1 For purposes of this subsection, any assessment, charge, cost, fee or sum, however, characterized, that Grantee imposes upon a Subscriber solely for late payment of a bill is a late fee and shall be applied in accordance with applicable local, State and federal laws.

4.7.2 Grantee's late fee and disconnection policies and practices shall be nondiscriminatory, and such policies and practices, and any fees imposed pursuant to this subsection, shall apply equally in all parts of the City without regard to the neighborhood or income level of the subscribers.

SECTION 5. FINANCIAL AND INSURANCE REQUIREMENTS

5.1 Indemnification

5.1.1 General Indemnification

Grantee, at its sole cost and expense, shall indemnify, defend and hold the City, its officers, officials, boards, commissions, authorized agents, representatives, and employees, harmless from any action or claim for injury, damage, loss, liability, settlement, proceeding, judgment, or cost or expense, including court and appeal costs and attorneys' fees and expenses, arising from any acts, errors, or omissions, or from the conduct of Grantee's business, including all damages in any way arising out of, or by reason of, any construction, excavation, erection, operation, maintenance, repair or reconstruction, or any other act done under this Franchise, by or for Grantee, its authorized agents, or by reason of any neglect or omission of Grantee its authorized agents or its employees, except only such injury or damage as shall have been occasioned by the sole negligence or intentional misconduct of the City. Grantee shall consult and cooperate with the City while conducting its defense of the City. Said indemnification obligations shall extend to any settlement made by Grantee.

5.1.2 Concurrent Negligence

However, should a court of competent jurisdiction determine that this Franchise is subject to RCW 4.24.115, 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 the Grantee and the City, its officers, officials, employees, and volunteers, the Grantee's liability hereunder shall be only to the extent of the Grantee's negligence.

5.1.3 Indemnification for Relocation

Grantee shall indemnify, defend and hold the City, its elected officials, officers, authorized agents, boards, and employees, harmless for any damages, claims,

additional costs, or expenses payable by, the City related to, arising out of, or resulting from Grantee's failure to remove, adjust or relocate any of its facilities in the Rights-of-Way in a timely manner in accordance with any lawful relocation required by the City. Pursuant to Section 5.1.1, the provisions of this Section 5.1.3 shall specifically include, but are not limited to, claims for delay, damages, costs, and/or time asserted by any contractor performing public work for or on behalf of the City.

5.1.4 Additional Circumstances

Grantee shall also indemnify, defend and hold the City harmless for any claim for injury, damage, loss, liability, cost and expense, including court and appeal costs and attorneys' fees and expenses in any way arising out of any failure by Grantee to secure consents from the owners, authorized distributors or franchisees/licensors of programs to be delivered by the Cable System, provided however, that Grantee will not be required to indemnify the City for any claims arising out of the use of Access Channels by the City and/or its Designated Access Providers or use by the City of the Emergency Alert Cable System.

5.1.5 Procedures and Defense

If a claim or action arises, the City or any other indemnified party shall tender the defense of the claim or action to Grantee, which defense shall be at Grantee's expense. The City may participate in the defense of a claim and, in any event, Grantee may not agree to any settlement of claims financially affecting the City without the City's written approval that shall not be unreasonably withheld.

5.1.6 Duty of Defense

The fact that Grantee carries out any activities under this Franchise through independent contractors shall not constitute an avoidance of or defense to Grantee's duty of defense and indemnification under this Section 5.1.

5.1.7 Duty to Give Notice

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

5.1.8 Separate Representation

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

5.1.9 Prior Franchises

The grant of this Franchise shall have no effect on Grantee's duty under the prior franchises to indemnify or insure the City against acts and omissions occurring during the period that the prior franchises were in effect, nor shall it

have any effect upon Grantee's liability to pay all Franchise Fees which were due and owed under prior franchises.

5.1.10 Waiver of Title 51 RCW Immunity

Grantee's indemnification obligations shall include indemnifying the City for actions brought by Grantee's own employees and the employees of Grantee's agents, representatives, contractors, and subcontractors even though Grantee might be immune under Title 51 RCW from direct suit brought by such an employee. It is expressly agreed and understood that this indemnification for actions brought by the aforementioned employees is limited solely to claims against the City arising by virtue of Grantee's exercise of the rights set forth in this Franchise. To the extent required to provide this indemnification and this indemnification only, Grantee waives its immunity under Title 51 RCW as provided in RCW 4.24.115; provided however, the forgoing waiver shall not in any way preclude Grantee from raising such immunity as a defense against any claim brought against Grantee by any of its employees or other third party. The obligations of Grantee under this Section 5.1.10 have been mutually negotiated by the parties hereto.

5.1.11 Inspection

Inspection or acceptance by the City of any work performed by Grantee at the time of completion of construction or maintenance projects shall not be grounds for avoidance of any of these covenants of indemnification.

5.1.12 Damage to Grantee Facilities

Notwithstanding any other provisions of this Section 5.1, Grantee assumes the risk of damage to its Cable System facilities located in or upon the Rights-of-Way from activities conducted by the City, and agrees to release and waive any and all such claims against the City except to the extent any such damage or destruction is caused by or arises from the gross negligence, intentional misconduct or criminal actions of the City. In no event shall the City be liable for any indirect, incidental, special, consequential, exemplary, or punitive damages, including by way of example and not limitation lost profits, lost revenue, loss of goodwill, or loss of business opportunity in connection with the Grantor's acts or omissions.

5.1.13 Environmental Liability

Grantee shall at its own cost, expense, and liability, comply with all applicable laws, statutes, rules, and regulations concerning Hazardous Substances that relate to Grantee's Cable System. "Hazardous Substances" shall mean any material or substance which does cause or may cause environmental pollution or contamination (and associated liability and clean-up costs related thereto) as defined under applicable state and federal laws, rules, and regulations. Grantee shall be solely and separately liable and responsible for the containment, remediation and/or clean-up of any release of Hazardous Substances directly arising from or relating to Grantee's Cable System. Grantee shall indemnify, defend and hold the City harmless from any fines, suits, procedures, claims, costs, damages, expenses, and actions of any kind arising out of or in any way connected with any release(s) of Hazardous Substances directly arising from or related to Grantee's Cable System. This indemnity includes, but is not limited to:

(1) liability for a governmental agency's costs of removal or remedial action for Hazardous Substances;

(2) damages to natural resources caused by Hazardous Substances, including the reasonable costs of assessing such damages;

(3) liability for the City's costs of responding to Hazardous Substances; and

(4) liability for any costs of investigation, abatement, mitigation, correction, remediation, cleanup, fines, penalties, or other damages arising under any environmental laws.

5.2 Insurance Requirements

5.2.1 General Requirement

Grantee shall procure and maintain for the duration of the Franchise and as long as Grantee has Facilities in the Rights-of-Way, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Agreement and use of the Rights-of-Way in the coverage amounts described below:

(1) Commercial General Liability coverage for bodily injury, personal injury, and property damage with limits of no less than five million dollars ($5,000,000) per occurrence. The general aggregate limit shall be no less than five million dollars ($5,000,000). Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop gap liability, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. The City shall be named as an additional insured under the Grantee's Commercial General Liability insurance policy with respect this Franchise using ISO endorsement CG 20 12 05 09 or CG 20 26 07 04, or substitute endorsement providing at least as broad coverage.

(2) Commercial Automobile Liability Insurance with minimum combined single limits of at least two million dollars ($2,000,000) each occurrence and five million dollars ($5,000,000) aggregate with respect to each of Grantee's owned, hired and non-owned, or any other vehicles assigned to or used in any activities authorized under or used in conjunction with this Franchise. Automobile Liability insurance shall cover all owned, non-owned, hired and leased vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01.

(3) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

(4) Umbrella or excess liability insurance in the amount of five million dollars ($5,000,000). Excess or Umbrella Liability insurance shall be excess over and at least as broad in coverage as the Grantee's Commercial General Liability and Automobile Liability insurance. The City shall be named as an additional insured on the Grantee's Excess or Umbrella Liability insurance policy. The Excess or Umbrella Liability

requirement and limits may be satisfied instead through Grantee's Commercial General Liability and Automobile Liability insurance, or any combination thereof that achieves the overall required limits.

5.2.2 Primary Insurance

Grantee's Commercial General Liability, Automobile Liability, and Excess or Umbrella Liability, insurance policy or policies are to contain, or be endorsed to contain, that they shall be primary insurance as to the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Grantee's insurance and shall not contribute with it. The City, and the City's officers, officials, boards, commissions, agents, representatives, and employees are to be covered as, and have the rights of, additional insured's with respect to liability arising out of activities performed by, or on behalf of, Grantee under this Franchise or applicable law, or in the construction, operation, upgrade, maintenance, repair, replacement or ownership of the Cable System;

5.2.3 Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

5.2.4 Verification of Coverage

Grantee shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Franchise. Upon request by the City, the Grantee shall furnish certified copies of all required insurance policies, including endorsements, required in this Franchise and evidence of all subcontractors' coverage in the amounts specified above.

5.2.5 Subcontractors

Grantee shall cause each and every subcontractor to provide insurance coverage that complies with all applicable requirements of the Grantee provided insurance as set forth herein, except the Grantee shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Grantee shall require that the City is an additional insured on the Subcontractor's Commercial General liability insurance.

5.2.6 Notice of Cancellation

Grantee shall provide the City with written notice of any policy cancellation within two business days of their receipt of such notice.

5.2.7 Failure to Maintain Insurance

Failure on the part of Grantee to maintain the insurance as required shall constitute a material breach of Franchise, upon which the City may, after giving five business days' notice to Grantee to correct the breach, terminate the Franchise or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand.

5.2.8 City Full Availability of Grantee Limits

If the Grantee maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial

General and Excess or Umbrella liability maintained by the Grantee, irrespective of whether such limits maintained by the Grantee are greater than those required by this Franchise or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Grantee.

5.2.9 Grantee – Self-Insurance

If the Grantee is self-insured or becomes self-insured during the term of the Franchise, Grantee or its affiliated parent entity shall comply with the following:

(1) provide the City, upon request, a copy of Grantee's or its parent company's most recent audited financial statements, if such financial statements are not otherwise publicly available;

(2) Grantee or its parent company is responsible for all payments within the self-insured retention; and

(3) Grantee assumes all defense and indemnity obligations as outlined in the indemnification section of this Franchise.

5.2.10 No Limitation of Liability

Grantee's maintenance of insurance as required by this Franchise shall not be construed to limit the liability of Grantee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

5.3 Security

5.3.1 Grantee shall provide a performance bond ("Performance Bond") in the amount of fifty thousand dollars ($50,000) to ensure the faithful performance of its responsibilities under this Franchise and applicable law, including, by way of example and not limitation, its obligations to relocate and remove its facilities and to restore the City Rights-of-Way and other property. The Performance Bond shall be in a standard industry form. Grantee shall pay all premiums or costs associated with maintaining the Performance Bond and shall keep the same in full force and effect at all times. Except as expressly provided herein, Grantee shall not be required to obtain or maintain other bonds as a condition of being awarded the Franchise or continuing its existence.

5.3.2 If there is an uncured breach by Grantee of a material provision of this Franchise or a pattern of repeated violations of any provision(s) of this Franchise, then the City may request and Grantee shall establish and provide within thirty (30) days from receiving notice from the City, to the City, as security for the faithful performance by Grantee of all of the provisions of this Franchise, an irrevocable letter of credit from a financial institution satisfactory to the City in the amount of fifty thousand dollars ($50,000).

5.3.3 If a letter of credit is furnished pursuant to subsection 5.3.2, the letter of credit shall then be maintained at that same amount until the uncured breach is resolved.

5.3.4 After the giving of notice by the City to Grantee and expiration of any applicable cure period, the letter of credit or Performance Bond may be drawn upon by the City for purposes including, but not limited to, the following:

(1) Failure of Grantee to pay the City sums due under the terms of this Franchise;

(2) Reimbursement of costs borne by the City to correct Franchise violations not corrected by Grantee;

(3) Liquidated damages assessed against Grantee as provided in this Franchise.

5.3.5 The City shall give Grantee written notice of any withdrawal from the Performance Bond or letter of credit. Within ten (10) days following notice that a withdrawal has occurred from the Performance Bond or letter of credit, Grantee shall restore the Performance Bond or letter of credit to the full amount required under this Franchise. Grantee's maintenance of the letter of credit shall not be construed to excuse unfaithful performance by Grantee or limit the liability of Grantee to the amount of the letter of credit or otherwise limit the City's recourse to any other remedy available at law or in equity.

5.3.6 Grantee shall have the right to appeal to the hearing examiner for reimbursement in the event Grantee believes that the Performance Bond or letter of credit was drawn upon improperly. Grantee shall also have the right of judicial appeal if Grantee believes the letter of credit has not been properly drawn upon in accordance with this Franchise. Any funds the City erroneously or wrongfully withdraws from the Performance Bond or letter of credit, as determined by either the hearing examiner or judicial appeal, shall be returned to Grantee with interest, from the date of withdrawal at a rate equal to the prime rate of interest as quoted in The Wall Street Journal as of the date of such decision.

5.3.7 If any Performance Bond or letter of credit delivered pursuant thereto expires prior to twelve (12) months after the expiration of the term of this Franchise, it shall be renewed or replaced during the term of this Franchise to provide that it will not expire earlier than twelve (12) months after the expiration of this Franchise. The renewed or replaced Performance Bond or letter of credit shall be of the same form and with a bank authorized herein and for the full amount stated in this Section.

5.4 Bonds

Notwithstanding the sums set forth in Sections 5.3.2 and 5.3.3, which shall be minimum sums, Grantee, at its expense, shall comply with all of the applicable construction or maintenance bonding requirements provided for in the City Municipal Code or development standards officially adopted by the City for work in the Rights-of-Way.

SECTION 6. CUSTOMER SERVICE

6.1 Customer Service Standards

Grantee shall comply with Customer Service Standards as provided in FCC Standards 47 C.F.R. Sections 76.309, 76.1602, 76.1603 and 76.1619 and in MMC 5.52.130.

6.2 Subscriber Privacy

Grantee shall comply with privacy rights of Subscribers in accordance with applicable law.

SECTION 7. REPORTS AND RECORDS

7.1 Open Records

7.1.1 Grantee shall manage all of its operations in accordance with a policy of keeping its documents and records open and accessible to the City. In addition to any other records that may be provided for under any other section of this Franchise, the City, including the City's Finance Director and Public Works Director or their designees, shall have access to, and the right to inspect, those books and records of Grantee, its parent corporations and Affiliates, which are reasonably related to the administration or enforcement of the terms of this Franchise, or Grantee's use and location within the City's Rights-of-Way. Records subject to this Section 7.1 include, without limitation, FCC filings on behalf of Grantee, its parent corporations, or Affiliates which directly relate to the operation of the Cable System in the City; SEC filings; listing of Cable Services, rates, and Channel line-ups; Cable Services added or dropped; Channel changes; federal and State reports; reports of Subscriber complaints, and how such complaints are resolved.

7.1.2 Grantee shall not deny the City access to any of Grantee's records on the basis that Grantee's records are under the control of any parent corporation, Affiliate, or a third party. The City may, in writing, request copies of any such records or books and Grantee shall provide such copies within thirty (30) days of the transmittal of such request. One (1) copy of all reports and records required under this or any other subsection shall be furnished to the City, at the sole expense of Grantee. If the requested books and records are too voluminous, or for security reasons cannot be copied or removed, then Grantee may require that the City or its designee inspect them at Grantee's local offices. For purposes of clarity, any requirements to provide as-built maps shall not be considered too voluminous or unable to be copied for security purposes with respect to the provisions of this subsection 7.1.2. If any books or records of Grantee are not kept in a local office and are not made available in copies to the City or its designee upon written request as set forth above, and if the City determines that an examination of such records is necessary or appropriate for the performance of any of the City's duties, administration or enforcement of this Franchise, then all reasonable travel and related expenses incurred in making such examination shall be paid by Grantee.

7.2 Confidentiality

7.2.1 Grantee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature. That said, Grantee does agree to provide all information reasonably required to verify compliance with the material terms of the Franchise. If Grantee believes that any documents are confidential or proprietary, Grantee shall be responsible for clearly and conspicuously identifying the work as confidential or proprietary, and shall provide a brief written explanation as to why such information is confidential and how it may be treated as such under State or federal law.

7.2.2 As a public agency, records and information provided to or otherwise used by the City may be subject to a request submitted under the state Public Records

Act. If a request is received for records Grantee has submitted to the City and has identified as confidential, proprietary or protected trade secret material, the City will use its best efforts to provide Grantee with notice of the request in accordance with RCW 42.56.540 and a reasonable time (of no less than 10 business days) within which Grantee may seek an injunction to prohibit the City's disclosure of the requested record. Nothing in this Section 7.2 prohibits the City from complying with RCW 42.56, or any other applicable law or court order requiring the release of public records. The City is not required to assert on Grantee's behalf any exemption based on trade secret, proprietary or confidential information, provided, however, the City may assert such exemption if the City itself believes in good faith that an exemption applies to the requested records. Grantee agrees to defend, indemnify and hold the City, its officers, officials, employees, agents, and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorney fees, arising out of or in connection with the assertion of an exemption to disclosure under the Public Records Act based upon records claimed or identified by Grantee as confidential, proprietary or protected trade secret material. The provisions of this section shall survive the expiration or termination of this Franchise.

SECTION 8. PROGRAMMING

8.1 Broad Programming Categories

Grantee shall provide at least the following broad categories of programming to the extent such categories are reasonably available.

(1) Educational programming;

(2) News, government, weather and information;

(3) Sports;

(4) General entertainment including movies;

(5) Foreign language programming; and

(6) Children's programming.

8.2 Deletion of Broad Programming Categories

8.2.1 Grantee shall not delete or so limit as to effectively delete any broad category of programming within its control without prior written notice to the City.

8.2.2 In the event of a modification proceeding under federal law, the mix and quality of Cable Services provided by Grantee shall follow the guidelines of federal law.

8.3 Obscenity

Grantee shall not transmit, or permit to be transmitted, over any Channel subject to its editorial control any programming which is obscene under applicable federal, State or local laws.

8.4 Services for the Disabled

Grantee shall comply with the Americans With Disabilities Act and any amendments or successor legislation thereto.

8.5 Parental Control Device

Upon request by any Subscriber, Grantee shall make available at no charge a parental control or lockout device, traps or filters to enable a Subscriber to control access to both the audio and video portions of any Channels. Grantee shall inform its Subscribers of the availability of the lockout device at the time of their initial subscription and periodically thereafter.

8.6 New Technology

8.6.1 If there is a new technology, Cable Service program offering, programming delivery method or other such new development that Grantee in its sole discretion decides to beta test or trial on a limited basis in the marketplace, and such a test or trial is suited to the size and demographics of the City, Grantee shall be allowed by the City to conduct the trial or beta test in the City so long as such a test is technically feasible.

8.6.2 If there is a new technology that in the City's opinion would enhance substantially the quality or quantity of programming available to Subscribers on the Cable System, Grantee shall, at the request of the City, investigate the feasibility of implementing said technology and report to the City the results of such investigation within ninety (90) days from the date of such request.

SECTION 9. GENERAL RIGHT-OF-WAY USE AND CONSTRUCTION

9.1 Construction

9.1.1 Grantee shall perform all maintenance, construction, repair, upgrade and reconstruction necessary for the operation of its Cable System in accordance with applicable laws, regulations, ordinances, MLMC Chapter 11, the City's Development Regulations, and Design and Construction Standards, and provisions of this Franchise. Prior to doing such work Grantee shall apply for, and obtain, appropriate permits from the City, and give appropriate notices to the City, and Grantee shall pay all applicable fees upon issuance of the requisite permits by the City to Grantee. As a condition of any permits so issued, the City officials may impose such conditions and regulations as are necessary for the purpose of protecting any structures in such Rights-of-Way, proper restoration of such Rights-of-Way and structures, protection of the public and the continuity of pedestrian or vehicular traffic. To the extent practicable and economically feasible, Grantee's construction and location of its facilities shall be of minimal impact to the City streets and sidewalks located within the Rights-of-Way. All construction and maintenance of any and all of Grantee's facilities within the Rights-of-Way shall, regardless of who performs the construction, be and remain Grantee's responsibility.

9.1.2 Prior to beginning any construction, excavations, or significant repair, Grantee shall provide the City with a construction schedule for work in the Rights-of-Ways as required by the City's permitting regulations. Further, Grantee shall meet with the City and other franchise and master permit holders and users of the Rights-of-Way upon written notice as determined by the City, to discuss options regarding scheduling and coordinating construction in the Rights-of-Way.

9.1.3 Grantee may make excavations in Rights-of-Way for any facility needed for the maintenance or extension of Grantee's Cable System in a manner consistent with Section 9.1.1, 9.1.2 of this Franchise. Whenever it is possible and reasonably practicable to joint trench or share bores or cuts, Grantee shall work with other providers, permittees and franchisees so as to reduce so far as possible the number of Rights-of-Way cuts within the Franchise Area.

9.1.4 In the event that emergency repairs are necessary, Grantee will make best efforts to contact the City's Public Works Department at 509-299-7715 prior to the repair, however Grantee may initiate such emergency repairs, and shall apply for appropriate permits within forty-eight (48) hours after discovery of the emergency.

9.2 Location of Facilities

9.2.1 Prior to doing any digging or excavation in the Rights-of-Way, Grantee shall follow established procedures, including contacting the Utility Notification Center in Washington and comply with all applicable State statutes regarding the One Call Locator Service pursuant to RCW 19.122.

9.2.2 Further, upon request from the City in conjunction with the design of any City project, and no more than thirty (30) days following such request, Grantee shall, at Grantee's expense, mark on the surface all of its located underground facilities within the area of the proposed excavation, including horizontal and vertical location.

9.3 Restoration of Rights-of-Way

9.3.1 When any opening is made by Grantee in a hard surface pavement in any Rights-of-Way, Grantee shall promptly refill the opening and restore the surface as required by its permit and in a manner consistent with Medical Lake Municipal Code Chapter 11, or any other Section of Medical Lake Municipal Code, or Design and Construction Standard which is deemed applicable by the City. Grantee shall guarantee the durability and structural integrity of any street cut or repair made by it or its agents or subcontractors which is necessary for the construction, installation, operation, repair or maintenance of Grantee's Facilities; provided, that no action by an unrelated third party materially affects the integrity of the Grantee's street cut or repair. Grantee shall repair or replace, at no expense to the City, any failed street cut or repair which was completed by the Grantee or its agents or subcontractors.

9.3.2 If Grantee excavates the surface of any Rights-of-Way, Grantee shall be responsible for restoration in accordance with applicable regulations regarding the Rights-of-Way and its surface within the area affected by the excavation. The City may, after providing notice to Grantee, and Grantee's failure to respond within the agreed upon time, refill or repave any opening made by Grantee in the Rights-of-Way, and the expense thereof shall be paid by Grantee. In the event Grantee does not repair a Rights-of-Way or an improvement in or to a Rights-of-Way in a prompt timeframe or as agreed to with the City Engineer or any other department director as the City may designate, the City may repair the damage and shall be reimbursed its actual cost within thirty (30) days of submitting an invoice to Grantee. The cost of all

repairs and restoration, including the costs of inspection and supervision shall be paid by Grantee. All of Grantee's work under this Franchise, and this Section in particular, shall be done in compliance with all laws, regulations and ordinances of the City and State. All work by Grantee pursuant to this Section shall be performed in accordance with applicable City standards.

9.3.3 The Public Works Director or any other department director as the City may designate shall have final approval of the condition of such streets and public places after restoration.

9.4 Maintenance and Workmanship

9.4.1 Grantee's Cable System shall be constructed and maintained in such manner as not to interfere with transportation systems, sewers, stormwater, water pipes or any other property of the City, or with any other pipes, wires, conduits, pedestals, structures or other facilities that may have been laid in Rights-of-Way by, or under, the City's authority.

9.4.2 Grantee shall provide and use any equipment and appliances necessary to control and carry Grantee's signals so as to prevent injury to the City's property or property belonging to any Person. Grantee, at its own expense, shall repair, renew, change, and improve its facilities to keep them in safe condition.

9.4.3 Grantee's transmission and distribution Cable System, wires and appurtenances shall be located, erected and maintained so as not to endanger or interfere with the lives of Persons, or to unnecessarily hinder or obstruct the free use of Rights-of-Way, or other public property.

9.5 Acquisition of Facilities

Upon Grantee's acquisition of facilities in any Rights-of-Way, or upon the addition or annexation to the City of any area in which Grantee owns or operates any facility, such facilities shall immediately be subject to the terms of this Franchise.

9.6 Relocation of Facilities

9.6.1 Nothing in this Franchise shall prevent the City from constructing any public work or improvement. The City may require Grantee to relocate the Cable System within the Rights-of-Way when reasonably necessary for construction, alteration, repair, or improvement of the right-of-way for purposes of public welfare, health, or safety. For example, without limitation, the movement of or the request to locate Grantee's facilities may be needed by reason of traffic conditions, public safety, Rights-of-Way vacation, Rights-of-Way construction, change or establishment of Rights-of-Way grade, installation of sewers, drains, gas or water pipes, or any other types of structures or improvements by for public purposes. For the avoidance of doubt, such projects shall include any Rights-of-Way improvement project, even if the project entails, in part, related work funded and/or performed by or for a third party, provided that such work is performed for the public benefit, but shall not include, without limitation, any other improvements or repairs undertaken by or for the primary benefit of third-party entities. Except as otherwise provided by law, the costs and expenses associated with relocations or disconnections requested pursuant to this Section 10.6 shall be borne by Grantee. Such work shall be performed at

Grantee's expense. Nothing contained within this Franchise shall limit Grantee's ability to seek reimbursement for relocation costs when permitted pursuant to RCW 35.99.060. In the case of a joint relocation project, Grantee shall be responsible for the cost of relocating its facilities.

9.6.2 If the City determines that the project necessitates the relocation of Grantee's existing facilities, the City shall provide Grantee in writing with a date by which the relocation shall be completed (the "Relocation Date") consistent with RCW 35.99.060(2). In calculating the Relocation Date, the City shall consult with Grantee and consider the extent of facilities to be relocated, the services requirements, and the construction sequence for the relocation, within the City's overall project construction sequence and constraints, to safely complete the relocation, and the City shall endeavor to provide Grantee at least sixty (60) days' notice prior to the Relocation Date. Grantee shall complete the relocation by the Relocation Date, unless the City or a reviewing court establishes a later date for completion, as described in RCW 35.99.060(2). To provide guidance on this notice process, the City will make reasonable efforts to involve Grantee in the predesign and design phases of any Public Project. After receipt of the written notice containing the Relocation Date, Grantee shall relocate such facilities to accommodate the Public Project consistent with the timeline provided by the City and at no charge or expense to the City. Such timeline may be extended by a mutual agreement.

9.6.3 If Grantee fails to complete this work within the time prescribed above and to the City's satisfaction, the City may cause such work to be done and bill the cost of the work to Grantee, including all costs and expenses incurred by the City due to Grantee's delay. In such event, the City shall not be liable for any damage to any portion of Grantee's Cable System. Within thirty (30) days of receipt of an itemized list of those costs, Grantee shall pay the City. In any event, if Grantee fails to timely relocate, remove, replace, modify or disconnect Grantee's facilities and equipment, and that delay results in any delay damage accrued by or against the City, Grantee will be liable for all documented costs of construction delays attributable to Grantee's failure to timely act. Grantee reserves the right to challenge any determination by the City of costs for construction delays related to an alleged failure to act in accordance with this Section 9.6.

9.7 Movement of Cable System Facilities for Other Entities

9.7.1 If any removal, replacement, modification or disconnection of the Cable System is required to accommodate the construction, operation or repair of the facilities or equipment of another entity with the rights to use the Rights-of-Way, Grantee shall, after at least thirty (30) days' advance written notice, take action to effect the necessary changes requested by the responsible entity. Grantee may require that the costs associated with the removal or relocation be paid by the benefited party.

9.7.2 At the request of any Person holding a valid permit (a "Permittee") and upon reasonable advance notice, Grantee shall temporarily raise, lower or remove its wires as necessary to permit the moving of a building, vehicle, equipment or other item. Grantee may require a reasonable deposit of the estimated payment in advance and may require that the cost be paid by the Permittee.

Such payment is an exchange between the Grantee and the Permittee, and the City will not be the administrator of these transactions.

9.7.3 Reimbursement of Grantee Costs

Grantee specifically reserves any rights it may have under Applicable Law for reimbursement of costs related to undergrounding or relocation of the Cable System as described in Section 9.7, and nothing herein shall be construed as a waiver of such rights.

9.8 Reservation of City Use of Right-of-Way

Nothing in this Franchise shall prevent the City or public utilities owned, maintained or operated by public entities other than the City from constructing sewers; grading, paving, repairing or altering any Rights-of-Way; laying down, repairing or removing water mains; or constructing or establishing any other public work or improvement. All such work shall be done, insofar as practicable, so as not to obstruct, injure or prevent the use and operation of Grantee's Cable System but insofar as the Cable System, or any portion thereof, is required to be relocated to accommodate the construction of the City or public utility, Grantee shall be solely responsible for the costs associated with relocation.

9.9 Rights-of-Way Vacation

If any Rights-of-Way or portion thereof used by Grantee is vacated by the City during the term of this Franchise, unless the City specifically reserves to Grantee the right to continue the use of vacated Rights-of-Way, Grantee shall, without delay or expense to the City, remove its facilities from such Rights-of-Way, and restore, repair or reconstruct the Rights-of-Way where such removal has occurred. In the event of failure, neglect or refusal of Grantee, after thirty (30) days' notice by the City, to restore, repair or reconstruct such Rights-of-Way, the City may do such work or cause it to be done, and the reasonable cost thereof, as found and declared by the City, shall be paid by Grantee within thirty (30) days of receipt of an invoice and documentation.

9.10 Removal of Discontinued Facilities

Whenever Grantee intends to discontinue using any facility within the Rights-of-Way, Grantee shall submit to the City a complete description of the facility and the date on which Grantee intends to discontinue using the facility. Grantee may remove the facility or request that the City allow it to remain in place. Notwithstanding Grantee's request that any such facility remain in place, the City may require Grantee to remove the facility from the Rights-of-Way or modify the facility to protect the public health, welfare, safety and convenience, or otherwise serve the public interest. The City may require Grantee to perform a combination of modification and removal of the facility. Grantee shall complete such removal or modification in accordance with a schedule set by the City. Until such time as Grantee removes or modifies the facility as directed by the City, or until the City accepts abandonment or the rights to and responsibility for the facility are accepted by another Person having authority to construct and maintain such facility, Grantee shall be responsible for the facility, as well as maintenance of the Rights-of-Way, in the same manner and degree as if the facility were in active use, and Grantee shall retain all liability for such facility. If Grantee abandons its facilities, the City may choose to use such facilities for any purpose whatsoever including, but not limited to, Access Channel purposes.

9.11 Hazardous Substances

9.11.1 Grantee shall comply with all applicable State and federal laws, statutes, regulations and orders concerning hazardous substances within the Rights-of-Way.

9.11.2 Upon reasonable notice to Grantee, the City may inspect Grantee's facilities in the Rights-of-Way to determine if any release of hazardous substances has occurred, or may occur, from or related to Grantee's Cable System. In removing or modifying Grantee's facilities as provided in this Franchise, Grantee shall also remove all residue of hazardous substances related thereto.

9.12 Undergrounding of Cable

9.12.1 Wiring

(1) Where electric and telephone utility wiring is installed underground at the time of Cable System construction, or when all such wiring is subsequently placed underground, all Cable System lines, wiring and equipment shall also be placed underground with other wireline service at no expense to the City. Related Cable System equipment, such as pedestals, must be placed in accordance with applicable City Municipal Code requirements and rules or development standards. Except as otherwise stated in Section 9.12.1(2) below, in areas where electric or telephone utility wiring are aerial, Grantee may install aerial cable, except when a property owner or resident requests underground installation and agrees to bear the additional cost in excess of aerial installation.

(2) This Franchise does not grant, give or convey to Grantee the right or privilege to install its facilities in any manner on specific utility poles or equipment of the City or any other Person.

(3) Grantee and the City recognize that situations may occur in the future where the City may desire to place its own cable or conduit for Fiber Optic cable in trenches or bores opened by Grantee. Therefore, if Grantee constructs, relocates or places ducts or conduits in the Rights-of-Way it shall submit these plans to the City in accordance with the City's permitting process so as to provide the City with an opportunity to request that Grantee place additional duct or conduit and related structures necessary to access the conduit pursuant to RCW 35.99.070. Other than submission of plans in accordance with the City's permitting requirements, nothing set forth herein shall obligate Grantee to slow the progress of any future construction of the Cable System to accommodate the City. In addition, Grantee agrees to cooperate with the City in any other construction by Grantee that involves trenching or boring. The City shall be responsible for maintaining its respective cable, conduit and Fiber Optic cable buried in Grantee's trenches and bores under this subsection.

(4) The City shall not be required to obtain easements for Grantee.

(5) Grantee may participate with other providers in joint trench projects to relocate its overhead facilities underground and remove its overhead facilities in areas where all utilities are being converted to underground

facilities. If funds from a Utility Local Improvement District are provided to aerial providers to offset the cost of undergrounding, excluding any entity operating under a tariff, Grantee's costs shall be proportionality paid for out of such funds.

9.12.2 Repair and Restoration of Property

If public property is disturbed or damaged by Grantee arising out of or in connection with the provision of Cable Service, Grantee shall restore the property to its former condition, or better. Rights-of-Way or other City property shall be restored in a manner and within a timeframe approved by the City's Public Works Director, or his/her designee. If restoration of Rights-of-Way or other property of the City is not satisfactorily performed within a reasonable time, the Public Works Director, or his/her designee, may, after prior notice to Grantee, or without notice where the disturbance or damage may create a risk to public health, safety or welfare, or cause delay or added expense to a public project or activity, cause the repairs to be made at Grantee's expense and recover the cost of those repairs from Grantee. Within thirty (30) days of receipt of an itemized list of those costs, including the costs of labor, materials and equipment, Grantee shall issue payment to the City.

9.13 Codes

Grantee shall strictly adhere to City codes that do not directly conflict with the specific provisions of this Franchise. Grantee shall arrange its lines, cables and other appurtenances, on both public and private property, in such a manner as to cause no unreasonable interference with the use of said public or private property by any Person. In the event of such interference or if such construction does not comply with City codes or the permit, the City may require the removal or relocation of Grantee's lines, cables and other appurtenances from the property in question.

9.14 Tree Trimming

Upon obtaining a written permit from the City, if such a permit is required, Grantee may prune or cause to be pruned, using proper pruning practices in accordance with such permit, any tree in the Rights-of-Way that interferes with the Cable System. Grantee shall be responsible for any damage caused by such trimming and shall make every attempt to trim such trees and shrubbery in a fashion that maintains their aesthetic appeal and the health of the tree. Grantee may not remove any trees without the express consent from the City.

9.15 Standards

9.15.1 Grantee shall, at all times, install, maintain and use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage or injuries to the public. In furtherance thereof, Grantee must comply with the City's traffic control requirements, including, for example, but without limitation, the use of signal devices, warning signs and flaggers when appropriate. All of Grantee's structures, cables, lines, equipment and connections in, over, under and upon the Rights-of-Way and public ways or other places in the Franchise Area, wherever situated or located, shall at all times be kept and maintained in a safe condition.

9.15.2 Grantee must comply with all federal, State and local safety requirements, rules, regulations, standards, laws and practices, and employ all necessary devices as required by applicable law during construction, operation and repair of its Cable System. By way of illustration and not limitation, Grantee must comply with the National Electric Code, National Electrical Safety Code and Occupational Safety and Health Administration (OSHA) Standards.

9.15.3 All installations of equipment shall be permanent in nature, and shall not interfere with the travel and use of public places by the public during the construction, repair, operation or removal thereof, and shall not obstruct or impede traffic.

9.15.4 Grantee shall endeavor to maintain all equipment lines and facilities in an orderly manner, including, but not limited to, the removal of bundles of unused cables.

9.16 Stop Work

On notice from the City that any work is being conducted contrary to the provisions of this Franchise, or in violation of the terms of any applicable permit, laws, regulations, ordinances or standards, the work may immediately be stopped by the City. The stop work order shall:

(1) Be in writing;

(2) Be given to the Person doing the work, or posted on the work site;

(3) Be sent to Grantee by mail at the address given herein;

(4) Indicate the nature of the alleged violation or unsafe condition; and

(5) Establish conditions under which work may be resumed.

Grantee shall comply immediately with any stop work order issued by the City.

9.17 Work of Contractors and Subcontractors

Grantee's contractors and subcontractors shall be bonded in accordance with State and local regulations, requirements, and ordinances. Work by contractors and subcontractors shall be subject to the same restrictions, limitations and conditions as if the work were performed by Grantee. Grantee shall be responsible for all work performed by its contractors and subcontractors and others performing work on its behalf, and shall ensure that all such work is performed in compliance with this Franchise and other applicable law, and shall be jointly and severally liable for all damages caused by them. It is Grantee's responsibility to ensure that contractors, subcontractors or other persons performing work on Grantee's behalf are familiar with the requirements of this Franchise and other applicable laws governing the work performed by them. When pulling permits, a subcontractor must clearly state their connection to Grantee.

9.18 Pole Transfers

If Grantee leases or otherwise utilizes a pole within the Rights-of-Way owned by a third party for attachment of Grantee's facilities, and such third party subsequently abandons the pole, for example by building a replacement pole, Grantee shall remove or relocate its facilities from such pole within sixty (60) days of notification from either the third party pole owner or the City, provided that such other structure or place has been made available to the Grantee with sufficient time to allow for the relocation. If Grantee

requires additional time to accomplish the removal and/or relocation, Grantee shall notify the City in writing of the reasons for the additional time and its anticipated schedule.

9.19 Strand Mounted WiFi Facilities

9.19.1 Subject to the provisions of this Franchise and applicable safety and electrical codes, Grantee is allowed to place strand mounted wireless facilities on its own cables strung between existing utility poles.

9.19.2 Grantee shall comply with the following requirements:

(1) each strand mounted WiFi facility must be less than two and half (2.5) cubic feet in volume;

(2) only one strand mounted WiFi facility is permitted per cable strung between two poles;

(3) the WiFi strand mounted facilities shall be placed as close to the pole as technically feasible and may not be placed more than six (6) feet from the pole or in that portion of the Rights-of-Way used for vehicular travel;

(4) Grantee may not place an ancillary pole or ground mounted equipment to accommodate such strand mounted WiFi facilities, unless in the case of ground mounted equipment placed in pre-existing equipment cabinets;

(5) the strand mounted WiFi facilities must comply with any applicable FCC requirements related to RF emissions and interference. Upon request, Grantee shall validate that such device meets FCC standards by producing documentation certified by an RF engineer; and

(6) such strand mounted WiFi facilities must be removed if they cause a threat to public health or safety.

9.19.3 The deployment of these strand mounted WiFi facilities shall not be considered small wireless facilities as that term is defined by 47 CFR § 1.6002. To the extent Grantee performs work in the Rights-of-Way associated with the installation, maintenance, construction, repair or upgrade of these strand mounted WiFi facilities, Grantee is required to obtain the appropriate permits consistent with Section 9-General Right-of-Way Use and Construction. Further, such strand mounted facilities must be operated as part of the Cable System.

SECTION 10. CABLE SYSTEM DESIGN

10.1 Service Availability

Grantee has shared with the City its Cable System deployment plans which include the estimated projected dates when deployment of the Cable System will be completed and activated in various parts of the City, which have been found to be acceptable to the City. Grantee commits to using commercially reasonable efforts to construct its Cable System within the City in accordance with those plans and will meet with the City, at a minimum biannually, to update the City on the current status of construction and anticipated timeline to completion. However, nothing in this Franchise requires Grantee

to build out and serve all areas of the City if, in Grantee's good faith estimation, build-out and service activation cannot be completed in a commercially reasonable fashion.

10.1.1 Once Grantee has extended its Cable System to cover ninety-five percent (95%) of the Franchise Area, the Grantee shall provide a standard aerial installation of Cable Service within seven (7) days of a request by any Person within the Franchise Area. For standard underground installations scheduling shall be done within seven (7) days of a request for service. For purposes of this Section, a request shall be deemed made on the date of signing a service agreement, receipt of funds by Grantee, receipt of a written request by Grantee or receipt by Grantee of a verified verbal request. Grantee shall provide such service:

(1) With no line extension charge except as specifically authorized elsewhere in this Franchise.

(2) At a non-discriminatory installation charge for a Standard Installation, consisting of a one hundred twenty-five (125) foot aerial drop or sixty (60) foot underground drop connecting to the exterior demarcation point for Subscribers, with additional charges for non-standard installations computed according to a non-discriminatory methodology for such installations.

(3) At non-discriminatory monthly rates for all Subscribers, excepting commercial Subscribers, MDU Bulk Subscribers and other lawful exceptions.

10.1.2 No Customer shall be refused service arbitrarily. However, for non-Standard Installations of service to Subscribers, Cable Service may be made available on the basis of a capital contribution in aid of construction, including cost of material, labor and easements. Grantee may require that the payment of the capital contribution in aid of construction be borne by such potential Subscribers be paid in advance. For the purpose of determining the amount of capital contribution in aid of construction to be borne by the Grantee and Customers in the area in which service shall be expanded, the Grantee will contribute an amount equal to the construction and other costs per mile, multiplied by a fraction whose numerator equals the actual number of residences per cable-bearing mile of its trunk or distribution cable and whose denominator equals thirty (30) for an aerial extension or sixty (60) for an underground extension. Customers who request service hereunder will bear the remainder of the construction and other costs on a pro rata basis. The Grantee may require that the payment of the capital contribution in aid of construction borne by such potential Customers be paid in advance.

10.1.3 Grantee shall provide Cable Service to Multiple Dwelling Units in accordance with an agreement with the property owner or owners, this Franchise, and all applicable laws.

10.1.4 Cable Service offered to Subscribers pursuant to this Franchise shall be conditioned upon Grantee having legal access to any such Subscriber's Dwelling Unit or other units wherein such Cable Service is provided. Nothing herein shall be construed to limit the Franchisee's ability to offer or provide bulk rate discounts or promotions.

10.2 Cable System Specifications

Grantee will undertake a voluntary construction of its Cable System with a hybrid fiber coaxial (HFC) fiber-to-the node system architecture, with Fiber Optic cable deployed from its Headend to nodes and tying into a coaxial system serving Subscribers. The Cable System will be capable of delivering high quality signals that meet or exceed FCC technical quality standards regardless of any particular manner in which the signal is transmitted. Grantee agrees to maintain the Cable System in a manner consistent with, or in excess of these specifications throughout the term of the Franchise.

10.3 Closed Captioning

Equipment must be installed so that all closed captioned programming received by the Cable System shall include the closed caption signal so long as the closed caption signal is provided consistent with FCC standards.

10.4 No Income Discrimination

Grantee's construction decisions shall be based solely upon legitimate engineering decisions and shall be consistent with applicable law.

10.5 Enforceability of Design and Performance Requirements

Grantee acknowledges that the minimum Cable System design and performance requirements set forth in this Franchise are enforceable, to the extent allowed by law.

10.6 System Review

The City may hold a hearing to review whether or not the Cable System and the Cable Services offered by Grantee are meeting demonstrated community needs and interests, taking into account the cost of meeting those needs and interests. The parties recognize that, as of the effective date, the City is not permitted to require the provision of specific Video Programming pursuant to this subsection.

SECTION 11. TECHNICAL STANDARDS

11.1 Technical Performance

The technical performance of the Cable System shall meet or exceed all applicable technical standards authorized or required by law, including, FCC technical standards, as they may be amended from time to time, regardless of the transmission technology utilized. The City shall have the full authority permitted by applicable law to enforce compliance with these technical standards. Grantee shall promptly take such measures as are necessary in order to correct any performance deficiencies fully and to prevent their recurrence.

SECTION 12. STANDBY POWER AND EAS

12.1 Standby Power

Grantee shall provide standby power generating capacity at the Cable System Headend capable of providing at least twenty-four (24) hours of emergency operation**.** Grantee shall maintain standby power supplies that will supply back-up power of at least four (4) hours duration throughout the distribution networks, and four (4) hours duration at all nodes and hubs. In addition, throughout the term of this Franchise, Grantee shall have a plan in place, along with all resources necessary for implementing such plan, for dealing with outages of more than two (2) hours. This outage plan and evidence of requisite

implementation resources shall be presented to the City no later than thirty (30) days following receipt of a request therefore.

12.2 Emergency Alert Capability

12.2.1 In accordance with, and at the time required by, the provisions of FCC Regulations or other federal or state requirements, as such provisions may from time to time be amended, Emergency Alert System ("EAS") implementation will be accomplished in compliance with the Washington State EAS Plan and to be in compliance with or further Homeland Security requirements or applications.

12.2.2 Grantee shall ensure that the EAS is functioning properly at all times in accordance with FCC regulations.

SECTION 13. FRANCHISE BREACHES; TERMINATION OF FRANCHISE

13.1 Procedure for Remedying Franchise Violations

13.1.1 If the City believes that Grantee has failed to perform any material obligation under this Franchise or has failed to perform in a timely manner, the City shall notify Grantee in writing, stating with documented specificity, the nature of the alleged default. Grantee shall have thirty (30) days from the receipt of such notice to:

(1) Respond to the City in writing, contesting the City's assertion that a default has occurred, and requesting a hearing in accordance with subsection 13.1.2, below;

(2) Cure the default; or

(3) Notify the City in writing that Grantee cannot cure the default within the thirty (30) days, because of the nature of the default. In the event the default cannot be cured within thirty (30) days, Grantee shall promptly take all reasonable steps to cure the default and notify the City in writing and in detail as to the exact steps that will be taken and the projected completion date. Upon five (5) business days' prior written notice, either the City or Grantee may call an informal meeting to discuss the alleged default. In such case, if matters are not resolved at such meeting, the City may set a hearing, in front of the hearing examiner, in accordance with subsection 13.1.2 below to determine whether additional time beyond the thirty (30) days specified above is indeed needed, and whether Grantee's proposed completion schedule and steps are reasonable.

13.1.2 If Grantee does not cure the alleged default within the cure period stated above, or by the projected completion date under subsection 13.1.1(3), or denies the default and requests a hearing in accordance with subsection 13.1.1(1), or the City orders a hearing in accordance with subsection 13.1.1(3), the City shall set a public hearing, in front of the hearing examiner, to investigate said issues or the existence of the alleged default. The City shall notify Grantee of the hearing in writing and such hearing shall take place no less than fifteen (15) days after Grantee's receipt of notice of the hearing. At

the hearing, Grantee shall be provided an opportunity to be heard, to present and question witnesses, and to present evidence in its defense. At any such hearing, the City or the hearing examiner shall not unreasonably limit Grantee's opportunity to make a record that may be reviewed should any final decision of the City be appealed to a court of competent jurisdiction. The determination as to whether a default or a material breach of this Franchise has occurred shall be within the City's sole discretion, but any such determination shall be subject to appeal to a court of competent jurisdiction.

13.1.3 If, after the public hearing in front of the hearing examiner, the hearing examiner determines that a default still exists, the hearing examiner shall order Grantee to correct or remedy the default or breach within fourteen (14) days of the hearing examiner's notification or within such other reasonable timeframe as the hearing examiner shall determine. In the event Grantee does not cure within such time as per the direction of the hearing examiner, the hearing examiner may:

(1) Assess and collect monetary damages in accordance with this Franchise; and

(2) Recommend to the City Council termination of this Franchise; or

(3) Recommend to the City Council to pursue any other legal or equitable remedy available under this Franchise or applicable law.

13.1.4 The determination as to whether a violation of this Franchise has occurred pursuant to this Section herein shall be within the sole discretion of the hearing examiner. Any such determination by the hearing examiner shall be accompanied by a record, to which Grantee's contribution shall not be limited by the City or the hearing examiner (i.e., the hearing examiner shall hear any interested Persons and shall allow Grantee an opportunity to be heard, to cross examine witnesses, to present evidence and to make additions to the hearing record). Any such final determination made by either the hearing examiner pursuant to 13.1.3(1) or the City Council pursuant to 13.1.3(2) or 13.1.3(3) shall be subject to appeal to a court of competent jurisdiction. Such appeal to the appropriate Court shall be taken within thirty (30) days of the issuance of the final determination. The City shall receive notice from Grantee of any appeal concurrent with any filing to a court of competent jurisdiction.

13.2 Alternative Remedies

13.2.1 No provision of this Franchise shall be deemed to bar the right of either party 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 either party to recover monetary damages, as allowed under applicable law, or to seek and obtain judicial enforcement of obligations by means of specific performance, injunctive relief or mandate, or any other remedy at law or in equity.

13.2.2 The City specifically does not, by any provision of this Franchise, waive any right, immunity, limitation or protection (including complete damage immunity)

otherwise available to the City, its officers, officials, Boards, commissions, agents, or employees under federal, State, or local law including by example Section 635A of the Cable Act. Grantee shall not have any monetary recourse against the City, or its officers, officials, Board, commissions, authorized agents or employees for any loss, costs, expenses or damages arising out of any provision, requirement of this Franchise or the enforcement thereof, subject to applicable law.

13.3 Assessment of Liquidated Damages and Letter of Credit

13.3.1 Because it may be difficult to calculate the harm to the City in the event of a breach of this Franchise by Grantee, the parties agree to liquidated damages as a reasonable estimation of the actual damages to the City. To the extent that the City elects to assess liquidated damages as provided in this Franchise, such damages shall be the City's sole and exclusive remedy for such breach or violation and shall not exceed a time period of one hundred eighty (180) days. Nothing in this subsection is intended to preclude the City from exercising any other right or remedy with respect to a breach that continues past the time the City stops assessing liquidated damages for such breach.

13.3.2 Prior to assessing any liquidated damages, the City shall follow the procedure provided in Section 5.3. The first day for which liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day of the violation.

13.3.3 Pursuant to the requirements outlined herein, liquidated damages shall not exceed the following amounts: two hundred dollars ($200.00) per day for material departure from the FCC technical performance standards; one hundred dollars ($100.00) per day for each material violation of the Customer Service Standards; fifty dollars ($50.00) per day for failure to provide reports or notices as required by this Franchise.

13.3.4 No cost to Grantee arising from a breach or violation of the Franchise shall be offset against any sums due the City as a tax or franchise fee regardless of whether the combination of franchise fees, taxes and said costs exceeds five percent (5%) of Grantee's Gross Revenues in any 12-month period unless otherwise permitted by law.

13.3.5 Collection of Liquidated Damages

(1) The Performance Bond and letter of credit referred to in Section 5.3 may be drawn upon by the City for breach of a material provision after notice and opportunity to cure.

(2) The City shall give Grantee written notice of any intent to withdraw under this subsection. Within seven (7) days following receipt of such notice, Grantee shall restore the Performance Bond and letter of credit to the amount required under this Franchise. Grantee's maintenance of the Performance Bond or letter of credit shall not be construed to excuse unfaithful performance by Grantee or to limit the liability of Grantee to the amount of the Performance Bond or letter of credit or otherwise to limit the City's recourse to any other remedy available at law or in equity.

(3) The assessment of liquidated damages does not constitute a waiver by the City of any other right or remedy it may have under the Franchise or applicable law, including its right to recover from Grantee any additional damages, losses, costs and expenses that are incurred by the City by reason of the breach of this Franchise or to seek specific performance.

(4) Grantee's maintenance of the security required herein or by applicable code shall not be construed to excuse unfaithful performance by Grantee of this Franchise; to limit liability of Grantee to the amount of the security; or to otherwise limit the City's recourse to any other remedy available at law or equity.

13.4 Revocation

13.4.1 This Franchise may be revoked and all rights and privileges rescinded if a material breach of the Franchise is not cured pursuant to Section 13.1, or in the event that:

(1) Grantee attempts to evade or fails to perform any material provision of this Franchise or to practice any fraud or deceit upon the City or Subscribers;

(2) Grantee makes a material misrepresentation of fact in the negotiation of this Franchise;

(3) Grantee abandons the Cable System, or terminates the Cable System's operations;

(4) Grantee fails to restore service to the Cable System after three (3) consecutive days of an outage or interruption in service; except in the case of an emergency or during a force majeure occurrence, or when approval of such outage or interruption is obtained from the City, it being the intent that there shall be continuous operation of the Cable System; or

(5) Grantee becomes insolvent, unable or unwilling to pay its debts, or is adjudged bankrupt, there is an assignment for the benefit of Grantee's creditors, or all or part of Grantee's Cable System is sold under an instrument to secure a debt and is not redeemed by Grantee within thirty (30) days from said sale.

13.4.2 Additionally, this Franchise may be revoked one hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of Grantee (at the option of the City and subject to applicable law) whether in a receivership, reorganization, bankruptcy or other action or proceeding, unless directed otherwise by a court of competent jurisdiction.

13.4.3 If there is a foreclosure or other involuntary sale of the whole or any part of the plant, property and equipment of Grantee, the City may serve notice of revocation on Grantee and to the purchaser at the sale, and the rights and privileges of Grantee under this Franchise shall be revoked thirty (30) days after service of such notice, unless:

(1) The City has approved the transfer of the Franchise, in accordance with the procedures set forth in this Franchise and as provided by law; and

(2) The purchaser has covenanted and agreed with the City to assume and be bound by all of the terms and provisions of this Franchise.

13.5 Abandonment; Purchase of the Cable System

13.5.1 Effect of Abandonment

If the Grantee abandons its System during the Franchise term, or fails to operate its Cable System in accordance with its duty to provide continuous service, the City, at its option, may:

(1) operate the Cable System;

(2) designate another entity to operate the Cable System temporarily until the Grantee restores service under conditions acceptable to the City or until the Franchise is revoked and a new Franchisee is selected by the City; or

(3) obtain an injunction requiring the Grantee to continue operations. If the City is required to operate or designate another entity to operate the Cable System, the Grantee shall reimburse the City or its designee for all reasonable costs, expenses and damages incurred, including reasonable attorney's fees and costs.

13.5.2 What Constitutes Abandonment

The City shall be entitled to exercise its options and obtain any required injunctive relief if:

(1) the Grantee fails to provide Cable Service in accordance with this Franchise over a substantial portion of the Franchise Area for seven (7) consecutive days, unless the City authorizes a longer interruption of service; or

(2) the Grantee, for any period, willfully and without cause refuses to provide Cable Service in accordance with this Franchise.

13.6 Removal

13.6.1 In the event of termination, expiration, revocation or nonrenewal of this Franchise, and after all appeals from any judicial determination are exhausted and final, Grantor may order the removal of the Cable System facilities from the Franchise Area at Grantee's sole expense within a reasonable period of time as determined by Grantor. In removing its plant, structures and equipment, Grantee shall refill, at its own expense, any excavation that is made by it and shall leave all Rights-of-Way, public places and private property in as good a condition as that prevailing prior to Grantee's removal of its equipment.

13.6.2 However, Grantee shall have no obligation to remove the Cable System where it utilizes the system to provide other, permitted and lawful, non-cable services or has obtained, or is in the process of obtaining a franchise or other local authority to maintain facilitates in the public Rights-of-Way, or where Grantee is able to find a purchaser of the Cable System who holds such authorization.

13.6.3 If Grantee fails to complete any required removal to the satisfaction of the City, the City may cause the work to be done, and Grantee shall reimburse the City

for the reasonable costs incurred within thirty (30) days after receipt of an itemized list of the City's expenses and costs, or the City may recover its expenses and costs from the security, or pursue any other judicial remedies for the collection thereof. Any expenses incurred in the collection by the City of such obligation shall be included in the monies due the City from Grantee, including reasonable attorneys' fees, court expenses and expenses for work conducted by the City's staff or agents.

SECTION 14. FRANCHISE TRANSFER

14.1 Transfer of Ownership or Control

14.1.1 The Cable System and this Franchise shall not be sold, assigned, transferred, leased or disposed of, either in whole or in part, either by involuntary sale or by voluntary sale, merger, consolidation or change of control; nor shall title thereto, either legal or equitable, or any right, interest or property therein pass to or vest in any Person or entity without the prior written consent of the City, which consent shall be by the City Council, acting by ordinance or resolution.

14.1.2 Grantee shall promptly notify the City of any actual or proposed change in, or transfer of, or acquisition by any other party of control of Grantee. The word "control" as used herein is not limited to majority stockholders but includes actual working control in whatever manner exercised. Every change, transfer or acquisition of control of Grantee shall make this Franchise subject to cancellation unless and until the City shall have consented in writing thereto.

14.1.3 The parties to the sale, change in control or transfer shall make a written request to the City for its approval of a sale or transfer or change in control and shall furnish all information required by law.

14.1.4 In seeking the City's consent to any change in ownership or control, the proposed transferee or controlling entity shall indicate whether it:

(1) Has ever been convicted or held liable for acts involving deceit including any violation of federal, State or local law or regulations, or is currently under an indictment, investigation or complaint charging such acts;

(2) Has ever had a judgment in an action for fraud, deceit, or misrepresentation entered against the proposed transferee by any court of competent jurisdiction;

(3) Has pending any material legal claim, lawsuit, or administrative proceeding arising out of or involving a cable system;

(4) Is financially solvent, by submitting financial data including financial statements that are audited by a certified public accountant who may also be an officer of the transferee or controlling entity, along with any other data that is lawfully required; and

(5) Has the financial, legal and technical capability to enable it to maintain and operate the Cable System for the remaining term of the Franchise.

14.1.5 The City shall act by ordinance or resolution on the request within one hundred twenty (120) days of receipt of the FCC Form 394 application, provided it has

received a complete application. Subject to the foregoing, if the City fails to render a final decision on the request within one hundred twenty (120) days, such request shall be deemed granted unless the requesting party and the City agree to an extension of time.

14.1.6 Within thirty (30) days of any transfer or sale or change in control, if approved or deemed granted by the City, Grantee shall file with the City a copy of the deed, agreement, lease or other written instrument evidencing such sale or transfer of ownership or control, certified and sworn to as correct by Grantee and the transferee or controlling entity, and the transferee or controlling entity shall file its written acceptance agreeing to be bound by all of the provisions of this Franchise, subject to applicable law. In the event of a change in control, in which Grantee is not replaced by another entity, Grantee will continue to be bound by all of the provisions of the Franchise, subject to applicable law, and will not be required to file an additional written acceptance. The approval of any change in control shall not be deemed to waive any rights of the City to subsequently enforce noncompliance issues relating to this Franchise. For purposes herein to the extent that a change of control involves an entity that was not an Affiliate prior to the contemplated transaction, the City's consent shall be required for such change in control.

14.1.7 In reviewing a request for sale or transfer or change in control, the City may inquire into the legal, technical and financial qualifications of the prospective controlling party or transferee, and Grantee shall assist the City in so inquiring. The City may condition said sale or transfer or change in control upon such terms and conditions as it deems reasonably appropriate, provided, however, any such terms and conditions so attached shall be related to the legal, technical and financial qualifications of the prospective controlling party or transferee and to the resolution of outstanding and unresolved issues of noncompliance with the terms and conditions of this Franchise by Grantee. Upon any such request under this Section 14, the City may condition such approval upon reimbursement of the City's reasonable processing and review expense in connection with such request for sale or transfer or change in control.

14.1.8 Notwithstanding anything to the contrary in this subsection, the prior approval of the City shall not be required for any sale, assignment, change in control or transfer of the Franchise or Cable System to an Affiliate of Grantee, provided that the proposed assignee or transferee must show financial responsibility as may be determined necessary by the City and must agree in writing to comply with all of the provisions of the Franchise including resolution of any non-compliance issues. Further, Grantee may pledge the assets of the Cable System for the purpose of financing without the consent of the City; provided that such pledge of assets shall not impair or mitigate Grantee's responsibilities and capabilities to meet all of its obligations under the provisions of this Franchise.

SECTION 15. PROHIBITED PRACTICES, LOCAL EMPLOYMENT EFFORTS AND NOTICES

15.1 Preferential or Discriminatory Practices Prohibited

Grantee shall not discriminate in its hiring, employment or promotion decisions.

Throughout the term of this Franchise, Grantee shall fully comply with all equal employment and non-discrimination provisions and requirements of federal, State and local laws, and rules and regulations relating thereto.

15.2 Notices

Throughout the term of this Franchise, each party shall maintain and file with the other a local address for the service of notices by mail. All notices shall be sent to such respective address, and such notices shall be effective upon the date of mailing. At the effective date of this Franchise:

Grantee's address shall be:

Government Affairs
Comcast Cable Communications Management, LLC
900 132nd Street SW
Everett, WA 98204

the City's address shall be:

City Clerk
City of Medical Lake
PO Box 369
124 S. Lefevre St
Medical Lake, WA 99022

SECTION 16. MISCELLANEOUS PROVISIONS

16.1 Cumulative Rights

Subject to applicable law, all rights and remedies given to the City by this Franchise or retained by the City herein shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to the City, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing or given may be exercised from time to time and as often and in such order as may be deemed expedient by the City and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

16.2 Costs to be Borne by Grantee

Grantee shall pay for all costs of publication of this Franchise, and any and all notices prior to any public meeting or hearing provided for pursuant to this Franchise. Such costs are incidental to the award of the Franchise and may not be offset against Franchise Fees.

16.3 Binding Effect

This Franchise shall be binding upon the parties hereto, their permitted successors and assigns.

16.4 Authority to Amend

This Franchise may be amended at any time by written agreement between the parties.

16.5 Venue

The venue for any dispute related to this Franchise shall be United States District Court for the Western District of Washington or in Spokane County Superior Court.

16.6 Governing Laws

This Franchise shall be governed, construed and enforced in accordance with the laws of the State of Washington (as amended), the Cable Act as amended, any applicable rules, regulations and orders of the FCC, as amended, and any other applicable local, State and federal laws, rules, and regulations, as amended.

16.7 Captions

The captions and headings of this Franchise are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of any provisions of this Franchise.

16.8 No Joint Venture

Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third persons or the public in any manner that would indicate any such relationship with the other.

16.9 Waiver

The failure of either party at any time to require performance by the other of any provision hereof shall in no way affect the right of the other party hereafter to enforce the same. Nor shall the waiver by either party of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.

16.10 Severability

If any Section, subsection, paragraph, term or provision of this Franchise is determined to be illegal, invalid or unconstitutional by any court of competent jurisdiction, such determination shall have no effect on the validity of any other Section, subsection, paragraph, term or provision of this Franchise, all of which will remain in full force and effect for the term of the Franchise.

16.11 Compliance with Federal, State and Local Laws

Grantee shall comply with applicable federal, state and local laws, rules and regulations, now existing or hereafter adopted.

16.12 Force Majeure

Neither City nor Grantee shall be held in default under, or in noncompliance with, the provisions of this Franchise, nor suffer any enforcement or imposition of damages relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by circumstances reasonably beyond the ability of the City or Grantee to anticipate and control, including war or riots, civil disturbances, pandemics, floods or other natural catastrophes, labor stoppages, slowdowns, availability of materials, labor or equipment, power outages exceeding back-up power supplies or work delays caused by waiting for utility providers to service or monitor their utility poles to which Grantee's Cable System is attached.

16.13 Entire Agreement

This Franchise represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersede all prior oral and written negotiations between the parties.

16.14 Attorneys' Fees

If any action or suit arises in connection with this Franchise, attorneys' fees, costs and expenses in connection therewith shall be paid in accordance with the determination by the court.

16.15 Action of the City or Grantee

In any action by the City or Grantee mandated or permitted under the terms hereof, it shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

16.16 Acceptance

Within sixty (60) days of receipt of an executed Franchise from the City, this Franchise shall be accepted by Grantee by filing with the City Clerk an unconditional, written acceptance of all of the terms, provisions and conditions of this Franchise. In addition to the written acceptance, Grantee shall furnish the additional insured endorsements and certificates of insurance required pursuant to Section 5.2 and the Performance Bond pursuant to Section 5.3. The failure of Grantee to file such an acceptance shall be deemed a rejection by Grantee and this Franchise shall then be voidable at the discretion of the City.

16.17 No Third-Party Beneficiaries

Nothing in this Franchise is or was intended to confer third-party beneficiary status on any Person or any member of the public to enforce the terms of this Franchise.

SECTION 17. EFFECTIVE DATE

This Franchise, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after the passage and publication of an approved summary thereof consisting of the title.

APPROVED by the Medical Lake City Council this ___ day of _____, 2024.

THE CITY OF MEDICAL LAKE

_____

MAYOR, TERRI COOPER

ATTEST/AUTHENTICATED:

_____

CITY CLERK, KOSS RONHOLT

APPROVED AS TO FORM:

_____

CITY ATTORNEY, SEAN P. BOUTZ

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. 1125

EXHIBIT A

THE CITY COUNCIL
THE CITY OF MEDICAL LAKE, WASHINGTON

In the matter of the application	:	
of Comcast Cable Communications	:	
Management, LLC for a franchise to	:	Franchise Ordinance No.: 1125
construct operate and maintain facilities	:	
in, upon, over under, along, across, and	:	
through the franchise area of the	:	ACCEPTANCE
the City of Medical Lake, Washington	:	

WHEREAS, the City Council of the City of Medical Lake, Washington, has granted a franchise to Comcast Cable Communications Management, LLC, its successors and assigns, by enacting Ordinance No.1125, bearing the date of _____, 2024; and

WHEREAS, a copy of said Ordinance granting said franchise was received by Comcast Cable Communications Management, LLC on _____, 2024, from said City of Medical Lake, Spokane County, Washington.

NOW, THEREFORE, Comcast Cable Communications Management, LLC for itself, its successors and assigns, hereby accepts said Ordinance and the franchise contained therein and all the terms and conditions thereof, and files this, its written acceptance, with the City of Medical Lake, Spokane County, Washington.

IN TESTIMONY WHEREOF said Comcast Cable Communications Management, LLC has caused this written Acceptance to be executed in its name by its undersigned _____ thereunto duly authorized on this _____ day of _____, 2024.

ATTEST: COMCAST CABLE COMMUNICATIONS MANAGEMENT, LLC

By:_____

Its: _____