

SPONSORED BY: _____
PROPOSED BY: Executive
INTRODUCTION DATE: _____

ORDINANCE NO. _____

The PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY, A NON-EXCLUSIVE FRANCHISE TO LOCATE, SET, ERECT, LAY, CONSTRUCT, EXTEND, SUPPORT, ATTACH, CONNECT, MAINTAIN, REPAIR, REPLACE, ENLARGE, OPERATE, USE AND SIMILAR ACTIVITIES RELATED TO TELECOMMUNICATION FACILITIES IN, UPON, OVER, UNDER, ALONG, ACROSS AND THROUGH THE FRANCHISE AREA TO ALLOW THE PROVISION OF TELECOMMUNICATIONS SERVICES

WHEREAS, PUBLIC UTILITY DISTRICT NO.1 OF WHATCOM COUNTY, a Washington Municipal Corporation, with an address of 1705 Trigg Road, Ferndale, WA (“Grantee” or “Whatcom PUD”) has applied to Whatcom County (“County” or “Grantor”) for a non-exclusive franchise for the right of entry, use, and occupation of those public Rights-of-Way within the County, expressly to install, construct, erect, operate, maintain, repair, relocate and remove Telecommunication Facilities, defined below (“Facilities” or “Grantee Facilities”) in, on, upon, along and/or across those Rights-of-Way for purposes of offering and providing the Facilities for the delivery of Wholesale Telecommunication Services by the Grantee to a third party for the provision of Retail Telecommunications Services in Whatcom County (said Wholesale Telecommunication Services provided by the Grantee are referred to herein as “Grantee Services”); and

WHEREAS, Whatcom County and the Grantee are working together to fund and construct roughly 25 miles of aerial and underground fiber infrastructure, with the goal of producing more than 1,274 connections for residents in the Point Roberts Area (“Point Roberts Rural Broadband Project”). These connections will bring high-speed internet service to certain areas of the Point Roberts community, which have previously been unserved or underserved, providing enhanced access and opportunities for economic development, education, and health and safety; and

WHEREAS, The Grantee will develop, operate, maintain and provide the Telecommunication Facilities and Wholesale Telecommunications Services that will be developed and provided as part of Point Roberts Rural Broadband Project, but third parties will provide the Retail Telecommunication Services; and

WHEREAS, the Grantee is the recipient of an award of a grant through the Washington State Broadband Office (WSBO) which includes matching grant funds from Whatcom County, to bring fiber optic infrastructure to the Point Roberts community, and the Grantee received additional supplemental grant funds from the Washington State Department of Commerce for the Point Roberts Rural Broadband Project for the extension of broadband fiber infrastructure; and

WHEREAS, it is the programmatic goal of the Grantee, the County, and Public Utility District No. 1 to extend Telecommunication Facilities top underserved areas in Whatcom County with the acknowledgement that there may be other extension of Telecommunication Facilities by the Grantee to other areas in Whatcom County; and

WHEREAS, RCW 36.55.010, Whatcom County Charter Section 9.30, and Whatcom County Code Chapter 12.24 address the requirements pertaining to the granting of franchises by the County; and

WHEREAS, said application has come on regularly to be heard by the County Council on the ____ day of _____, 2024, and notice of this hearing has been duly published on the ____ day of _____, 2024, and the ____ day of _____, 2024, in the Bellingham Herald, a daily newspaper published in Whatcom County having county-wide circulation; and

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

NOW, THEREFORE, BE IT ORDAINED by the Whatcom County Council that a non-exclusive franchise set forth in the language herein below, Sections 1 through 27, is hereby granted to Public Utility District No. 1 for a period of twenty-five (25) years, except as may otherwise be provided herein, in order that it may, subject to the terms of this ordinance and other pertinent requirements of law, install, construct, erect, operate, maintain, repair, relocate and remove Grantee Facilities in, on, upon, along and/or across those Rights-of-Way for the provision of Wholesale Telecommunications Services to third parties who will provide Retail Telecommunication Facilities (“Grantee Services”).

Section 1. Grant of Franchise Right to Use Franchise Area.

A. Subject to the terms and conditions stated herein, County hereby grants to Grantee a franchise as set forth in this Ordinance (this “Franchise”), including permission to enter, use and occupy those Rights-of-Way within unincorporated Whatcom County as now or hereafter constituted (the “Franchise Area”).

B. Grantee is authorized, subject to other applicable requirements of law, to install, remove, construct, erect, operate, maintain, relocate and repair Telecommunication Facilities necessary or convenient for the provision of Wholesale Telecommunication Services (“Grantee Services”) in, along, under, and across the Franchise Area.

C. This Franchise does not authorize the use of the Franchise Area for any Telecommunication Facilities, Wholesale Telecommunication Services, or Retail Telecommunication Services, other than the Grantee Facilities and Grantee's Wholesale Telecommunication Services as provided herein, and it extends no right or privilege relative to any facilities or services of any type, including Grantee Facilities and Grantee Services, on private property within County. This Franchise does not authorize the Grantee to provide "cable services" (as such term is defined in federal law), and if Grantee or anyone using Grantee Facilities desires to offer "cable services" in the future, a further agreement with the County will be required prior to providing such service.

D. This Franchise is non-exclusive and shall not be construed as a limitation on the City's right to grant rights, privileges and immunities to other persons or entities similar to or different from those herein set forth to use the Rights-of-Way.

E. Except as explicitly set forth herein, this Franchise does not waive any rights that County has or may hereafter acquire with respect to the Franchise Area or any other County 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, Grantee acknowledges its use of the Franchise Area shall have no value.

F. County 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, County vacates any portion of the Franchise Area containing Grantee Facilities, County shall reserve an easement for public utilities within that vacated portion within which Grantee may continue to operate any existing Grantee Facilities under the terms of this Franchise for the remaining period set forth under Section 3.

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

Section 2. Notices.

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.

County: County Executive
Whatcom County Courthouse
311 Grand Ave., Suite 108
Bellingham, WA 98225

Grantee: General Manager
Whatcom PUD
1705 Trigg Rd.
Ferndale, WA 98248

With a Copy to: CSD Attorneys at Law P.S.
Attn: Holly Stafford
1500 Railroad Ave.
Bellingham, WA 98225

B. Any changes to the Grantee's information shall be sent to County's Public Works Director referencing the title of this agreement.

C. The Grantee's voice number, 360.384.1410, shall be staffed at least during normal business hours, at least from 8:00 a.m. to 5:00 p.m., Pacific Time Zone.

Section 3. Term of Franchise.

A. This Franchise shall run for a period of twenty-five (25) years from the date of execution specified in Section 5 unless and until Grantee transfers ownership of any of the Telecommunications Facilities to a third-party, in which case the County reserves the right to unilaterally terminate this Agreement and require the new owner to enter into a new franchise agreement.

B. If the parties fail to formally renew this Franchise prior to the expiration of its term or any extension thereof, the obligations and privileges of this Franchise shall nonetheless continue in full force and effect until renewed or otherwise terminated by either party through written notice to that effect.

Section 4. Definitions.

For the purpose of this Agreement, the following terms, phrases, words and their derivations shall have the meaning given in this Section. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive, Words not defined in this Section shall be given their common and ordinary meaning.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“County Rights-of-Way” or “Right-of-Way” means the surface, the air space above the surface, and the area below the surface of any street, highway, lane, path, alley, sidewalk, avenue, boulevard, drive, concourse, bridge, tunnel, park, parkway, easement, or similar property within unincorporated Whatcom County in which the County now or hereafter holds any property interest, which consistent with the purposes for which it was created, obtained or dedicated, may be used for the purpose of installing, operating and maintaining telecommunications facilities. No reference herein to a “County Right-of-Way” or “Right-of-Way” shall be deemed to be a representation or guarantee by the County that its interest or other right to control the use of such property is sufficient to permit use of the property for the purpose of installing, operating, or maintaining a communications system. The Grantee shall be deemed to gain only those rights to use the property as are properly in the County, in its sole determination, and as the County may have the right and power to give.

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

“Grantee Facilities” means Telecommunication Facilities and other related wireline and wireless property or equipment as may be necessary or appurtenant to Grantee’s telecommunications system.

“Franchise Area” means those public Rights-of-Way located within the unincorporated area of the County.

“Grantee Services” means Wholesale Telecommunications Services and services ancillary thereto provided by Grantee.

“Maintenance” or “Maintain” means examining, testing, inspecting, repairing, maintaining and replacing the existing Grantee Facilities or any part thereof, including as required and necessary for safe operation.

“Person” means any individual, sole proprietorship, partnership, association, corporation or other form of organization authorized to do business in the State of Washington, and includes any natural person.

“Relocation” means permanent movement of Grantee Facilities required by County, and not temporary or incidental movement of such facilities, or other revisions Grantee would accomplish and charge to third parties without regard to municipal request.

“Right-of-Way” (pluralized as “Rights-of-Way”) means the surface and the space above and below streets, roadways, highways, avenues, courts, lanes, alleys, sidewalks, easements, rights-of-way and similar public properties and in the Franchise Area.

“State” means the State of Washington.

“Telecommunications” has the same meaning as defined in RCW 80.04.010.

“Telecommunication Facilities” has the same meaning as set forth in RCW 53.08.005(4).

“Retail Telecommunication Services” has the same meaning as set forth in RCW 53.08.005(2).

“Wholesale Telecommunications Services” has the same meaning as set forth in RCW 53.08.005(5).

Section 5. Acceptance of Franchise.

A. This Franchise, and any rights granted hereunder, shall not become effective for any purpose unless and until Grantee files with the Whatcom County Council the Statement of Acceptance, attached hereto as Exhibit A (the “Franchise Acceptance”). The date that the Franchise Acceptance is filed with the County Council shall be the effective date of this Franchise.

B. Should Grantee fail to file the Franchise Acceptance with the County Council within 30 days after the effective date of this ordinance, then the County shall have the right to declare, by ordinance, Grantee’s forfeiture of all rights hereunder and to declare this Franchise terminated and of no further force or effect thereafter. The County shall retain this right to terminate the Franchise until such time as Grantee files the Franchise Acceptance pursuant to the terms herein.

Section 6. Compliance with Applicable Laws

Grantee shall at all times comply with federal, state and local laws, rules and regulations concerning the provision of Telecommunications Services, including applicable FCC rules, regulations and orders.

Section 7. Construction and Maintenance.

A. Grantee shall apply for, obtain, and comply with the terms of all permits required under Whatcom County Code 12.16, 12.24, 12.27, 12.28, 12.30, 20.13 and any other pertinent provisions of law as may now or hereafter apply, for any work done on, or to install Grantee Facilities. Grantee shall comply with all applicable County, State, and federal codes, rules, regulations, and orders in undertaking such work, which shall be done in a thorough and proficient manner consistent with the standards of the telecommunications industry. Modifications shall not be subject to additional approval hereunder (except such permitting as is required by applicable law) to the extent that: (i) such modification to Grantee Facilities involves only substitution of internal components, and does not result in any change to the

external appearance, dimensions, or weight of Grantee Facilities, as approved by County; or (ii) such modification involves replacement of Grantee Facility with a facility that is the same, or smaller in weight and dimensions as the approved Facility. Grantee shall notify County of any such modification within fifteen (15) days after modification is made.

B. Grantee agrees to use commercially reasonable efforts to coordinate its activities with County and all other affected utilities located within the Franchise Area.

C. County expressly reserves the right to prescribe in a reasonable manner how and where Grantee Facilities shall be installed within the Franchise Area and may from time to time, pursuant to the applicable sections of this Franchise, direct in writing the removal, Relocation and/or replacement thereof as may be required by the public interest and safety at the expense of Grantee. Such public interest shall not extend to the accommodation of private development. Grantee shall have no less than 60 days following receipt of such written direction to complete the removal, Relocation, and/or replacement of Grantee Facilities, provided that Grantee shall have such extended period of 30 days as may be required beyond the initial 60 days if Grantee commences removal, Relocation, and/or replacement of Grantee Facilities within the initial 60 day period and thereafter continuously and diligently pursues such required performance to completion. Notwithstanding the foregoing, if the Grantee's Telecommunication Facilities are located upon a third party's pole or within a third party's underground conduit, no requirement to relocate the Grantee's Telecommunication Facilities shall include any fee or charge.

D. Upon prior written approval of County and in accordance with County ordinances, Grantee shall have the authority, but not the obligation, to reasonably trim trees upon and overhanging streets, Rights-of-Way and places in the Franchise Area so as to prevent the branches of such trees from coming in physical contact with 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, County 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.

E. Consistent with Sections 12.16, 12.24, 12.27, 12.28, and 12.30 of the Whatcom County Code, in case of any disturbance of any road, pavement, sidewalk, driveway or other surfacing, the Grantee shall, at its own cost and expense and in a manner approved by the County, replace and restore all paving, sidewalk, driveway, landscaping or surface, promptly and in as good condition as before said work was commenced and in accordance with standards for such work set by the County and the County Code. If Grantee fails, neglects or refuses to make restorations as required under this Section, then the County may do such work or cause it to be done, and the cost thereof to the County shall be paid by Grantee.

F. Grantee shall maintain all above-ground improvements that it places on County Rights-of-Way pursuant to this franchise. In order to avoid interference with the County's ability to maintain its roads and associated Rights-of-Way, Grantee shall provide a clear zone of five feet on all sides of such improvements. For these purposes, "clear zone" means an area that is mowed or otherwise maintained so that the Grantee Facilities are readily visible to County maintenance operations. The foregoing obligations shall not apply to above-ground, pole-mounted antenna but shall apply to any poles or other structures at ground level erected or managed by Grantee hereunder. If Grantee fails to comply with this provision, and by its failure property is damaged, then Grantee shall be responsible for all damages caused thereby.

G. Grantee shall maintain a minimum underground horizontal separation of five (5) feet from County water facilities and ten (10) feet from above-ground County water facilities; provided, that for development of new areas, County, together with Grantee and other utility purveyors or authorized users of Rights-of-Way, will develop and follow the Public Works Director's determination of a consensus for guidelines and procedures for determining specific utility locations, subject additionally to this Franchise.

H. Before any work is performed under this Franchise which may affect any existing monuments or markers of any nature relating to subdivisions, plats, roads and all other surveys, the Grantee shall reference all such monuments and markers. The reference points shall be so located that they will not be disturbed during the Grantee's operations under this Franchise. The method of referencing these monuments or other points to be referenced shall be approved by the County Engineer. The replacement of all such monuments or other points to be referenced shall be approved by the County Engineer. The replacement of all such monuments or markers disturbed during construction shall be made as expeditiously as conditions permit, and as directed by the County Engineer. The cost of monuments or other markers lost, destroyed or disturbed, and the expense of replacement by approved monuments shall be borne by the Grantee. A complete set of reference notes for monuments and other ties shall be filed with the County Engineer's Office.

I. With respect to all other provisions in this section, the County acknowledges that the Grantee's Telecommunication Facilities may be located upon a pole owned and operated by a third party who shall have the sole obligation to conduct any tree trimming, repair any road, pavement, sidewalk, or landscaping damaged by the pole operator, and/or maintain any clear zones and/or horizontal separation from County facilities, provided that in such instances the County shall not enforce such obligations on the Grantee, provided further that should any damage to any road, pavement, sidewalk, or landscaping be caused solely by the actions of the Grantee or its contractors, then the obligations of repair in this section shall apply to and obligate the Grantee.

Section 8. Repair and Emergency Work.

In the event of an Emergency, Grantee may commence such repair and Emergency response work as required under the circumstances, provided that Grantee shall notify the County Public Works Director 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. County may act, at any time, without prior written notice in the case of Emergency, but shall notify Grantee in writing as promptly as possible under the circumstances.

Section 9. Coordination of construction activities; Shared excavations

Grantee and the County shall each exercise reasonable efforts to coordinate any construction work that either may undertake within the Right-of-Way so as to promote the orderly and expeditious performance and completion of such work as a whole. Grantee and the County shall further exercise reasonable efforts to minimize any delay or hindrance to any construction work undertaken by the Parties within the Right-of-Way.

Section 10. Damages to County and Third-Party Property.

Grantee agrees that should any of its actions under this Franchise materially impair or damage any County 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 reasonable satisfaction of the County Engineer.

Section 11. Location Preference.

Any structure, equipment, appurtenance or tangible property of a utility, other than Grantee's, which was installed, constructed, completed or in place prior in time to Grantee's application for a permit to construct Grantee Facilities under this Franchise shall have preference as to positioning and location with respect to Grantee Facilities. However, to the extent that 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 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 County 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 County facilities or utilities that may in the future require the Relocation of Grantee Facilities. Such Relocations shall be governed by Section 13.

Section 12. Grantee Information.

A. Grantee agrees to supply, at no cost to County, any information reasonably requested by the Director of Public Works 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 County. Said information may be requested either in hard copy and/or electronic format, if reasonably possible in a format compatible with County's database system, as now or hereinafter existing, including County's Geographic Information Service (GIS) data base. Grantee shall use commercially reasonable efforts to keep the Public Works Director informed of its long-range plans for coordination with County's long-range plans.

B. The parties understand that Washington law limits the ability of County to shield from public disclosure any information given to County. Accordingly, the County will endeavor in good faith to provide Grantee reasonable notice of any request for public disclosure of information of Grantee to allow Grantee to take such actions as Grantee may determine and at Grantee's sole cost and expense to prevent or limit such disclosure. Grantee shall indemnify and hold harmless County for any loss or liability for costs and for attorneys' fees because of non-disclosures requested by Grantee under Washington's open public records law, provided reasonable notice and opportunity to defend was given to Grantee or Grantee is made aware of a pending request or claim.

Section 13. Relocation of Grantee Facilities.

A. Except as otherwise so required by law and subject to Section 7.C., Grantee agrees to Relocate, remove, or reroute Grantee Facilities as reasonably ordered by the County Engineer at no expense or liability to County, the time frame for which shall be reasonably determined by the County Engineer and which shall in no event be less than sixty (60) days following the date of written notice of such order, provided that Grantee shall have such extended period of 30 days as may be required beyond the initial 60 days if Grantee commences removal, Relocation, and/or replacement of Grantee Facilities within the initial 60 day period and thereafter continuously and diligently pursues such required performance to completion. Any determination to require the Relocation of Grantee Facilities shall be made in a reasonable, competitively neutral, uniform and non-discriminatory manner. Any County funds used to reimburse costs incurred by any Person in connection with any Relocation shall be allocated in a reasonable, uniform and non-discriminatory manner. Pursuant to the provisions of Section 14, Grantee agrees to protect and save harmless County from any customer or third-party claims for service interruption or other losses in connection with any such change, Relocation, abandonment, or vacation of public property.

If Grantee fails, neglects or refuses to remove or relocate Grantee Facilities as directed by the County; or in emergencies or where public health and safety or property is endangered, the County may do such work or cause it to be done, and the cost thereof to the County shall

be paid by Grantee. If Grantee fails, neglects or refuses to remove or relocate Grantee Facilities as directed by another franchisee or utility with authority to so direct Grantee, that franchisee or utility may do such work or cause it to be done, and if Grantee would have been liable for the cost of performing such work, the cost thereof to the party performing the work or having the work performed shall be paid by Grantee.

B. If a readjustment or Relocation of Grantee Facilities is necessitated by a request to Grantee from a Person other than County, that party shall agree to reimburse Grantee's costs prior to Grantee having any obligation to readjust or relocate Grantee Facilities and agree to pay Grantee the actual costs thereof.

C. Grantee and the County acknowledge and commit to fully comply with their respective obligations, as the same may arise from time to time, under Chapter 19.122 RCW (Underground Utilities Locator Statute) or any other law applicable to determining the location of utility facilities. Thus, before commencing any work within the Franchise Area, Grantee shall comply with the One Number Locator provisions of RCW Chapter 19.122 to identify existing utility infrastructure.

D. This section shall be interpreted to be consistent with and implement section 7.C above.

E. Notwithstanding any other provision of this Section, if the Grantee's Telecommunication Facilities are located upon a third party's pole or within a third party's underground conduit, no requirement to relocate the Grantee's Telecommunication Facilities shall include any fee or charge.

Section 14. Abandonment and or Removal of Grantee Facilities.

A. Within one hundred and eighty (180) days of Grantee's permanent cessation of use of Grantee Facilities, or any portion thereof, Grantee shall, at County's sole discretion, either abandon in place or remove the affected facilities.

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

Section 15. Undergrounding.

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

B. Whenever County requires the undergrounding of aerial utilities in the Franchise Area, Grantee shall underground Grantee Facilities in the manner specified by the County Engineer to the extent practical and recognizing that wireless antenna cannot be undergrounded, with payment therefor consistent with the provisions of RCW 36.88.410 et ff.

Where other utilities are present and involved in the undergrounding project, Grantee shall be required to pay only its fair share of common costs borne by all utilities, in addition to the costs specifically attributable to the undergrounding of Grantee Facilities. Common costs shall include necessary costs for common trenching and utility vaults. Fair share shall be determined in comparison to the total number and size of all other utility facilities being undergrounded.

Section 16. Indemnification and Hold Harmless.

A. Grantee shall defend, indemnify and hold the County and its officers, officials, agents, employees, and volunteers harmless from any and all claims, demands, suits, actions, costs and expenses, including but not limited to attorney's fees, made against it by any third party on account of injury or damage to the person or property of another, but only to the extent such injury or damage is caused by the negligence or breach of Grantee, its agents, servants or employees of this Franchise; provided, however, that in the event any such claim or demand be presented to or filed with the County, the County 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 claim or demand; provided further, that in the event any suit or action is begun against the County based upon any such claim or demand, the County 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. Notwithstanding the foregoing, if damages to another or others result from concurrent negligence of Grantee and the County, Grantee and the County shall each be responsible for and this indemnification provision shall be operative so that each party bears the proportionate share attributable to its own negligence. In case judgment which is not appealed shall be rendered against the County in such suit or action, County shall fully satisfy said judgment within ninety (90) days after said suit or action shall have finally been determined. Upon County's failure to satisfy said judgment within ninety (90) days, the Grantee may elect to terminate this Franchise pursuant to the terms of Section 19 herein. The provision for reimbursement of the County shall survive the termination of this Franchise.

B. County shall defend, indemnify and hold Grantee harmless from any liability arising out of or in connection with any damage or loss to Grantee Facilities caused by the willful misconduct or gross negligence of County, except to the extent any such damage or loss is directly caused by the negligence of Grantee, or its agents.

C. Grantee acknowledges that neither County nor any other public agency with responsibility for firefighting, Emergency rescue, public safety or similar duties within County has the capability to provide trench, close trench or confined space rescue. Grantee, and its agents, assigns, successors, or contractors, shall make such arrangements as Grantee deems fit for the provision of such services. Grantee shall hold County harmless from any liability arising out of or in connection with any damage or loss to Grantee for County's failure or inability to provide such services, and, pursuant to the terms of Section 14(A), Grantee shall indemnify

County against any and all third-party costs, claims, injuries, damages, losses, suits, or liabilities based on County's failure or inability to provide such services.

D. Acceptance by County of any work performed by Grantee shall not be grounds for avoidance of this section.

E. EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS SET FORTH HEREIN AND EXCEPT FOR CLAIMS ARISING FROM A PARTY'S INTENTIONAL MISCONDUCT (INCLUDING EMPLOYEE CONDUCT), IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHATSOEVER, ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, LOST PROFITS, LOST REVENUE, LOSS OF GOODWILL, LOSS OF ANTICIPATED SAVINGS, LOSS OF DATA, INCURRED OR SUFFERED BY EITHER PARTY.

Section 17. Insurance.

A. 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 Grantee, its agents, representatives, 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 minimum combined single limit for bodily injury and property damage of \$2,000,000 per accident.

2. Commercial General Liability insurance with limits no less than \$2,000,000 each occurrence, \$3,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit. 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. County shall be named as an additional insured under Grantee's Commercial General Liability insurance policy with respect to the work performed under this Franchise.

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

B. Grantee's insurance coverage shall be primary and non-contributory insurance as respects County. Any insurance, self-insurance, or insurance pool coverage maintained by County shall be in excess of Grantee's insurance and shall not contribute to or with it to satisfying any claim or judgment covered hereunder. Grantee's insurance shall also waive any rights of subrogation against the County and its agents as it pertains to the scope of this agreement.

C. Grantee shall furnish County with certificates of the foregoing insurance coverage with a copy of amendatory endorsements, including but not necessarily limited to the additional insured endorsement.

D. Grantee shall have the right to self-insure or participate in an insurance pool for any or all of the above-required insurance. Any such self-insurance is subject to approval by County, and in the event such approval is not obtained, Grantee shall carry such coverage as is herein provided.

E. 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 County's recourse to any remedy to which County is otherwise entitled at law or in equity.

Section 18. Performance Security.

As security for compliance with the terms of this Agreement, because the Grantee is a local government and this Franchise is limited to the installation and operation of Telecommunication Facilities for the provision of Wholesale Telecommunication Services by the Grantee, the County and the County Engineer release the Grantee from an obligation to provide surety to the County. In lieu of such surety bond, in the event Grantee shall fail to substantially comply with any one or more of the provisions of this Agreement following notice and a reasonable opportunity to cure, then the Grantee agrees to reimburse the County for any actual damages suffered by County as a result thereof, including but not limited to staff time, material and equipment costs, compensation or indemnification of third parties, and the cost of removal or abandonment of facilities hereinabove described.

Grantee specifically agrees that the County's release and waiver of a surety bond requirement shall not be construed to limit Grantee's liability, or otherwise limit County's recourse to any remedy to which County is otherwise entitled at law or in equity.

Section 19. 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 Grantee, and all rights and privileges, as well as all obligations and liabilities of Grantee shall inure to its successors, assignees and contractors equally as if they were specifically mentioned herein wherever Grantee is mentioned.

B. This Franchise shall not be leased, assigned or otherwise alienated without the prior express consent of County by ordinance, which approval shall not be unreasonably withheld, conditioned, or delayed, except as provided herein. Approval shall not be required for mortgaging purposes or if a transfer of interest is from Grantee to another person or entity

controlling, controlled by, or under common control with Grantee. Within 30 days of the lease, assignment, or other alienation of this Franchise for which prior County approval is not hereunder required, Grantee shall provide reasonable notice to County, including all information with respect to the assignee or transferee that is reasonably required by County of an applicant for a Franchise. Notwithstanding the forgoing or anything to the contrary in the Ordinance, this Franchise shall not be assigned or otherwise alienated to another person or entity who purchases or assumes ownership of any of Grantee's Telecommunication Facilities located in the Rights of Way. A person or entity that purchases or assumes ownership of any of Grantee's Telecommunications Facilities located in the Rights of Way will be required to enter into a new franchise agreement with the County.

C. To the extent County's approval is required under Section 19(B), Grantee and any proposed assignee or transferee shall provide and certify the following to County 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; (b) all information reasonably required by County of an applicant for a Franchise with respect to the fee proposed assignee or transferee; and, (c) an application fee which shall be reasonably set by County, plus any other costs actually and reasonably incurred by County in processing and investigating the proposed assignment or transfer.

D. Prior to County's consideration of a request by Grantee to consent to a Franchise assignment or transfer pursuant to subpart C hereto, the proposed assignee or transferee shall file with County a written promise to unconditionally accept all terms of this Franchise, effective upon such transfer or assignment of this Franchise. County is under no obligation to undertake any investigation of the transferor's state of compliance and failure of County to insist on full compliance prior to transfer does not waive any right to insist on full compliance thereafter.

E. Notwithstanding the forgoing or anything to the contrary in this Ordinance, Grantee may provide capacity across Grantee Facilities to a third party without the consent required under this Section, so long as Grantee retains control over and remains solely responsible for, such communications facilities. The use of Grantee Facilities by third parties (including, but not limited to, leases of dark fiber) that involves no additional attachment and no expanded occupation of the right-of-way is not considered a sublicense to a third party subject to the provisions of this Section.

Section 20. Dispute Resolution.

A. In the event of a dispute between County and Grantee arising by reason of this Franchise, the dispute shall first be referred to the operational officers or representatives designated by County 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. 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 of Washington. 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 Whatcom County, Washington.

Section 21. Enforcement and Remedies.

A. Subject to applicable provisions and exceptions set forth in this Agreement, if Grantee shall materially violate or fail to comply with any of the provisions of this Franchise, or should it fail to heed or comply with any notice given to Grantee under the provisions of this Franchise, County shall provide Grantee with written notice specifying with reasonable particularity of the nature of any such material breach and Grantee shall undertake all commercially reasonable efforts to cure such material breach within thirty (30) days of receipt of notification. If County reasonably determines the material breach cannot be cured within (30) thirty days, County shall specify a longer cure period, and condition the extension of time on Grantee's submittal of a plan to cure the breach within the specified period, commencement of work within the original thirty (30) day cure period, and diligent prosecution of the work to completion. If the material breach is not cured within the specified time, or Grantee does not comply with the specified conditions, County may, at its discretion, either (1) revoke this Franchise with no further notification, or (2) claim damages of One Thousand Dollars (\$1,000.00), or actual damages if demonstrably greater, against the financial guarantee set forth in Section 16.

B. Should County reasonably determine that Grantee is acting beyond the scope of permission granted herein for Grantee Facilities and Grantee Services, then, following the expiration of the notice and cure period specified in subpart A of this Section, County reserves the right to cancel this Franchise ten (10) business days after written notice to cancel is delivered to the Grantee and require Grantee to apply for, obtain, and comply with all applicable County permits, franchises, or other County permissions for such actions, and if Grantee's actions are not allowed under applicable federal and state or County laws, to compel Grantee to cease such actions.

Section 22. Compliance with Laws and Regulations.

A. This Franchise is subject to, and Grantee shall comply with all applicable Federal and State or County laws, regulations and policies, including all applicable elements of County's comprehensive plan, in conformance with federal laws and regulations, affecting performance under this Franchise. Furthermore, notwithstanding any other terms hereof to the contrary, Grantee shall be subject to the police power of County 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 23. Amendments.

A. The parties shall amend this Franchise as reasonably required to accommodate, ensure compliance with, and/or conform to any existing or hereafter enacted, amended, or adopted federal, state, or local statute, ordinance, or regulation, or County ordinance enacted pursuant thereto, or any binding judicial or governmental agency interpretations thereof (including, but not limited to, actions by the Federal Communications Commission or its successor agency) that govern any aspect of the rights or obligations of the parties under this Franchise. In the event that a party seeks such amendment, that party may provide the other party with written notice identifying and setting forth the full text of the desired amendment, and the reason(s) for it. A representative of Grantee and a representative of County, each who have authority to bind their respective parties, shall meet, in person or telephonically if travel is impractical for either party, no later than thirty (30) days following such written notice. During such meeting, the parties shall in good faith negotiate and execute an amendment to the Franchise to provide for the necessary change, and shall do so within 90 calendar days following such written notice. If the parties do not reach agreement as to the terms of the amendment within 90 days of commencing negotiations, the parties promptly shall mutually agree upon a third-party, neutral arbiter, who shall determine the terms of any such amendment after each party presents to the arbiter their proposed amendment language.

B. Any other amendments to this Franchise must be in writing and executed by authorized representatives of the County and the Grantee.

Section 24. Consideration.

A. The parties recognize the public benefit of, and the undertaking necessary to extend Telecommunication Facilities and Wholesale Telecommunication Services to underserved areas in Whatcom County. Accordingly, as consideration for this County Wide Non-Exclusive Franchise, Grantee commits to extend Telecommunication Facilities to underserved areas of Whatcom County as reasonably determined by the Grantee, and specifically the Initial Grantee Fiber Projects in accordance with the grants awarded for those projects. By this Franchise, the Grantee is authorized to extend Telecommunication Facilities and to provide Wholesale Telecommunications Services to all areas of Whatcom County, including those areas that are already adequately served by Telecommunication Facilities. .

Section 25. Consequential Damages Limitation.

Notwithstanding any other provision of this Franchise, in no event shall either party be liable for any special, incidental, indirect, punitive, reliance, consequential or similar damages.

Section 26. Severability.

If any portion of this Franchise is deemed invalid, the remainder portions shall remain in effect.

Section 27. Titles.

The section titles used herein are for reference only and should not be used for the purpose of interpreting this Franchise.

ADOPTED this _____ day of _____ 2024.

ATTEST

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

Dana Brown Davis, Clerk of the Council

Barry Buchanan, Council Chair

APPROVED AS TO FORM:

WHATCOM COUNTY EXECUTIVE
WHATCOM COUNTY, WASHINGTON

Christopher Quinn
Civil Deputy Prosecutor
(approved electronically 2/5/2024)

Satpal Singh Sidhu, County Executive

() Approved () Denied

Date Signed: _____