



**CLARK COUNTY
STAFF REPORT**

DEPARTMENT/DIVISION: Public Works / Salmon Creek Wastewater Treatment Plant

DATE: June 24, 2014

REQUEST: Approve the Clark County and Discovery Clean Water Alliance Salmon Creek Wastewater Management System Transfer and Franchise Agreements.

CHECK ONE: Consent CAO Hearing

PUBLIC WORKS GOALS:

- Provide safe and efficient transportation systems within Clark County
- Continue responsible stewardship of public funds
- Promote family-wage job creation and economic development to support a thriving community
- Maintain a desirable quality of life
- Improve environmental stewardship and protection of natural resources
- Increase partnerships and foster an engaged, informed community
- Make Public Works a great place to work

BACKGROUND: Clark County, Clark Regional Wastewater District, the City of Battle Ground and the City of Ridgefield created the Discovery Clean Water Alliance (DCWA) to serve as a regional wastewater transmission and treatment agency. As part of the DCWA Interlocal Formation Agreement approved in 2012, Clark County committed to transferring ownership of the Salmon Creek system to the Alliance. The proposed agreements make good on that commitment. DCWA will commence operation on January 1, 2015. An Operator Agreement was approved last year which provides for Clark County to operate the plant through at least December 2019 (see Exhibit B).

The Salmon Creek Wastewater Treatment Plant and other assets of the Salmon Creek Wastewater Management System (SCWWMS) will transfer to the DCWA with the Transfer Agreement. The Franchise Agreement establishes the legal framework for DCWA to own and operate DCWA infrastructure in the Clark County public right-of-way.

COMMUNITY OUTREACH: Numerous public meetings have been held to brief the partners' elected officials. News Releases and Community Outreach Meetings have been conducted. In addition, Clark County and the other Alliance members were recipients of a 2013 Governor's Smart Communities award.

BUDGET AND POLICY IMPLICATIONS: The asset and transfer agreements are the implementation portion of the Interlocal Formation Agreement previously approved. These agreements detail assets to be transferred and operating guidelines for the associated infrastructure. The implementation of the DCWA will create a regional sewer system benefitting multiple agencies, the public, and help ensure capacity for future growth. The net value of these assets is approximately \$122,572,387.

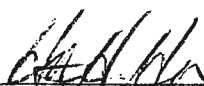
FISCAL IMPACTS: Yes (See Attached Fiscal Impacts Form) No

OK N

PW 14-063

ACTION REQUESTED: Approve the Clark County and Discovery Clean Water Alliance Salmon Creek Wastewater Management System Transfer and Franchise Agreements.

DISTRIBUTION: Please send the approved agreement copies to Public Works Administration. Public Works will provide the original document copies to DCWA for their approval. A fully-executed document will be returned to the BOCC after DCWA's approval.



Heath H. Henderson, PE
Public Works Director/County Engineer

APPROVED: 

CLARK COUNTY, WASHINGTON
BOARD OF COMMISSIONERS

HHH/at

DATE: June 24, 2014

SR#: 134-14

6/10/14

**CLARK COUNTY AND DISCOVERY CLEAN WATER ALLIANCE SALMON CREEK
WASTEWATER MANAGEMENT SYSTEM TRANSFER AGREEMENT**

THIS AGREEMENT is made and entered into by and between CLARK COUNTY, Washington, a political subdivision of the State of Washington (the "County") and the DISCOVERY CLEAN WATER ALLIANCE, Clark County, Washington, a Washington municipal corporation (the "Alliance") (collectively, the "Parties").

RECITALS

A. On September 27, 2012, Clark County, Clark Regional Wastewater District, the City of Battle Ground, and the City of Ridgefield (collectively, the "Alliance Members") entered into the "Discovery Clean Water Alliance Interlocal Formation Agreement" (the "Alliance Agreement"), attached as **Exhibit A**. The Alliance Agreement provides for the formation of the Alliance, pursuant to the Joint Municipal Utility Services Act, Chapter 39.106 RCW. On January 4, 2013, the Alliance Agreement was filed with the Washington Secretary of State and the Alliance was formed.

B. The purpose of the Alliance is to jointly provide regional wastewater transmission and treatment services to Alliance Members and other contracting municipal wastewater utilities.

C. Section VII of the Alliance Agreement expresses the intent that the County will transfer to the Alliance the County's wastewater management system as an Initial Regional Asset listed in Exhibit B of the Alliance Agreement.

D. This transfer is a component of the Alliance's program to provide cost effective and cooperative municipal utility services to Alliance Members. The transfer will create public benefit by supporting regional economic development in an environmentally-sound manner, by helping manage Alliance Member service costs in a financially-transparent manner, by providing reliable and predictable service, and by providing a framework that encourages the participation of all Clark County municipal utilities that protects both regional and jurisdictional autonomy.

E. RCW 39.106.040 authorizes the Alliance to acquire real or personal property or property rights from the County.

F. RCW 39.106.060 authorizes the County to transfer real or personal property or property rights to the Alliance.

G. Consistent with the Alliance Agreement, and pursuant to RCW 39.106.040 and 39.106.060, the Alliance and the County desire to enter this Agreement to set forth

6/10/14

the terms and conditions of the transfer of the County's wastewater management system from the County to the Alliance.

H. The Board of County Commissioners approved execution of this Agreement and the schedules attached hereto by Resolution No. _____ on the _____ day of _____, _____. The Alliance Board of Directors approved execution of this Agreement and the schedules attached hereto by Resolution No. _____ on the _____ day of _____, _____.

AGREEMENT

In consideration of the following terms and conditions, the County and the Alliance agree as follows:

1. Definitions. Unless otherwise provided in this Agreement, capitalized terms shall have the same meanings as the terms that are defined in the "Definitions" section of the Alliance Agreement.

2. Property Transfers. Subject to the terms and conditions of this Agreement, including all attached Schedules and Exhibits, and in consideration of the benefits described in the Recitals above, the County agrees to grant, convey, assign, and deliver to the Alliance, and the Alliance agrees to accept from the County, the County's wastewater management system, and certain real property located outside of County rights-of-way, personal property, rights and intangibles, and cash reserves associated thereto (collectively referred to as the "Salmon Creek Wastewater Management System" or the "SCWMS"), as more specifically described as follows:

2.1 SCWMS Infrastructure. The County agrees to convey to the Alliance all of the County's wastewater management system infrastructure pursuant to a Bill of Sale, substantially in the form attached as **Schedule 2.1** (the "Bill of Sale for SCWMS Infrastructure") and graphically depicted for illustrative purposes on the diagrams attached as **Exhibit 2.1.A** of **Schedule 2.1**, which shall include the following infrastructure: (i) the Salmon Creek Interceptor; (ii) the Kline Interceptor; (iii) the 36th Avenue Pump Station; (iv) the 117th Street Pump Station (also referred to as the Kline Pump Station); (v) the 36th Avenue Pump Station Force Main; (vi) the 117th Street Pump Station Force Main; (vii) the Salmon Creek Treatment Plant and Outfall; and, (viii) all improvements, upgrades, and appurtenances, now existing or in the process of construction that comprise of or are used by the SCWMS Infrastructure. (The items described in clauses (i) through (viii) of this **Section 2.1** are collectively referred to as the "Salmon Creek Wastewater Management System Infrastructure," or the "SCWMS Infrastructure.").

6/10/14

2.2 Salmon Creek Treatment Plant and Outfall Real Property. The County agrees to convey to the Alliance the real property and improvements associated with the Salmon Creek Treatment Plant and Outfall (the "SCTPO") pursuant to a Quitclaim Deed, substantially in the form attached as **Schedule 2.2** (the first of two schedules titled "Quitclaim Deed"), which consists of approximately 1,261,664 square feet (28.964 acres), together with and subject to all improvements, appurtenances, easements, rights-of-way, and right-of-access licenses thereto. (The real property interests and improvements in this **Section 2.2** are collectively referred to as the "SCTPO Real Property").

2.3 36th Avenue Pump Station Real Property. The County agrees to convey to the Alliance the real property outside of County rights-of-way and improvements associated with the 36th Avenue Pump Station pursuant to a Quitclaim Deed, substantially in the form attached as **Schedule 2.3** (the second of two schedules titled "Quitclaim Deed"), which consists of approximately 15,736 square feet (0.361 acres), together with and subject to all improvements, appurtenances, easements, rights-of-way, and right-of-access licenses thereto. (The real property interests and improvements in this **Section 2.3** are collectively referred to as the "36th Avenue Pump Station Real Property").

2.4 SCWMS Easements. The County agrees to grant, convey, assign, and deliver to the Alliance all of the County's rights and interests in land on which the SCWMS Infrastructure is located outside of County rights-of-way, pursuant to an Omnibus Assignment and Assumption of Easements, substantially in the form attached as **Schedule 2.4** (the "Omnibus Assignment, Assumption and Quitclaim of SCWMS Easements"), which shall consist of all easements acquired by the County over, under, along, across, upon, and through private property necessary for purposes of installing, maintaining, and operating certain portions of the SCWMS Infrastructure. (The easement interests in this **Section 2.4** are collectively referred to as the "SCWMS Easements.").

2.5 SCWMS Personal Property. The County shall retain all right, title, and interest in all personal property used to operate the SCWMS Infrastructure until the County no longer serves as Operator under the terms of the "Clark County and Discovery Clean Water Alliance Operator Agreement" (the "Clark County Operator Agreement"), attached as **Exhibit B**. Upon expiration or termination of the Clark County Operator Agreement, the County shall convey to the Alliance those items of personal property that have been purchased solely through funds dedicated to, and used exclusively for, the SCWMS Infrastructure, the SCTPO Real Property, the 36th Avenue Pump Station Real Property, and/or the SCWMS Easements, including the following personal property pursuant to a Bill of Sale substantially in the form attached as **Schedule 2.5** (the "Bill of Sale for SCWMS Personal Property"), or in a form or under a process then agreed to by the Parties: (i) all laboratory equipment and supplies

6/10/14

purchased for and stored in the on-site laboratory; (ii) all maintenance and operations tools and specialized equipment; (iii) all spare parts purchased for or furnished by equipment manufacturers; (iv) all operational fixtures, furniture, furnishings, appliances, and related items; (v) all operating and processing chemicals; (vi) all maintenance and operations vehicles and rolling stock; (vii) all maintenance and operations information technology hardware, equipment, software, and systems; and, (viii) all associated forms of documentation, including, but not limited to, reports, plans, specifications, estimates, designs, drawings, maps, surveys, construction records, photos, documentation, maintenance and operation manuals and correspondence, any component thereof, and any existing, in-progress or proposed parts of the same. (The items described in clauses (i) through (viii) of this **Section 2.5** are collectively referred to as the "SCWMS Personal Property"). Upon expiration or termination of the Clark County Operator Agreement, the County shall also assign to the Alliance all SCWMS Contracts and Intangibles, as detailed below in **Section 2.6**, related to the SCWMS Personal Property, pursuant to an Assignment of Contracts and Intangibles substantially in the form attached as **Schedule 2.6** (the "Assignment of SCWMS Contracts and Intangibles"), or in a form or under a process then agreed to by the Parties.

2.6 SCWMS Contracts and Intangibles. To the extent transferable by the County, the County shall assign to the Alliance the following contracts and intangibles related to the SCWMS Infrastructure, the SCTPO Real Property, the 36th Avenue Pump Station Real Property, and the SCWMS Easements pursuant to an Assignment of Contracts and Intangibles substantially in the form attached as **Schedule 2.6** (the "Assignment of SCWMS Contracts and Intangibles"): (i) all warranties and guarantees; (ii) all ownership permits and operations permits; and, (iii) all rights and duties under any other existing contracts. (The items described in clauses (i) through (iii) of this **Section 2.6** are collectively referred to as the "SCWMS Contracts and Intangibles"). Consistent with **Section 12** of this Agreement and the Clark County Operator Agreement, the Alliance shall maintain, enforce, and exercise, or delegate to the County, all rights under the SCWMS Contracts and Intangibles for the County to operate the SCWMS.

2.7 Cash Reserves. The County shall convey to the Alliance all rights, title, and interest in all of the cash reserves attributable to the SCWMS Infrastructure, the SCTPO Real Property, the 36th Avenue Pump Station Real Property, the SCWMS Easements, the SCWMS Personal Property, and the SCWMS Contracts and Intangibles (the "Cash Reserves"). At Closing, the Alliance may require the County to transfer all Cash Reserves to the Alliance pursuant to wire instructions as provided by the Alliance on or about the Closing Date. Consistent with **Section 12** of this Agreement and the Clark County Operator Agreement, the Alliance shall designate sufficient Cash Reserves for the County to operate the SCWMS.

6/10/14

3. Condition of Assets. The Alliance acknowledges that it has examined the SCWMS and accepts it in its present condition, "as is, where is" except as specifically set forth in this Agreement. The Alliance further acknowledges the following known conditions, including, but not limited to:

Parcel No.	Grantor	Recording No.	Notes
117893-754	Miller	G 663177	A 215' portion of the Salmon Creek Interceptor is not covered by the easement
187198-000	Kolke	G 652221	This easement has a distance blunder; it should have a portion that is 120' long, but it is written as 10'. This leaves a 110' section of Salmon Creek Interceptor without an easement
187134-000			There is no easement for the section of the Salmon Creek Interceptor that crosses this parcel.
187080-000			There is no easement for the section of the Salmon Creek Interceptor that crosses this parcel.
184840-000	Delanoy	G 647057	This easement has a distance blunder; it should have a portion that is 392' long, but it is written as 382'. This leaves a 10' section of 36 th Avenue Pump Station Force Main without an easement

4. Liabilities.

4.1 Assignment of SCWMS Liabilities. The Alliance shall assume all liabilities listed on the Assignment of SCWMS Contracts and Intangibles, except as specifically retained by the County.

4.2 Transfer Price. The Alliance shall not pay any monetary consideration for the SCWMS. The Alliance and the County shall each pay for their own costs and expenses to prepare this Agreement; provided, however, that the Alliance shall pay all costs to carry out the transfer of the SCWMS.

5. Effective Date. For purposes of this Agreement, Mutual Acceptance of this Agreement (the "Date of Mutual Acceptance") shall occur on the date that the last person of both Parties has executed this Agreement. The effective date of this Agreement shall be the Date of Mutual Acceptance.

6/10/14

6. Closing and Possession.

6.1 Acceptance of Transfer Documents. The Chair of the Board of County Commissioners and the Chair of the Alliance Board of Directors shall execute this Agreement, the Bill of Sale for SCWMS Infrastructure, the Quitclaim Deeds for the SCTPO Real Property and the 36th Avenue Pump Station Real Property, the Omnibus Assignment, Assumption and Quitclaim of SCWMS Easements, the Bill of Sale for SCWMS Personal Property, and the Assignment of SCWMS Contracts and Intangibles on or before December 15, 2014.

6.2 Closing Date. The SCWMS transfer shall close on January 1, 2015 (the "Closing" or "Closing Date").

6.3 Possession. The Alliance shall be entitled to possession of the SCWMS on the Closing Date.

7. Real Property Transfer Conditions and Documents.

7.1 Title Report. If requested by the Alliance, the County shall deliver to the Alliance a preliminary commitment for title insurance, at a cost to be paid for by the Alliance at closing, together with copies of all exceptions and encumbrances for all or any portion of the SCWMS that is transferred to the Alliance.

7.2 Conveyance and Condition of Title. The County shall convey the SCWMS to the Alliance free and clear of all County-caused liens, liabilities, and encumbrances. The Alliance may waive in writing any liens, liabilities, and encumbrances.

8. Contingencies. All obligations of the Alliance under this Agreement are subject to the fulfillment on or before Closing of each of the contingencies set forth below. If any of the contingencies are not met in full or fail to occur before Closing, for any reason whatsoever, the Alliance may, in its sole discretion, either waive such contingencies and proceed with Closing or terminate this Agreement without liability or further obligation.

8.1 Representations. The representations and warranties of the County contained in this Agreement shall be true and correct in all respects material to the validity and enforceability of this Agreement and the County's ability to transfer the SCWMS, on and as of Closing as though they were made on the Closing Date or, in the case of representations and warranties made as of a specified date earlier than the Closing Date, on and as of such earlier date.

8.2 Inspections. The Alliance shall have completed, to the Alliance's satisfaction, any and all inspections and reviews of the SCWMS, as the Alliance desires. Upon request by the Alliance, a representative of the County shall provide the Alliance a tour of the SCWMS and shall show the Alliance the physical location of each

6/10/14

component of the SCWMS. The County shall make all of its records and documents relating to the SCWMS available at reasonable times for the Alliance to review and inspect.

8.3 County Records. The County shall have delivered to the Alliance all existing records and documents that are requested by the Alliance and that relate to the SCWMS, including, but not limited to, the records described in **Sections 2.5 and 2.6** of this Agreement.

8.4 Performance. The County shall have performed and complied with, in all material respects, all agreements and conditions required by this Agreement to be performed or complied with by the County before Closing.

8.5 No Adverse Change. On the Closing Date, there has been no substantial adverse change in the financial or physical condition of the SCWMS from the Date of Mutual Acceptance, except for ordinary wear and tear.

8.6 Consents for Transfer. The County shall have obtained any and all consents, assignments, and approvals required to convey the County's entire interest in the SCWMS.

8.7 Labor Contract. The County shall have undertaken its best reasonable efforts to satisfy any collective bargaining duties and obligations related to this Agreement and to County employees operating the SCWMS as of the Closing Date, including any required notices under applicable collective bargaining agreements. Upon the expiration or termination of the Clark County Operator Agreement, attached as **Exhibit B**, County employee hiring shall be subject to the "best reasonable efforts" provided in **Section 7** therein.

8.8 Right-of-Way Franchise. The Parties shall have undertaken their best reasonable efforts to concurrently approve by resolution a franchise for construction, installation, maintenance, operation, repair, removal, replacement, and enlargement of wastewater utility, treatment, and transmission facilities in County streets and rights-of-way, pursuant to a Franchise Agreement substantially in the form attached as **Exhibit C** (the "Clark County and Discovery Clean Water Alliance Franchise Agreement").

9. Representations and Warranties of the County. The County represents and warrants to the Alliance as follows:

9.1 Organization and Authority. The County has the right, power, and authority to enter into this Agreement, to execute all documents and instruments contemplated by this Agreement, to consummate this transaction, and to perform all other obligations to be performed by the County under this Agreement. The execution,

6/10/14

delivery, and performance of this Agreement and all agreements, documents, and instruments contemplated by this Agreement have been duly authorized by all necessary action on the part of the County. Prior to Closing, the County shall provide to the Alliance certified copies of ordinances and resolutions authorizing this transfer and the execution, acknowledgment, delivery, and performance of this Agreement and all agreements, documents, and instruments contemplated by this Agreement.

9.2 Title to Assets. Except as otherwise disclosed to the Alliance in writing, as of the Date of Mutual Acceptance, the County has good and marketable title to all of the components of the SCWMS. None of the components of the SCWMS are subject to any mortgage, pledge, lien, conditional sale, title redemption agreement, lease, encumbrance, or other claim or charge that will not be discharged at Closing, except for covenants and pledges related to the assumed liabilities on **Schedule 2.6** of this Agreement.

9.3 No Litigation. There are no judgments against the County relating to its interest in or operation of the SCWMS. There are no pending actions, suits, claims, or proceedings against the County relating to its interest in or operation of the SCWMS, or challenging the transfer of the SCWMS to the Alliance or the validity of this Agreement, and to the County's Knowledge, there are no such threatened actions, suits, claims, or proceedings. Whenever used in this Agreement, "County's Knowledge" shall mean the knowledge of any County Commissioner, the County Administrator, the County Public Works Director, the County Operations Manager, or the Prosecuting Attorney.

9.4 No Violation. Neither the execution and delivery of this Agreement, the consummation of the transaction contemplated hereby, nor the performance by the County of, and compliance by the County with, this Agreement will violate federal, state, or local laws, regulations, approvals, or permits, or County funding agreements relating to the SCWMS.

9.5 Hazardous Materials. To the County's Knowledge: there are no Hazardous Materials on, under, or about the SCWMS; no Hazardous Materials have at any time been generated, manufactured, released, or disposed of on, under, or about the SCWMS; the SCWMS is not in violation of any Hazardous Materials Laws; there are no past, current, or threatened Hazardous Materials Claims; no underground storage tank is now located on the SCWMS Real Property and Infrastructure. The County indemnifies and holds the Alliance harmless from any claim, cost, damage, or expense, including attorney's fees, monitoring costs, response costs, and penalties, with respect to any breach of any of this warranty. For the purposes of this paragraph, "Hazardous Materials" includes, but is not limited to, any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic, or radioactive substance, or other similar term, by any federal, state, or local environmental statute, regulation, or ordinance presently in effect (collectively,

6/10/14

“Hazardous Material Laws”); provided, however, for the purposes of this paragraph, “Hazardous Materials” does not include asbestos/concrete pipe and appurtenances, liquid chlorine, paint, or solvents, whether or not such materials are so defined or designated. The Alliance acknowledges that it is aware of such materials and hereby assumes all responsibility therefor. For the purposes of this paragraph, Hazardous Materials Claims means any enforcement, cleanup, removal, remedial, or other governmental or regulatory notices, actions, agreements, or orders threatened, instituted, or completed pursuant to any Hazardous Materials Laws, together with any and all claims made or threatened by any third party against the County or the property relating to damage, contribution, cost recovery compensation, loss, or injury resulting from the presence, release, or discharge of any Hazardous Materials.

9.6 Representations and Warranties True at Closing. The representations and warranties made by the County in this Agreement shall be correct as of the Date of Closing with the same force and effect as though such representations and warranties had been made as of the Date of Closing.

10. Representations and Warranties of Alliance.

10.1 Organization and Authority. The Alliance has the right, power, and authority to enter into this Agreement, to execute all documents and instruments contemplated by this Agreement, to consummate this transaction and to perform all other obligations to be performed by the Alliance under this Agreement. The execution, delivery, and performance of this Agreement and all agreements, documents, and instruments contemplated hereby have been duly authorized by all necessary action on the part of the Alliance. Prior to Closing, the Alliance shall provide to the County certified copies of resolutions authorizing this transfer and the execution, acknowledgment, delivery, and performance of this Agreement and all agreements, documents, and instruments contemplated by this Agreement.

10.2 No Violation. Neither the execution and delivery of this Agreement, the consummation of the transaction contemplated hereby, nor the performance by the Alliance of, and compliance by the Alliance with, this Agreement will violate federal, state or local laws, regulations, approvals or permits.

10.3 No Litigation. There are no pending actions, suits, claims, or proceedings against the Alliance relating to its operation of the SCWMS, or challenging the transfer of the SCWMS to the Alliance or this Agreement, and to the Alliance’s knowledge, there are no such threatened actions, suits, claims, or proceedings. Whenever used in this Agreement, the “Alliance’s Knowledge” shall mean the knowledge of any Alliance Director, the chief administrative officer of the Alliance, if applicable, the chief administrative officer of the Administrative Lead, if applicable, or the Alliance Attorney.

6/10/14

10.4 Representations and Warranties True at Closing. The representations and warranties made by the Alliance in this Agreement shall be correct as of the Date of Closing with the same force and effect as though such representations and warranties had been made as of the Date of Closing.

11. Conduct of Business Prior to Closing. Prior to Closing of the transfer contemplated by this Agreement, the County covenants as follows and the Parties agree as follows:

11.1 Agreement Changes. Prior to Closing, the County shall not make or agree to any changes in the County's agreements or leases relating to the SCWMS without delivering prior written notice to the Alliance.

11.2 New Contracts. Prior to Closing, the County shall not enter into any agreement or commitment relating to the SCWMS that is not terminable at will without delivering prior written notice to the Alliance.

11.3 Operation and Maintenance. Prior to Closing, the County shall operate, maintain, and repair the SCWMS so that the SCWMS remains in the same condition as its condition on the Date of Mutual Acceptance, except for ordinary wear and tear. The County shall comply with the minimum levels of service and basic operating standards consistent with customary practices for wastewater facilities in Washington State of the type comprising the SCWMS. The County shall use SCWMS Personal Property to operate the SCWMS. The County shall not make any improvements to the SCWMS or undertake construction on any part thereof that is not provided in the County's 2013-14 biennial budget as adopted on the Date of Mutual Acceptance without delivering prior written notice to the Alliance, except for minor emergency repairs or maintenance conducted in the ordinary course of business and operation of the SCWMS. Between the Date of Mutual Acceptance and the Closing Date, the Alliance shall have the right to inspect any improvement or construction performed on the SCWMS that requires notice under this **Section 11.3.**

11.4 Damage to the SCWMS. Prior to Closing, if any of the SCWMS identified in **Schedules 2.1-2.6** of this Agreement is damaged through the grossly negligent or willful actions or omissions of the County between the Date of Mutual Acceptance and the Closing Date (other than normal wear and tear), the County shall repair or replace the same.

11.5 Use of Cash Reserves. Prior to Closing, the County shall maintain the Cash Reserves in a separate County fund or account consistent with Alliance financial policies provided to the County. The County shall use the Cash Reserves, plus any applicable interest, only for purposes consistent with this Agreement. Upon request of

6/10/14

the Alliance, the County shall provide to the Alliance a statement of expenditures from the Cash Reserves.

12. Operation and Maintenance of the SCWMS. After Closing, it is expected that the County will operate and maintain the SCWMS under the terms of the Clark County Operator Agreement, attached as **Exhibit B**.

13. Dispute resolution. The Parties shall first attempt to resolve a dispute arising from this Agreement by discussions among a County representative or representatives selected by the County Administrator and an Alliance representative or representatives selected by the Alliance, or by the Administrative Lead, if appropriate. If the discussions are not successful, the Parties shall engage in mediation within forty-five (45) days of termination of discussions, according to a process and before a mediator agreed upon by the Parties. The Parties shall not resolve a dispute by mandatory arbitration. The Parties reserve their rights to pursue any available Court remedies at any time after the conclusion of the mediation.

14. Challenges to the SCWMS Transfer or System Compensation. If after Closing an action or lawsuit is filed against the County, the Alliance, or both, challenging the transfer, ownership, operation, or maintenance of the SCWMS pursuant to this Agreement, or the Alliance's payment of compensation for the SCWMS, the Parties shall defend such action or lawsuit, and both shall share in the defense of the validity of the transfer. If the action or lawsuit is filed against only one Party, the Party to the action or lawsuit shall support and concur in the other Party's request to join in the action or lawsuit. If any court of competent jurisdiction determines that the transfer, ownership, operation, or maintenance of the SCWMS pursuant to this Agreement is invalid, either Party may terminate this Agreement. Upon that termination, the Alliance shall return the SCWMS to the County by appropriate documents in forms substantially similar to the forms used to effect this Agreement; provided, that if the Alliance has constructed or installed improvements or acquired additional rights with respect to the SCWMS, the County shall pay the Alliance for the original cost, less depreciation, of such improvements or additional rights by a method or plan agreed to by the Parties.

15. Records review. Upon three (3) business days' notice, or upon notice agreed upon by the Parties, a Party shall have the right to inspect and copy, with charges limited to reasonable copying costs, all records of the other Party relating to this Agreement or its subjects.

16. Insurance. The Alliance shall cause the SCWMS Infrastructure, the SCTPO, and the 36th Avenue Pump Station to be insured at replacement cost value.

6/10/14

17. Notices. All notices and other communications under this Agreement shall be in writing by facsimile, regular U.S. mail, or certified mail, return receipt requested.

If to the County, the notice shall be sent to:

Clark County Public Works
Attn: Public Works Director
PO Box 9810
Vancouver, WA 98666-9810

with a copy to:

Clark County Prosecuting Attorney's Office
Attn: Chief Civil Deputy
1013 Franklin Street
PO Box 5000
Vancouver, WA 98666-5000

If to the Alliance, the notice shall be sent to:

Discovery Clean Water Alliance
c/o Clark Regional Wastewater District
Attn: General Manager
8000 NE 52nd Court
PO Box 8979
Vancouver, WA 98668-8979

with a copy to:

Foster Pepper PLLC
Attn: Hugh D. Spitzer
1111 Third Avenue, Suite 3400
Seattle, WA 98101-3299

Either Party may notify the other Party in writing of changes in the persons to whom notices are to be delivered. Notices shall be deemed given upon delivery or, if mailed, upon the earlier of actual receipt or three (3) business days after the date of mailing.

18. Waiver. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of a breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement, unless stated to be such through written approval of the non-breaching Party and attachment of such written approval to this Agreement.

6/10/14

19. Severability. If any section or part of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, such action shall not affect the validity or enforceability of any other section or part of this Agreement.

20. Entire Agreement; Amendment. This Agreement contains the entire written agreement of the Parties and supersedes all prior discussions. This Agreement may be amended only in writing, signed by both Parties.

21. Successors and Assigns. All of the provisions, conditions, regulations, and requirements of this Agreement shall be binding upon the successors and assigns of the Parties.

22. No Third Party Rights. This Agreement is solely for the benefit of the Parties and gives no right to any other party or person.

23. No Joint Venture. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of one Party or any of its contractors or subcontractors shall be deemed, or represent themselves to be, employees of the other Party.

24. Jurisdiction and Venue. This Agreement shall be interpreted in accordance with the laws of the State of Washington. As against the other Party, the County and the Alliance shall file suit to enforce this Agreement only in the Superior Court of Clark County, Washington.

25. Enforcement; Prevailing Party Costs. In addition to the remedies provided by law, this Agreement shall be specifically enforceable by either Party. If either Party incurs attorney fees, costs or other legal expenses to enforce the provisions of this Agreement against the other Party, all such fees, costs, and expenses shall be recoverable by the prevailing Party.

26. Counterparts. This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated agreement.

6/10/14

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized representatives.

BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY, WASHINGTON

DISCOVERY CLEAN WATER ALLIANCE
a Washington municipal corporation

Date: 6/24/14

Date: _____

Tom Mielke
Tom Mielke, Chair

By: _____
Ron Onslow, Chair, Board of Directors

David Madore, Commissioner

Attest: _____
Neil Kimsey, Secretary, Board of Directors

Edward L. Barnes, Commissioner

Approved as to form only
Anthony F. Golik
Prosecuting Attorney

Approved: _____
Hugh D. Spitzer, Alliance Attorney

BY: Charles D. Horne

6/10/14

**EXHIBIT A: DISCOVERY CLEAN WATER ALLIANCE
INTERLOCAL FORMATION AGREEMENT**

Exhibit A

6/10/14

FINAL FOR APPROVAL – 9/10/12

**Discovery Clean Water Alliance Interlocal Formation
Agreement**

September 27, 2012

51162422 20

Exhibit A

6/10/14

FINAL FOR APPROVAL – 9/10/12

TABLE OF CONTENTS

	<u>Page</u>
I. RECITALS: Purpose of Alliance	1
II. DEFINITIONS.....	1
III. FORMATION	3
III.A. Creation of Alliance.....	4
III.B. Purpose and Powers	4
III.C. Name of Entity	4
III.D. Membership.....	4
III.E. Termination of Existing Agreements	4
IV. ORGANIZATION STRUCTURE AND BOARD POWERS.....	4
IV.A. Board Composition	4
IV.B. Board Powers	4
IV.C. Board Officers and Legal Counsel	4
IV.D. Board Committees and Advisory Boards	5
IV.E. Board Meetings.....	5
IV.F. Board Voting	5
IV.G. Additional Members	7
IV.H. Withdrawal of a Member	7
IV.I. Effects of Service Area Adjustments.....	7
IV.J. Public Records.....	7
V. ADMINISTRATION AND OPERATIONS	7
V.A. Administration and Operations: Allocation of Responsibilities.....	7
V.B. Administrative Lead’s Responsibilities	8
V.C. Operator’s Responsibilities for Day-to-Day Operations	8
V.D. Applicable Personnel Laws	9
V.E. Public Works and Procurement Laws	9
V.F. Eminent Domain Laws	9
V.G. Surplus Property	9

51162422.20

Exhibit A

6/10/14

FINAL FOR APPROVAL – 9/10/12

V.H.	Regulatory Compliance.....	9
V.I.	Indemnification.....	10
V.J.	Ethics.....	10
VI.	FINANCE, BUDGET AND REGIONAL SERVICE RATES.....	10
VI.A.	Operating Budgets, Capital Plans and Capital Budgets.....	10
VI.B.	Regional Service Charges for Regional Services.....	10
VI.C.	Contract Rates and "Spot Rates".....	12
VI.D.	Finance and Borrowing.....	12
VI.E.	Treasurer.....	14
VI.F.	Applicable Lien Laws.....	14
VII.	ASSETS AND LIABILITIES.....	14
VII.A.	Ownership of Regional Assets.....	14
VII.B.	Acquisition of Regional Assets.....	14
VII.D.	Liabilities.....	15
VIII.	DISPUTE RESOLUTION.....	15
IX.	TERM AND TERMINATION.....	15
X.	MISCELLANEOUS.....	15
X.A.	Applicable Law and Venue.....	16
X.B.	No Third Party Beneficiaries.....	16
X.C.	Severability.....	16
X.D.	Entire Agreement.....	16
X.E.	Filing.....	16
X.F.	Execution.....	16
EXHIBIT A	Financial Policies.....	A-1
EXHIBIT B	List of Initial Regional Assets and Initial Allocated Capacities.....	B-1

Discovery Clean Water Alliance Interlocal Formation Agreement

- I. **RECITALS: Purpose of Alliance.** The purpose of the Discovery Clean Water Alliance is to provide cooperative municipal utility services to its Members in order to assist those Members with a cost-effective mechanism for supporting regional economic development in an environmentally-sound manner, to help manage Member service costs in a financially-transparent manner, to provide reliable and predictable service, and to provide a framework that encourages the participation of all Clark County municipal utilities that protects both regional and jurisdictional autonomy.
- II. **DEFINITIONS**
- II.A. “Additional Members” mean any municipal corporations, other than Original Members, that provide wastewater services and later join the Alliance pursuant to Section IV.G.
- II.B. “Administrative Lead” means any Member or other entity serving in that capacity, consistent with Sections V.A and V.B. If the Alliance determines to undertake administrative responsibilities itself, using its own staff, then as used in this Agreement the term “Administrative Lead” shall mean the chief executive officer of the Alliance.
- II.C. “Agreement” means this Discovery Clean Water Alliance Interlocal Formation Agreement.
- II.D. “Alliance” means the Discovery Clean Water Alliance.
- II.E. “Alliance Operations Date” means the date on which the Board has determined that (1) Regional Assets have been transferred to or for the benefit of the Alliance, (2) outstanding wastewater obligations have been retired, defeased, or transferred as necessary, (3) the Alliance is undertaking responsibility for providing service under this Agreement, and (4) the Members receiving service from the Alliance become responsible for paying Regional Service Charges. The Alliance Operations Date is expected to be January 1, 2015, unless the Board designates a different date.
- II.F. “Allocated Capacity” means the MMF of wastewater that a Member may discharge into the Regional Assets, as described in Exhibit B and as supplemented or adjusted in a Capital Plan.
- II.G. “Average Annual Flow” or “AAF” means the total flow of wastewater in millions of gallons during any 12 month consecutive period, or any shorter period approved by the Board, divided by the number of days in that period, expressed in MGD.
- II.H. “Battle Ground” means the City of Battle Ground, Washington.

6/10/14

FINAL FOR APPROVAL – 9/10/12

- II.I. “Board” means the Board of Directors of the Alliance.
- II.J. “Bonds” means bonds, notes or other evidences of indebtedness issued by the Alliance or by another entity (*e.g.*, by a Member) on behalf of the Alliance.
- II.K. “Capital Plan” means one or more long-range capital improvement plans for the addition, replacement, or improvement of Regional Assets, and including an identification of Regional Assets and the allocation of transmission and treatment capacity, as they may be supplemented or adjusted from the initial Regional Assets and allocations described in Exhibit B.
- II.L. “Capital Budget” or “Capital Budgets(s)” means one or more capital budgets adopted consistent with Section VI.A.
- II.M. “Clark County” means Clark County, Washington.
- II.N. “CRWWD” means Clark Regional Wastewater District.
- II.O. “Director” means an individual who serves on the Board of the Alliance.
- II.P. “Dual Majority Vote” means a Board vote requiring the affirmative vote of both (1) the Directors representing more than 50% of the Members, and (2) the Directors representing the Members comprising more than 50% of the Treatment Facilities Allocated Capacity for the year in which the vote is taken, as set forth in the then-current Capital Plan.
- II.Q. “Dual Super-Majority Vote” means, except as provided in Section IV.F.3, a Board vote requiring the affirmative vote of both (1) the Directors representing more than 60% of the Members, and (2) the Directors representing the Members comprising more than 60% of the Treatment Facilities Allocated Capacity for the year in which the vote is taken, as set forth in the then-current Capital Plan.
- II.R. “Financial Policies” mean the financial policies attached as Exhibit A and incorporated herein by reference, including such amended or replacement Financial Policies adopted consistent with this Agreement.
- II.S. “Member” (collectively, “Members”) means one or more governmental members of the Alliance, and includes Original Members and Additional Members.
- II.T. “MGD” means million gallons per day, referring to a rate of flow.
- II.U. “Maximum Monthly Flow” or “MMF” means a measure of flow expressed in MGDs and representing the highest average monthly flow, taking into account the total flow of wastewater discharged into the Regional Assets, measured in millions of gallons for any calendar month divided by the total number of days in that month.

6/10/14

FINAL FOR APPROVAL – 9/10/12

- II.V. “Operating Budget” means the periodic operating budget prepared consistent with Section VI.A.
- II.W. “Operator(s)” means any Member or other entity serving in that capacity, consistent with Sections V.A and V.C. If the Alliance determines to undertake Operator responsibilities itself, using its own staff, then as used in this Agreement the term “Operator” shall mean the chief executive officer of the Alliance.
- II.X. “Original Members” means the governmental entities initially executing this Agreement and forming the Alliance, *i.e.*, Clark County, the Clark Regional Wastewater District, the City of Battle Ground and the City of Ridgefield.
- II.Y. “Pre-Alliance Agreements” means, collectively: (1) the Joint Contract Among Clark County, the City of Battle Ground and Hazel Dell Sewer District for Sewage Treatment, Disposal and Transport Services, dated March 28, 1995; (2) the Contract Between Hazel Dell Sewer District and the City of Battle Ground for Sewage Treatment Capacity and Payment, dated March 28, 1995; and (3) the Interlocal Agreement Concerning Phase IV Sewer Treatment Plant Improvements Between Clark County, the Hazel Dell Sewer District and the City of Battle Ground, dated August 9, 2005.
- II.Z. “Regional Assets” means the assets listed in Exhibit B, attached and incorporated herein by reference, and such additional assets as the Board may later determine to be Regional Assets under Section VII.B.
- II.AA. “Regional Service Charges” means charges for service imposed by the Alliance under Section VI.B.
- II.BB. “Ridgefield” means the City of Ridgefield, Washington.
- II.CC. “Significant Decisions” mean the decisions of the Board listed as such in Section IV.F.
- II.DD. “Transmission Infrastructure” means transmission lines, force mains, interceptors, pump stations and other facilities required to transfer wastewater from a Member’s collection system to a Treatment Facility.
- II.EE. “Treasurer” means the person or entity appointed pursuant to RCW 39.106.050(13) and Section VI.E.
- II.FF. “Treatment Facility” or “Treatment Facilities” means treatment plants, outfalls and other facilities required to treat wastewater.

III. FORMATION

FINAL FOR APPROVAL – 9/10/12

- III.A. Creation of Alliance.** The Discovery Clean Water Alliance is formed under the Joint Municipal Utility Services Authority Act, Chapter 39.106 RCW.
- III.B. Purpose and Powers.** The purpose of the Alliance is to jointly provide regional wastewater transmission and treatment for Alliance’s Members and other contracting municipal wastewater utilities. The Alliance may exercise all powers authorized by Chapter 39.106 RCW, subject to the terms of this Agreement. The Alliance will provide all necessary wastewater Treatment Facilities and services for its Members, together with all necessary Transmission Infrastructure facilities and services for its Members who opt for those services. The Alliance may provide additional utility services as the Members may determine appropriate.
- III.C. Name of Entity.** The name of the joint municipal utility authority formed under this Agreement is the Discovery Clean Water Alliance (the “Alliance”).
- III.D. Membership.** The membership of the Alliance is comprised of Clark County, the Clark Regional Wastewater District, the City of Battle Ground and the City of Ridgefield (collectively, the “Original Members”), together with any other municipal corporations providing wastewater services that later join pursuant to Section IV.G (“Additional Members”).
- III.E. Termination of Existing Agreements.** As of the Alliance Operations Date, the Pre-Alliance Agreements shall be terminated. All existing capacity rights of the Original Members under the terms of the Pre-Alliance Agreements are and will be transferred to each of the Original Members under this Agreement, subject to later adjustments under a future Capital Plan.

IV. ORGANIZATION STRUCTURE AND BOARD POWERS

- IV.A. Board Composition.** The Board of Directors of the Alliance consists of one Director and any alternate Directors appointed by each member. Directors and alternates must be elected officials of the appointing Member. More than one alternate may be appointed to serve on the Board when a Member’s designated Director is unable to participate in a meeting, but only one Director from each Member may actively participate in a Board meeting at any time. The Members may appoint and remove their appointee Directors in such manner as they individually determine.
- IV.B. Board Powers.** The Board shall exercise all policy, oversight and governance powers of the Alliance, and carry out responsibilities specified in this Agreement. The Board shall adopt appropriate rules, including Board rules and operating procedures.
- IV.C. Board Officers and Legal Counsel.** Board officers will consist of a Chair, Vice-Chair and Secretary, and such other officers as the Board may deem appropriate. Legal counsel to the Alliance, if any, shall report directly to the Board.

6/10/14

FINAL FOR APPROVAL – 9/10/12

IV.D. Board Committees and Advisory Boards. The Board will create such committees and advisory boards as it deems appropriate, including committees to consider finance issues, maintenance and operations matters, and capital planning and infrastructure. Committees and advisory boards may include either Directors or non-Directors, or both.

IV.E. Board Meetings. Notice of Board meetings must conform to the requirements of the Open Public Meetings Act (Chapter 42.30 RCW). Additional requirements regarding notice, preparation and distribution of agendas, minutes and conduct of meetings may be established by resolution or in rules adopted by the Board.

IV.F. Board Voting. Significant Decisions of the Board require either a Dual Majority Vote or a Dual Super-Majority Vote (*i.e.*, a “House & Senate” system).

IV.F.1. “Significant Decisions” requiring a Dual Majority Vote are:

IV.F.1.a. The borrowing of money and the issuance of Bonds by the Alliance or by another entity (*e.g.*, by a Member) on behalf of the Alliance;

IV.F.1.b. A change in the identity of the Administrative Lead and/or Operator(s), whether a change to a different governmental entity or to the Alliance itself, except as otherwise provided in Section V.A;

IV.F.1.c. A change in the ownership of material Regional Assets, *i.e.*, the sale, lease, mortgage or other encumbrance, transfer, or disposal of any part of the Regional Assets that are used, useful or material in the operation of those Regional Assets and the provision of services, but excluding Regional Assets or portions thereof that have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Regional Assets, or are no longer necessary, material to or useful to the operation of the Regional Assets;

IV.F.1.d. The adoption of an Operating Budget;

IV.F.1.e. The adoption of a Capital Budget; and

IV.F.1.f. The exercise of eminent domain by the Alliance.

IV.F.2. “Significant Decisions” requiring a Dual Super-Majority Vote are:

IV.F.2.a. Amendments to this Agreement;

IV.F.2.b. Amendments to the Financial Policies;

6/10/14

FINAL FOR APPROVAL – 9/10/12

- IV.F.2.c.** The adoption of a Capital Plan and the allocation of costs pursuant to any such Capital Plan, except that upon the request of any Member, the Dual Super-Majority Vote with respect to the portion of the Capital Budget for any discrete Regional Asset will be taken with only the Members served or to be served by that Regional Asset voting based on Allocated Capacity in that Regional Asset, and only their votes being considered in calculating the required 60%-or-more of allocated flow under the Dual Super-Majority Vote;
 - IV.F.2.d.** The material allocation or reallocation of treatment or transmission capacity (except that any reallocation that reduces an Original Member's capacity to less than the Allocated Capacity shown in Exhibit B shall require the agreement of that Original Member unless that Original Member is in default as described in Section VI.B.2);
 - IV.F.2.e.** The determination of the appropriate payment obligations of a withdrawing Member under Section IV.H;
 - IV.F.2.f.** Admissions of new Members (except as provided in Section IV.G); and
 - IV.F.2.g.** Termination of this Agreement (see Section IX).
- IV.F.3.** If any Member is dissatisfied with a decision of the Board on a decision requiring a Dual Super-Majority vote, that Member may file with the Board Chair within 10 business days of the decision a request to refer the decision to mediation. The mediator shall be selected by the Board and approved by that Member. The mediator shall complete the mediation process within 30 days of the filing of the request, unless the Board and that Member agree to a longer period. If the Member is not satisfied with the outcome of the mediation process, that Member may file with the Board Chair within 10 business days of completion of the mediation process a request for mandatory final binding arbitration. The arbitrator shall be selected by the Board and approved by that Member. The arbitration hearing shall be completed within 45 days of the filing of the request for arbitration, unless the Board and that Member agree to a longer period. The arbitrator may reverse the Board's decision only if the arbitrator determines that Board's action was unlawful, arbitrary or capricious. Costs of mediation and arbitration will be divided equally between the Alliance and the Member requesting that mediation and/or arbitration.
- IV.F.4.** Except as provided in Sections IV.F.2.d and VII.C, decisions that are not listed as Significant Decisions are made by majority vote of the Directors present and voting.

FINAL FOR APPROVAL – 9/10/12

IV.F.5. A Member may not exercise its voting rights so long as it is in default under Section VI.B.2.

IV.G. Additional Members. The inclusion of each Additional Member requires a Dual Super-Majority Vote. Each Additional Member will be expected to “buy in” to the Alliance by paying for its allocable share of Regional Assets and/or by contributing Regional Assets, in such amounts as will be determined by the Board. However, if a city other than an Original Member assumes service to a portion of a Member water-sewer district that is served by the Regional Assets, and the portion assumed represents (cumulatively) more than five percent of that water-sewer district’s then-current service as measured by Average Annual Flow, the assuming city automatically may become a Member upon its application to do so. A later reduction of Average Annual Flow to less than five percent will not affect that entity’s membership status.

IV.H. Withdrawal of a Member. In order to prevent remaining Members to be left with “stranded costs,” if any Member withdraws it is responsible for the full cost of its withdrawal to the Alliance, including without limitation the payment or provision for payment of its allocable share of capital costs incurred (and Bonds issued) in anticipation of its needs while a Member, consistent with then-current Capital Plans and Capital Budgets. The Board, acting in its reasonable judgment, has the sole power to determine the appropriate payment obligations of a withdrawing Member. The Director representing a Member proposing to leave the Alliance may not vote on the determination of that leaving Member’s payment obligations to the Alliance.

IV.I. Effects of Service Area Adjustments. Upon a service area adjustment, if customers are shifted from one Member to another, the Members’ respective capacities, voting rights (based on Allocated Capacity), and obligations shall automatically adjust accordingly.

IV.J. Public Records. The Alliance will comply with the requirements of the State Public Records Law, Chapter 42.56 RCW.

V. ADMINISTRATION AND OPERATIONS

V.A. Administration and Operations: Allocation of Responsibilities. Alliance staff (if any) and/or a service provider by contract with the Alliance, shall administer and manage the Alliance and the Regional Assets. (A service provider shall be referred to in this Agreement as “Administrative Lead”). Alliance staff (if any) and/or one or more service providers by contract with the Alliance shall operate the Regional Assets (the service providers shall be referred to individually or collectively in this Agreement as “Operator” or “Operators”). CRWWD shall serve as the initial Administrative Lead for at least five years after the Alliance Operations Date. Clark County shall serve as Operator of the Salmon Creek Wastewater Management System and the Battle Ground Force Main System and Ridgefield shall serve as Operator of the Ridgefield Treatment System (all as described in Exhibit B) for at least five years after the Alliance Operations Date. The initial designation of CRWWD as Administrative Lead and the initial designation of Clark

FINAL FOR APPROVAL – 9/10/12

County and Ridgefield as Operators may be adjusted upon the mutual agreement of the Board and the Member serving as Administrative Lead or as an Operator. The Board periodically, and at least every five years after the Alliance Operations Date shall review, and may adjust, Administrative Lead and Operator arrangements. Changes in Administrative Lead or Operator responsibilities shall take effect no sooner than the calendar year beginning at least 12 months after the decision to make the relevant change. In connection with the transfer of Administrative Lead or Operator responsibilities, the Alliance will use its best reasonable effort to provide that either the Alliance or the Member undertaking or contracting for the services provided by the Administrative Lead or Operator will hire each of the employees of the previous Administrative Lead or Operator who had previously performed the relevant services and who requests continued employment in that or a similar capacity.

- V.B. Administrative Lead's Responsibilities.** Under the Board's direction, and consistent with Board policies, the Administrative Lead will administer and manage the overall affairs of the Alliance, other than operation of the Regional Assets. The Administrative Lead shall have full power and authority to control the hiring and designating of staff and consultants to carry out its administrative and management functions. The Administrative Lead will prepare and oversee preparation of Operating Budgets, Capital Plans, Capital Budgets, and proposed Regional Service Charges (based on the Financial Policies) for the Board's review and approval. The Administrative Lead will administer and manage capital planning and capital improvements, including but not limited to expansion and/or upgrade of existing Regional Assets and acquisition, construction and/or upgrade of new Regional Assets, except that for improvements to existing Regional Assets where the cost of improvements is below a specified amount determined by the Board, an Operator may be charged with responsibility for managing those improvement projects. The Administrative Lead will report regularly to the Board on the administration and management of the Alliance. Neither the Board, nor an individual Board member or a governmental Member other than the Member serving as Administrative Lead, shall direct the Administrative Lead to appoint or remove its staff or consultants, nor shall the Board, an individual Board member or a governmental Member (other than the Administrative Lead) give orders to any employee or consultant working for the Administrative Lead. This restriction does not prohibit the Board, in open session, from fully and freely discussing, with representatives or staff of the Administrative lead, anything pertaining to appointments and removals of staff or consultants. The Administrative Lead will coordinate actively with the Operators.
- V.C. Operator's Responsibilities for Day-to-Day Operations.** Except as otherwise provided in this Agreement, and consistent with Board policies, the Operators will operate Regional Assets assigned to them. An Operator shall have full power and authority to control the operation of the Regional Assets for which it is responsible, including but not limited to hiring and designating of staff and consultants, making decisions on the use or application of processes, equipment and facilities and controlling other operating decisions. As part of its operational functions, an Operator will also manage capital

FINAL FOR APPROVAL – 9/10/12

improvements to existing Regional Assets it is operating where the cost of those improvements is below a specified amount determined by the Board. Neither the Board, nor an individual Board member or a governmental Member other than the Member serving as Operator, shall direct an Operator to appoint or remove its staff or consultants, nor shall the Board, an individual Board member or a governmental Member (other than the Operator) give orders to any employee or consultant working for the operator. This restriction does not prohibit the Board, in open session, from fully and freely discussing, with representatives or staff of the Operator, anything pertaining to appointments and removals of staff or consultants. The Operators will coordinate actively with the Administrative Lead and report regularly to the Board on the operations for which it is responsible.

- V.D. Applicable Personnel Laws.** An Operator and/or an Administrative Lead shall apply personnel laws to its own employees in carrying out its responsibilities under this Agreement. To the extent that the Alliance directly employs personnel, the personnel laws pertaining to code cities under Chapter 35A.41 shall apply, and if any Member is a code city with a population of more than 20,000, then the provisions of RCW 35A.41.010 shall apply.
- V.E. Public Works and Procurement Laws.** An Operator and/or an Administrative Lead other than the Alliance shall apply the public works and procurement laws applicable to that Operator's and/or Administrative Lead's form of government. If the Alliance is the Administrative Lead and/or the Operator of Regional Assets, in either or both of those capacities the Alliance shall apply the public works and procurement laws applicable to code cities under RCW 35A.40.210 and RCW 35.23.352. Consistent with RCW 35A.40.210, for purchases RCW 35.22.620 shall apply if any Member has a population of 20,000 or more, and otherwise the provisions of RCW 35.23.352 shall apply.
- V.F. Eminent Domain Laws.** The Alliance will apply and exercise the powers of eminent domain under the laws applicable to code cities pursuant to Chapter 8.12 RCW. Notwithstanding the foregoing, if a Member that is an Operator or an Administrative Lead exercises eminent domain with respect to a Regional Asset or proposed Regional Asset, that Operator shall apply the eminent domain laws applicable to that Operator's form of government.
- V.G. Surplus Property.** The Alliance will apply and exercise the powers respecting surplus property under the laws applicable to code cities pursuant to RCW 35A.11.010. Notwithstanding the foregoing, if a Member that is an Operator surpluses property with respect to a Regional Asset, that Operator shall apply the surplus property laws applicable to that Operator's form of government.
- V.H. Regulatory Compliance.** The Alliance must operate and maintain Regional Assets consistent with state and federal laws and regulations.

6/10/14

FINAL FOR APPROVAL – 9/10/12

V.I. Indemnification. The Alliance will indemnify the Members, their officers and employees for damages caused by the willful misconduct or negligence of the Alliance, its officers, employees and agents.

V.J. Ethics. The Alliance, its officers and employees (if any) shall be subject to the provisions of Chapter 42.23 RCW.

VI. FINANCE, BUDGET AND REGIONAL SERVICE RATES

VI.A. Operating Budgets, Capital Plans and Capital Budgets. An annual or biennial Operating Budget and periodic Capital Budgets will be prepared by Alliance staff or consultants (or, if there is a separate Administrative Lead, then by the staff of or consultants selected by that entity). Similarly, prior to Board action, comprehensive Capital Plans, including a renewal and replacement fund mechanism, will be periodically prepared by Alliance staff (or, if there is an Administrative Lead, by the staff of that entity in cooperation with staff of any Operator).

VI.B. Regional Service Charges for Regional Services.

VI.B.1. The determination of Regional Service Charges paid by Members shall be consistent with the Financial Policies attached as Exhibit A. Unless determined otherwise by the Board of Directors, a basic principle of the Financial Policies is that each Member's responsibility for Regional Asset operating costs will be based on actual use of regional services during the previous year or years, as measured by Average Annual Flow, and that each Member's responsibility for capital costs will be based on agreed-upon Allocated Capacity as set forth in Exhibit B, as it may be amended from time to time. (By way of illustration, if Clark County does not contribute any flow to the Regional Facilities and does not plan to do so, it will not be responsible for either operating costs or capital costs.) Administrative costs of the Alliance not related directly to the day-to-day operations or capital costs will be determined by Treatment Facilities Allocated Capacity. A Member shall not be responsible for paying Regional Service Charges with respect to Regional Assets that are not used for service to that Member or in which that Member has no Allocated Capacity. Annual or biennial adjustments to Regional Service Charges based on changes in capital and operating requirements, revenues, and other factors, will be proposed by consultants and staff of the Administrative Lead, provided to the appropriate committee or committees for review and comment, and then provided to the Board for its consideration and action.

VI.B.2. The Alliance shall provide each Member with periodic invoices showing the Regional Service Charges payable by that Member for the billing period and the due date. Invoices shall be provided monthly or on other such periodic schedule as determined by the Board, but no more frequently than monthly nor less frequently than once every six months. The Board will determine a due date for

6/10/14

FINAL FOR APPROVAL – 9/10/12

all invoices. Payment of any and all invoices shall be due and payable on or before the due date, and shall be made by electronic, ACH, wire transfer or such other means as are agreed to by the Alliance and the Member. If a treasurer, trustee, fiscal agent or escrow agent is appointed in connection with the issuance of Bonds, the Alliance may require, and specify on the invoice, that certain amounts be provided directly to that entity, and the Member shall pay those amounts in the manner and to the entity so specified. If full payment of any invoice is not received on or before the due date, such payment shall be considered past due and a late payment charge shall accrue for each day that the invoice remains unpaid. The late payment charge shall equal the product of the unpaid amount and an interest rate established by the Board, plus an additional penalty established by the Board. Late payment charges shall continue to accumulate until the unpaid amount of the invoice and all late payment charges are paid in full. Further, if an invoice or any portion thereof remains unpaid for more than 60 days after the due date, the relevant Member shall be deemed in default, and the Alliance may pursue any legally available remedy at law or equity for the unpaid amount, including without limitation specific performance and collection of the late payment charge. The Alliance's right to enforce payments in this regard may be assigned to a treasurer, trustee, credit enhancement provider or other entity. If a Member is in default as described in this subsection VI.B.2, that Member shall have no right to vote on any matter before the Board until the default is fully remedied and the other Members are fully reimbursed for payments made in lieu of the defaulting Member.

VI.B.3. If any Member disputes all or any portion of an invoice, it shall notify the Alliance immediately upon receipt. If the Alliance does not concur, the Member shall remit payment of the invoice in full, accompanied by written notice to the Alliance indicating the portions of the invoice that the Member disputes and the reasons for the dispute. The Member and the Alliance shall make a good faith effort to resolve such dispute. If the Member fails to remit payment of the invoice in full pending resolution of the dispute, the Alliance may reduce or suspend the relevant services until the invoice and any late payment charges are paid. Further, the prevailing party in an action relating to the collection of that invoice shall be entitled to reasonable attorney fees and costs. If a Member substantially prevails in challenging Regional Service Charges that have been imposed, it will be repaid any overpayment together with interest computed at the interest rates earned by the State's local government investment pool. Whether a Member "substantially prevails" must be determined through the dispute resolution process, including a determination by a court or arbitrator.

VI.B.4. Upon an event of default as described in subsection VI.B.2 (*i.e.*, if a Member fails to pay an invoice within 60 days after the due date), the other Members that are also served by the Regional Assets providing the service for which Regional Service Charges are unpaid, shall promptly pay the Alliance (in addition to

6/10/14

FINAL FOR APPROVAL – 9/10/12

Regional Service Charges otherwise due) the defaulting Member's Regional Service Charges in proportion to those other Members' Allocated Capacity (amongst themselves) of Regional Service Charges for service provided by those relevant Regional Assets. A Member shall not be responsible for paying a share of a defaulting Member's Regional Service Charges if and to the extent that the non-defaulting Member is not served by a Regional Asset that is used for service to the defaulting Member. The payment of a proportionate share of the existing defaulted Regional Service Charges by Members shall not relieve the defaulting Member of its liability for those payments. The Alliance shall have a right of recovery from the defaulting Member on behalf of the Members assuming the defaulting Member's obligations. The Alliance may commence such suits, actions or proceedings at law or in equity, including but not limited to suits for specific performance, as may be necessary or appropriate to enforce the obligations of this Agreement against any defaulting Member. The Alliance's right to enforce payments in this regard may be assigned to a treasurer, trustee, credit enhancement provider or other entity. Amounts recovered by the Alliance as payment of amounts due may be passed through to the Members assuming obligations in proportion to the share that each assumed, either in cash or in credit against future Regional Service Charges, as the Board shall determine. The prevailing party in any such suit, action or proceeding shall be entitled to recover its reasonable attorney fees and costs. To the extent that a Member is in default and its Regional Service Charges are paid by other Members, until the default is fully remedied and the other Members are fully reimbursed for payments made in lieu of the defaulting Member, those other Members shall have a right to the allocated capacity of the defaulting member in proportion to the payments they have made. Nothing in this Section VI.B.4 shall prevent a Member from entering into additional arrangements under which it agrees to provide assistance to another Member with respect to payment obligation under this Agreement.

- VI.C. Contract Rates and "Spot Rates."** Rates paid by non-Members under a contract with the Alliance will be determined in accordance with the relevant contract. Rates paid by non-Members without a contract will be determined by the Board.
- VI.D. Finance and Borrowing.** Borrowing for costs of Regional Assets, or for operating costs of the Alliance may be carried out either by the issuance of Bonds by the Alliance itself, or by or through any Member (on behalf of the Alliance or on behalf of that or another Member). The specific approach for any Alliance financing will be determined by the Board, based on the Board's determination of the best approach for producing the lowest interest rates, and other factors the Board deems relevant. The terms of Bonds, including such amounts, maturity dates, interest rates, covenants, debt service reserve requirements, rate stabilization mechanisms, and other terms and conditions, shall be approved by the Board. Any Member may determine to provide for the payment of its share of capital costs with available cash or by financing those costs independently of the Alliance. For the purpose of assisting the Alliance in financing and providing service

6/10/14

FINAL FOR APPROVAL – 9/10/12

through Regional Assets, any Member may, with or without payment or other consideration, loan or transfer funds, or provide credit support, to the Alliance or to another Member.

VI.D.1. For as long as any Bonds are outstanding that are payable from net Alliance revenue (or any portion thereof) are outstanding, the Alliance irrevocably pledges to establish, maintain and collect all Regional Service Charges in amounts sufficient to pay when due the principal of and interest on the Bonds (and, if the Bonds are issued by a Member or entity other than the Alliance, in addition to the foregoing pledge, to pledge to make timely payments to that issuer for the payment of principal of and interest on the Bonds), together with amounts sufficient to satisfy all debt service reserve requirements, debt service coverage requirements, and other covenants with respect to the Bonds.

VI.D.2. Each Member hereby irrevocably covenants that, consistent with the Financial Policies, it shall establish, maintain and collect rates, fees or other charges for wastewater and other services, facilities and commodities related to the services it receives from the Alliance and its own wastewater utility, and maintain reserves it deems appropriate, at levels adequate to provide revenues sufficient to enable the Member to: (a) make the payments required to be made under this Agreement; and (b) pay or provide for payment of all other charges and obligations payable from or constituting a charge or lien upon such revenues. Each Member hereby acknowledges that this covenant may be relied upon by Bond owners, consistent with this Agreement. Each Member shall pay the Regional Service Charges imposed on it whether or not the Regional Assets to be financed through the issuance of Bonds are completed, operable or operating, and notwithstanding the suspension, interruption, interference, reduction or curtailment in the operation of any Regional Assets for any reason whatsoever, in whole or in part. Regional Service Charges shall not be subject to any reduction, whether by offset or otherwise (except consistent with Section VI.B), and shall not be conditioned upon the performance or nonperformance of any Member, or of any entity under this or any other agreement or instrument. If, in connection with the issuance of obligations, any Member establishes a new lien position on revenues relating to its wastewater utility, that Member shall (x) covenant in its bond authorizing document(s) that the amounts to be paid to Alliance as Regional Service Charges shall be treated as part of that Member's internal operation and maintenance costs payable prior to debt service on those obligations; and (y) provide in its bond authorizing document(s) that the Member may, without being required to deposit money into its own bond fund, lease, convey, transfer, assign assets to the Alliance, or otherwise make assets available to the Alliance, where those assets will serve as Regional Assets to provide service to the Members. If any Member has existing outstanding revenue obligations relating to its wastewater utility, it shall include substantially

FINAL FOR APPROVAL – 9/10/12

similar “springing covenants” in the documents relating to any new parity obligations.

VI.D.3. To meet the requirements of United States Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (the “Rule”) as applicable to participating underwriter for any Bonds and any obligation of each Member as an “Obligated Person” under the Rule, the Alliance and each Member agree to make an appropriate written undertaking, respectively, for the benefit of holders of the Bonds consistent with the requirements of the Rule.

VI.E. Treasurer. The Treasurer shall be appointed from time to time by resolution of the Board, consistent with the provisions of RCW 39.106.050(13).

VI.F. Applicable Lien Laws. If the Alliance provides direct retail services (*i.e.*, not through or on behalf of a Member), the Alliance will apply and exercise the powers of a water-sewer district under RCW 57.08.081 or other applicable water-sewer district law.

VII. ASSETS AND LIABILITIES

VII.A. Ownership of Regional Assets. Initial Regional Assets are listed in Exhibit B. The initial assumption, subject to adjustment or exception in a Capital Plan, is that Member assets that materially serve more than one Member will become Regional Assets. Regional Assets will be transferred to and owned by the Alliance on behalf of and for the benefit of its Members. In order to provide regional services, the Alliance also may, by contract, operate assets owned by any Member or other entity, in conjunction with Regional Assets. In the event that Regional Assets are no longer necessary, material to or useful to the Alliance, those assets will be sold, retired and/or distributed as the Board deems appropriate.

VII.B. Acquisition of Regional Assets. The Alliance will receive Regional Assets from its Members. Other Regional Assets may be contributed by Members or new Members who will receive, in exchange, a credit against the capital component of rates. Regional Assets may also be constructed or otherwise acquired by the Alliance. The Board may determine that facilities or other assets constitute Regional Assets, may add them to the list on Exhibit B, and the addition of assets to that list shall not constitute an amendment of this Agreement.

VII.C. Distribution of Assets Upon Dissolution. Regional Assets not subject to disposition pursuant to a contract among Members or a contract with another person or entity, shall, unless the Members unanimously determine otherwise, be distributed based on the original ownership of the Asset by a Member prior to transfer to the Alliance, and then, if the asset was not previously owned by a Member, based on the physical location of an asset within a Member jurisdiction other than Clark County. Notwithstanding the foregoing, upon dissolution the Salmon Creek Wastewater Management System (*i.e.*, the Regional Assets owned by Clark County at the time of

FINAL FOR APPROVAL – 9/10/12

formation) shall not be transferred to Clark County unless Clark County chooses to receive that asset. Instead, the Salmon Creek Wastewater Management System shall become jointly owned by Members on the basis of tenants-in-common, with ownership percentages based on allocated capacity shares as of date of dissolution.

VII.D. Liabilities. The Board may cause the Alliance assume certain liabilities in connection with the receipt of Regional Assets, and may also create or assume liabilities consistent with Section VI.D.

VIII. DISPUTE RESOLUTION

VIII.A. Except as provided in Sections IV.F.3 and VI.B.3, whenever any dispute arises between the Members or between the Members and the Alliance (referred to collectively in this Article as the “parties”) under this Agreement which is not resolved by routine meetings or communications, the parties agree to seek resolution of such dispute by the process described in this Article. This provision shall not prevent the parties from engaging in any alternative dispute resolution process of their choosing upon mutual agreement.

VIII.B. The parties shall seek in good faith to resolve any such dispute or concern by meeting, as feasible. The meeting shall include the Chair of the Board and the representative(s) of the Member(s) involved in the disputed matter, such representative(s) to be designated by the Member(s) involved. If the Chair is a Director from a Member involved in the disputed matter, an alternate Director from a Member determined by the Board to be the most neutral Member with respect to the disputed matter, shall participate in the meeting in lieu of the Chair.

VIII.C. If the parties do not come to an agreement on the dispute or concern, any party may demand mediation through a process to be mutually agreed to in good faith between the parties within 30 days, which may include binding or nonbinding decisions or recommendations. The mediator(s) shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement. The parties shall share equally the costs of mediation and assume their own costs.

VIII.D. If the parties are unable to reach a mutually agreeable solution as a result of mediation under change to Section VIII.C, the conflict resolution procedures in this Article will be exhausted and the parties may pursue any and all available remedies under applicable law. Nothing in this section shall prevent the parties from agreeing to arbitration, including binding arbitration, if they choose to do so.

IX. TERM AND TERMINATION. Term of agreement is perpetual, and may be terminated by Dual Super-Majority Vote. Termination of the Alliance is subject to rights of owners or holders of outstanding Bonds and other obligations made or issued by or on behalf of the Alliance.

X. MISCELLANEOUS

6/10/14

FINAL FOR APPROVAL – 9/10/12

- X.A. Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue shall be in the Superior Court for the State of Washington in Clark County.
- X.B. No Third Party Beneficiaries.** There are no third-party beneficiaries to this Agreement except for the rights of owners of Bonds as provided in Section VI.D. No person or entity other than a party to this Agreement shall have any rights hereunder or any authority to enforce its provisions, and any such rights or enforcement must be consistent with and subject to the terms of this Agreement.
- X.C. Severability.** The invalidity of any clause, sentence, paragraph, subdivision, section, or portion thereof, shall not affect the validity of the remaining provisions of this Agreement.
- X.D. Entire Agreement.** This Agreement constitutes the entire and exclusive agreement between the parties relating to the specific matters covered in this Agreement. All prior or contemporaneous verbal or written agreements, understandings, representations or practices relative to the foregoing are superseded, revoked and rendered ineffective for any purpose. This Agreement may be altered, amended or revoked only in writing and only subject to Section IV.F. No verbal agreement or implied covenant may be held to vary the terms of this Agreement, any statute, law or custom to the contrary notwithstanding.
- X.E. Filing.** As provided by RCW 39.106.030, this Agreement shall be filed prior to its entry in force with the Secretary of State.
- X.F. Execution.** This Agreement may be executed in one or more counterparts.

[The remainder of this page intentionally left blank]

6/10/14

FINAL FOR APPROVAL- 9/10/12

<p>CITY OF BATTLE GROUND</p> <p>By: <u>[Signature]</u> City Manager</p> <p>Date: <u>9/26/12</u></p> <p>Attest:</p> <p>By: <u>[Signature]</u> City Clerk</p> <p>Approved as to Form:</p> <p>By: <u>[Signature]</u> Battle Ground City Attorney</p>	<p>CLARK REGIONAL WASTEWATER DISTRICT</p> <p>By: <u>[Signature]</u> General Manager</p> <p>Date: <u>9-25-12</u></p> <p>Attest:</p> <p>By: <u>[Signature]</u> Clerk to the Board</p> <p>Approved as to Form:</p> <p>By: <u>[Signature]</u> CRWWD Legal Counsel</p>
<p>CLARK COUNTY</p> <p>By: <u>[Signature]</u> County Administrator</p> <p>Date: <u>10/3/12</u></p> <p>Attest:</p> <p>By: <u>[Signature]</u> Deputy County Clerk of Board</p> <p>Approved as to Form:</p> <p>By: <u>[Signature]</u> Clark County Attorney</p>	<p>CITY OF RIDGEFIELD</p> <p>By: <u>[Signature]</u> City Manager</p> <p>Date: <u>9-27-12</u></p> <p>Attest:</p> <p>By: <u>[Signature]</u> City Clerk</p> <p>Approved as to Form:</p> <p>By: <u>[Signature]</u> Ridgefield City Attorney</p>

6/10/14

FINAL FOR APPROVAL – 9/10/12

EXHIBIT A

FINANCIAL POLICIES

RESERVES: Reserve balances are funds that are set aside for a specific project, task, covenant requirement, and/or emergency. These balances are maintained in order to meet short-term cash flow requirements, while at the same time minimizing the risk associated with meeting financial obligations and continued operational needs under adverse conditions.

Policy	Overview	Policy Metric	Cost Allocation Basis
Operating Reserve	The purpose of the Operating Reserve is to maintain financial viability of the utility despite short-term variability in revenues and expenses.	Maintain minimum reserve of 90 days operating costs.	Proportional to share of use of capital assets as measured by Average Annual Flow.
Regional Service Charge Stabilization Reserve	Used to mitigate major year-to-year fluctuations in revenues and expenses. Use of the Regional Service Charge Stabilization Reserve should only occur by direct Alliance Board action based upon unplanned revenue shortfalls or expenditures. Funding of the Regional Service Charge Stabilization Reserve will be budgeted as an expenditure and when used by the Board, will be considered an expenditure for the purpose of debt coverage. Use of the Regional Service Charge Stabilization Reserve funds will, when allowed by the Board, be considered a revenue for purposes of debt coverage.	Maintain minimum reserve of 90 days operating costs.	Proportional to share of use of capital assets as measured by Average Annual Flow.
Debt Service Reserve	Reserves provide protection from financial shortfalls in future debt service requirements that may occur due to changes in market conditions (i.e. lower than anticipated investment returns or slower connection growth), and meet funding and reserve requirements to necessary to acquire low-cost financing in the bond markets, and reserve funds for future capital construction costs.	Maintain one year's debt service on all outstanding debt and loans issued/borrowed by the Alliance for regional capital program and projects.	<i>Debt Service Reserve on new capital assets:</i> proportional to Allocated Capacity in those new capital assets. <i>Debt Service Reserve on existing capital assets:</i> proportional to Allocated Capacity in those assets being restored and/or replaced.
Restoration and Replacement (R&R) Reserve	The investment level in existing assets to maintain system performance.	Maintain minimum reserve of 2% of original asset value at the time asset(s) placed in service. Additional funding from Regional Service Rates, if necessary, may be collected to meet R&R capital needs for 20 years.	Proportional to Allocated Capacity of the assets being restored and/or replaced.

6/10/14

FINAL FOR APPROVAL – 9/10/12

DEBT: Market debt, non-market debt and loans are all potential funding sources to buy, build or rebuild/replace capital assets by the Alliance. All debt issuances require that debt service coverage ratios be met and compliance with continuing disclosure requirements.			
Policy	Overview	Policy Metric	Cost Allocation Basis
Debt Service	Principal and interest repayment on new debt or loans assumed by the Alliance for purchase, construction or restoration/replacement of a capital asset is an obligation to the Members. This repayment is passed on to Members as a component of their Regional Service Charges billed by and paid to the Alliance.	When the Alliance assumes new debt or loans for purchase, construction or restoration/replacement of a capital asset, each Member who elects to: (1) purchase a share of capacity in that new capital asset, or (2) owns capacity in that restored/replaced capital asset, is responsible for their relative share of that debt service or loan repayment, respectively.	<i>Debt on new capital assets:</i> proportional to Allocated Capacity in those new capital assets. <i>Debt on restored/replaced capital assets:</i> proportional to Allocated Capacity in those assets being restored and/or replaced.
Debt Service Coverage Ratio	Describes how much of the annual debt payment is covered by projected Regional Service Charge revenues.	Regional Service Charges shall be maintained at a level necessary to provide annual revenues that satisfy: (1) a debt service coverage ratio of no less than 1.25 times annual debt service on Alliance-issued market debt, and (2) a debt service coverage ratio of no less than 1.00 times debt service and loan payments on all other Alliance non-market debt and loans (e.g. USDA, CERB, PWTF, etc.). Annual net revenues divided by annual debt service.	Debt service coverage ratio tests will be funded by the component of Regional Service Charges to Members who benefit from the corresponding debt issuances for which the tests must meet.
Continuing Disclosure	Provide for the benefit of bondholders annual financial information and notice of material events.	<i>Arbitrage:</i> Alliance should engage an arbitrage consultant to assist the Alliance in meeting IRS arbitrage compliance and reporting requirements when applicable. <i>IRS Bond Post-Issuance Compliance:</i> Alliance should maintain and comply with the IRS checklist of bond post-issuance compliance requirements. <i>Annual Reporting NRMSIR:</i> Alliance will comply with bond covenants regarding the annual undertaking of reporting to the Nationally Recognized Municipal Securities Information Repository (NRMSIR) by electronically filing with the Electronic Municipal Market Access system (EMMA) or its successor.	NA
Debt Policy	Alliance has a debt policy, which is adopted and will be updated periodically.	Compliance with provisions outlined per debt policy.	NA

FINAL FOR APPROVAL – 9/10/12

REVENUE SUFFICIENCY: The Alliance has ongoing revenue requirements from its Members to pay operating expenses, buy or build capital assets, service debt and maintain reserves. Revenue sufficiency insures that charges will be set at a level to remain a self-sufficient utility.

Policy	Overview	Policy Metric	Cost Allocation Basis
Charge Adoptions	Alliance will establish charges to Members sufficient on an annual basis to meet all utility cash requirements including operating expenses, debt service, charge-funded capital costs and additions to reserves.	Charge modeling will be updated every 2-4 years, with multi-year charge adoptions. Changes in charge levels should be gradual and uniform to the extent costs can be forecast.	Charges will be assessed to Members proportional to Average Annual Flow (operating expenses, operating reserves, regional service charge stabilization reserves), Allocated Capacity (debt service, debt service reserves, R&R reserves on restored/ replaced capital assets), or by some other proportion / method as directed by the Board.
Revenue Pledge (Members)	Provide surety to all Members that each Member will fulfill financial obligations to the Alliance.	Each retail agency pledges to maintain a combination of retail rates and charges sufficient to meet all policy tests and retail and wholesale obligations for collection system, transmission system, treatment system and reserves (operating, capital and debt service costs).	NA

FINANCIAL PLANNING, REGULATORY COMPLIANCE AND INVESTMENTS: Policies which support financial planning, regulatory compliance and investing help promote the financial integrity and stability of the Alliance, and help provide guidance and consistency in decision-making for the Alliances' management and Board.

Policy	Overview	Policy Metric	Cost Allocation Basis
Financial Planning	Adoption of an annual/biennial Alliance budget provides Member agencies assurance of conveyance and treatment costs key to their annual/biennial Member budget, for Regional Service Charges due to the Alliance.	Alliance will prepare an annual/biennial budget that provides a basic understanding of the planned spending for the coming year/biennium. A long-term financial plan for a 10-20 year horizon will be updated every 2-4 years. Single enterprise fund.	NA
Regulatory Compliance	Alliance is to maintain a uniform system of accounts, and maintain accounting practices that follow Generally Accepted Accounting Principles (GAAP). Alliance will comply with the State Auditor's Office (SAO) Budgeting Accounting Reporting Systems (BARS).	Alliance will prepare an annual CAFR (modified accrual basis of accounting) and will be audited by the SAO.	NA
Investment Policy	Alliance has an investment policy which is adopted and will be updated periodically.	Compliance with provisions outlined per investment policy.	NA

6/10/14

FINAL FOR APPROVAL – 9/10/12

SUSTAINABILITY OF INFRASTRUCTURE: In conjunction with establishing or planning its capital program, Alliance will develop a corresponding capital-financing plan that supports execution of that program, and is capable of sustaining long-term capital requirements. The capital program will incorporate system expansion, upgrades and improvements, and system repair and replacement. The intention is to establish an integrated funding strategy.

Policy	Overview	Policy Metric	Cost Allocation Basis
<i>Capital Facilities Planning</i>	Alliance will maintain a capital projects schedule of at least six years in duration, and consistent with the comprehensive long-range plans, using a 20-year planning horizon.	The six-year capital project schedule will be adopted by the Alliance Board, including project description, scheduled year of construction, total estimated costs (including additional operating) and funding source.	NA
<i>Capital Facilities Funding</i>	Capital funding from Members is included in Regional Service Charges, to preserve the Alliance's existing infrastructure. Contributions should fund current construction and engineering costs. Funding level should target replacement cost depreciation expense. Debt funding will be used when it is judged to be appropriate based on the long-term capital needs and the Alliance's ability to repay the indebtedness in light of all sources and uses of cash. The term of the debt should not exceed the reasonable useful life of the asset being acquired or constructed.	A six-year capital funding plan, adopted by the Alliance Board, will be in place that anticipates capital cost requirements and determines the appropriate funding mechanism for those capital needs, either cash funding or debt/loan issuance.	NA

6/10/14

FINAL FOR APPROVAL – 9/10/12

EXHIBIT B

LIST OF INITIAL REGIONAL ASSETS AND INITIAL ALLOCATED CAPACITIES

System Name	No.	Regional Asset Name	Regional Asset Description	Initial Allocated Capacities(values expressed in MGD of MMF)			
				Existing Allocated Capacity			
				BG	CRWWD	RF	Total
Salmon Creek Wastewater Management System (SCWMS)	1	Interceptor System Salmon Creek Interceptor	4.6 mile long gravity pipeline located on the south side of the Salmon Creek drainage. The interceptor collects and conveys wastewater from partner agencies to regional pump stations. Pipeline was constructed in segments from the mid to late 1970's (21-42-inch diameter pipe routed from Belts Bridge to 36 Ave).	10.10	28.08	0.00	38.18
	2	Klineine Interceptor	1.8 mile long gravity pipeline located parallel to the Salmon Creek Interceptor. Pipeline was constructed in segments from 2002 to 2006 (48-inch diameter pipe routed from Salmon Creek Ave & NE 127 St to 117 St PS).				
	3	Pump Station (PS) System 36 Avenue PS	Raw sewage PS located at 14014 NW 36 Ave in Vancouver, WA. The station pumps wastewater from the Salmon Creek interceptor to SCTP. Pump station was constructed in mid 1970's and remodeled in 1994 and 2005	4.47	13.57	0.00	18.04
	4	117 Street PS (aka Klineine PS)	Raw sewage PS located at 1110 NE 117 St in Vancouver, WA. The station pumps wastewater from Salmon Creek and Klineine interceptors to SCTP. Pump station was constructed in 2008.				
	5	Force Mains (FM) System 36 Ave PS FM	24-inch diameter FM routed from 36 Ave PS to SCTP. The FM runs approximately 1.4 miles along the south side of the Salmon Creek and discharges to SCTP. Pipeline was constructed in mid 1970's.	6.30	20.06	0.00	26.36
	6	117 Street PS FM	30-inch diameter FM routed from 117 St PS to SCTP. The FM runs approximately 4.9 miles along public rights-of-way to the SCTP. Pipeline was constructed in segments from 2004 to 2008.				
	7	Salmon Creek Treatment Plant (SCTP) & Outfall	Secondary treatment plant originally constructed in the mid 1970s, with four major expansion phases. The plant is located at 15100 NW McCann Rd, in Vancouver, WA. The plant outfall is a 30-inch diameter pipeline routed west of the plant 1.3 miles, terminating in the Columbia River between mile 95 and 96. The discharge location is latitude 45° 43' 58" N, longitude 122° 45' 23" W.	3.47	11.48	0.00	14.95
Ridgefield Treatment System	8	Ridgefield Treatment Plant & Outfall	Secondary treatment plant originally constructed in 1959 with several upgrades since then. The plant is located on West Cook St in Ridgefield. The plant outfall is an 8-inch diameter pipeline routed west of the plant 0.2 miles, terminating in Lake River. The discharge location is latitude 45° 49' 18" N, longitude 122° 45' 09" W.	0.00	0.00	0.70	0.70
Battle Ground Force Main System	9	Battle Ground FM (Including odor control system for FM)	9 mile long 16-inch diameter FM with biocide chemical injection facility routed southwesterly from McCure PS to Klineine interceptor at Salmon Creek Ave. Pipeline was constructed in 1993.	3.44	0.96	0.00	4.40

6/10/14

**EXHIBIT B: CLARK COUNTY AND DISCOVERY CLEAN WATER ALLIANCE
OPERATOR AGREEMENT**

6/10/14

**DISCOVERY CLEAN WATER ALLIANCE
OPERATOR AGREEMENT**

PWB-41

THIS AGREEMENT is made and entered into by and between CLARK COUNTY, Clark County, Washington and the DISCOVERY CLEAN WATER ALLIANCE, Clark County, Washington (the "Alliance"), each a Washington municipal corporation (collectively, the "Parties").

RECITALS

A. On September 27, 2012, Clark County, Clark Regional Wastewater District, the City of Ridgefield, and the City of Battle Ground (collectively, the "Alliance Members") entered into the "Discovery Clean Water Alliance Interlocal Formation Agreement" (the "Alliance Agreement"), attached hereto as Exhibit B. The Alliance Agreement provides for the formation of the Discovery Clean Water Alliance, pursuant to the Joint Municipal Utility Services Act, Chapter 39.106 RCW. On January 4, 2013, the Alliance Agreement was filed with the Washington Secretary of State and the Alliance was formed.

B. The purpose of the Alliance is to jointly provide regional wastewater transmission and treatment services to Alliance Members and other contracting municipal wastewater utilities.

C. The Alliance Agreement designates Clark County as Operator of the Salmon Creek Wastewater Management System, the Battle Ground Force Main System, and other Regional Assets described in Exhibit A, attached (the "Assigned Regional Assets"), for at least five years after the Alliance Operations Date, which is expected to be January 1, 2015.

D. Consistent with the Alliance Agreement, and pursuant to RCW 39.106.040 and RCW 36.01.010, the Alliance and Clark County desire to enter into this Agreement to set forth the terms and conditions of Clark County's service as Operator of the Assigned Regional Assets.

AGREEMENT

In consideration of the following terms and conditions, the Alliance and Clark County agree as follows:

1. Definitions. Unless otherwise provided in this Agreement, capitalized terms shall have the same meanings as the terms that are defined in the "Definitions" section of the Alliance Agreement.

51266066.21

6/10/14

2. County Services. Consistent with the Alliance Agreement, Alliance Board resolutions, and Alliance Board policies, and in consultation with the relevant Member agency committees established by the Alliance Board, Clark County shall serve as Operator of the Assigned Regional Assets and shall provide the services described herein and any other services authorized by the Alliance Board. Clark County's services include, but are not limited to, the following:

2.1 Asset management services:

2.1.1 Consistent with the Alliance Agreement, the Alliance Administrative Code, and Alliance Board policies, operate the Assigned Regional Assets;

2.1.2 Make decisions on the use or application of processes, equipment and facilities, and control other operating decisions over the Assigned Regional Assets;

2.1.3 Manage and implement repairs or upgrades to the Assigned Regional Assets for individual projects or contracts of up to \$50,000 or as otherwise limited by the Alliance Board (such value to be indexed to the Engineering News Record construction index for Seattle);

2.1.4 Accommodate Alliance expansion of or upgrades to the Assigned Regional Assets for individual projects of more than \$50,000 (such value to be indexed to the Engineering News Record construction index for Seattle);

2.1.5 Report periodically to the Alliance Board and appropriate standing committees regarding Operator services, projects, and the capacity of the Assigned Regional Assets;

2.1.6 Coordinate Operator duties and responsibilities actively with the Administrative Lead;

2.1.7 Notify the Alliance of significant service contracts relating to the Assigned Regional Assets, consistent with Procedure No. 001-2013, "Notice to Board and Standing Committees for Large Contracts Entered into by Contract Service Providers."

2.2 Wastewater treatment services:

2.2.1 Receive, transport, and treat wastewater discharged by Alliance Members up to the combined Allocated Capacity expressed as MGD of MMF for the Assigned Regional Assets and under the terms of this Agreement;

6/10/14

2.2.2 Receive, transport, and treat wastewater from non-Members under contract with the Alliance or as determined by the Alliance Board up to the combined Allocated Capacity;

2.2.3 Receive, transport, and treat wastewater exceeding the combined Allocated Capacity under terms agreed to by the Parties;

2.2.4 Receive, transport, and treat septage under terms approved by the Alliance Board.

2.3 Hiring, personnel, public works, and procurement services:

2.3.1 Consistent with sections 2.1.3 and 2.1.7, above, hire and designate employees, contractors, and consultants to assist Clark County in managing the Assigned Regional Assets;

2.3.2 Consistent with sections 2.1.3 and 2.1.7, above, and with Section 3.1 below, apply federal, state, and local building, land use, and environmental laws applicable to Clark County in managing and implementing repairs or upgrades to the Assigned Regional Assets;

2.3.3 Apply Clark County personnel laws to Clark County employees in carrying out Clark County's responsibilities under this Agreement and the Alliance Agreement;

2.3.4 Consistent with sections 2.1.3 and 2.1.7, above, apply public works and procurement laws applicable to Clark County in carrying out Clark County's responsibilities under this Agreement and the Alliance Agreement;

2.3.5 Upon the approval of the Board of Commissioners, apply and exercise the powers of eminent domain applicable to Clark County in carrying out Clark County's responsibilities under this Agreement and the Alliance Agreement;

2.3.6 Apply and exercise the powers respecting surplus property applicable to Clark County in carrying out Clark County's responsibilities under this Agreement and the Alliance Agreement.

3. Authority; Compliance with Laws; Levels of Service.

3.1 Powers and Authority. Clark County shall have full power and authority to control the Assigned Regional Assets, including, but not limited to, hiring and

6/10/14

designating of staff and consultants, making decisions on the use or application of processes, equipment, and facilities, and controlling other operating decisions. As part of its operational functions, Clark County will also manage capital improvements to the Assigned Regional Assets where the direct construction costs of those individual project improvements is not in excess of \$50,000 (such value to be indexed to the Engineering News Record construction index for Seattle), or as otherwise approved (or limited) by the Alliance Board. Neither the Alliance Board, nor an individual Alliance Board member or a governmental Member (other than Clark County), may direct Clark County to appoint or remove its staff or consultants, nor shall the Alliance Board, an individual Alliance Board member or a governmental Member (other than Clark County) give orders to any employee or consultant working for Clark County. This restriction does not prohibit the Alliance Board, in open session, from fully and freely discussing, with representatives or staff of Clark County, anything pertaining to appointments and removals of staff or consultants. Clark County will coordinate actively with the Administrative Lead and report regularly to the Alliance Board on the operations of the Assigned Regional Assets.

3.2 Compliance with Laws. Except as otherwise provided in the Alliance Agreement, Clark County shall provide the services of this Agreement in accordance with the statutes and regulations applicable to counties and all other applicable laws, regulations, and operating permits.

3.3 Levels of Service and Operating Standards. Clark County shall comply with the minimum levels of service and basic operating standards adopted by the Alliance Board in the Alliance Administrative Code. The minimum levels of service and standards adopted by the Alliance shall be consistent with customary practices for wastewater facilities in Washington State of the type comprising the Assigned Regional Assets.

4. Operating Budget; Compensation; Payment for Services. Clark County shall operate the Assigned Regional Assets and provide wastewater transmission, treatment, and disposal services within the authorization of the Operating Budget.

4.1 Initial Operating Budget and Capital Budget. Consistent with Sections IV, V and VI of the Alliance Agreement, the Alliance, in consultation with Clark County, will have developed an initial Operating Budget and Capital Budget for the Assigned Regional Assets, which initial Operating Budget and Capital Budget shall govern until adoption of the next Operating Budget and Capital Budget pursuant to Section 4.2 (Budget Process) of this Agreement.

6/10/14

4.2 Budget process:

4.2.1 Clark County shall propose and submit a budget to the Administrative Lead for Clark County's services as a component of the Operating Budget no later than September 1 of the year the Operating Budget is to be adopted and shall recommend to the Administrative Lead capital improvements as a component of the Capital Budget no later than September 1 of the year the Capital Budget is to be adopted.

4.2.2 Clark County shall submit to the Alliance quarterly reports for all actual and reasonable maintenance and operation costs incurred by Clark County for providing services under this Agreement.

4.2.3 If Clark County determines that its allocation in the Operating Budget is insufficient to cover all actual and reasonable costs of maintaining and operating the Assigned Regional Assets, then Clark County shall promptly notify the Alliance of that deficiency. The Alliance shall coordinate adjustments to the Operating Budget with Clark County. It is the intent of the Parties that Clark County's adjusted allocation from the Operating Budget will cover all of Clark County's actual and reasonable maintenance and operation costs.

4.2.4 If actual and reasonable maintenance and operation costs of Clark County are less than budgeted amounts paid to Clark County in any year, the excess payments will be taken into account in the Operating Budget or Budgets in subsequent years, consistent with **Section 4.2.3** of this Agreement.

4.3 Calculation of payments:

4.3.1 The Alliance shall pay Clark County for all actual and reasonable maintenance and operation costs incurred by Clark County for providing services under this Agreement, including, but not limited to: allocable employee salaries and benefits; contractor and consultant services; administrative overhead, equipment, materials, supplies, utilities, taxes, fees, and permits; applicable insurance, or self-insurance risk pool insurance, premiums and deductibles for policies maintained under **Section 11** of this Agreement; and capital improvements, repairs, expansions, and upgrades to the Assigned Regional Assets managed and implemented by Clark County for individual projects of up to \$50,000 or as otherwise approved by the Alliance Board (such value to be indexed to the Engineering News Record construction index for Seattle).

4.3.2 Any payment that is delinquent after 60 days shall accrue interest at 12% per annum.

6/10/14

4.3.3 The Alliance shall include in the Operating Budget all actual and reasonable maintenance and operation costs estimated to be incurred by Clark County for providing services under this Agreement, and shall remit to Clark County each month one-twenty-fourth of its total allocation in the Operating Budget over each biennium.

4.4 Calculation of wastewater flow and capacity:

4.4.1 Clark County shall accept wastewater volumes up to the combined Allocated Capacity expressed as MGD of MMF in Exhibit B of the Alliance Agreement (as may be adjusted from time to time by the Alliance Board), within the authorization of the Operating Budget and Capital Budget, and irrespective of individual Member contribution levels. Clark County shall compensate the Alliance for costs, penalties, and liabilities associated with Clark County failing to accept up to the combined Allocated Capacity of wastewater caused by Clark County's gross negligence or willful actions or omissions in violation of this Agreement. This provision does not limit Clark County from providing wastewater services beyond the combined Allocated Capacity expressed in Exhibit B of the Alliance Agreement, if approved by the Alliance Board.

4.4.2 Neither the Alliance nor any Alliance Member may discharge into the Assigned Regional Assets wastewater in excess of its combined Allocated Capacity. Clark County may decline to accept and treat any wastewater volumes in excess of the combined Allocated Capacity. Unless otherwise provided in this Agreement or by agreement between Clark County and the Alliance, Clark County will not serve non-Member customers.

4.4.3 If Clark County determines the volume of wastewater discharge by Alliance Members is in excess of the combined Allocated Capacity of any given month as measured by MGD of MMF, the Alliance shall pay any additional costs incurred by Clark County to treat the excess discharged wastewater, as well as related costs to treat and transport the excess amount and including any costs, penalties, and liabilities associated with the treatment or discharge of that wastewater in excess of the NPDES permit or other applicable regulations. Clark County shall provide the Alliance an accounting of its additional costs resulting from receiving, transporting, and treating excess wastewater. Clark County's acceptance of excess wastewater on any occasion or occasions shall not bind Clark County to accept excess wastewater on any other occasion.

4.4.4 When the wastewater discharge reaches 85% of the combined Allocated Capacity, Clark County shall notify the Alliance. The Alliance shall commence the preparation of plans for the usage of its remaining combined

Allocated Capacity and, if needed, provide for additional capacity beyond the combined Allocated Capacity limit.

4.4.5 If the Assigned Regional Assets are unable to receive, transport, and treat the combined Allocated Capacity for wastewater in the Alliance Agreement and maintain compliance with its NPDES permit, the Alliance shall develop a capital improvement plan to ensure future compliance.

4.4.6 The Alliance and Clark County shall cooperate with each other to determine the source of possible violations of applicable law, regulations, and permits (including applicable NPDES Permits). To the extent not covered by insurance required under **Section 11** of this Agreement, if Clark County is held liable to third parties in performing obligations under this Agreement or is fined or otherwise penalized by local, State, or Federal agencies for failure to operate or maintain the Assigned Regional Assets in accordance with the requirements of those agencies, the Alliance shall pay the costs of such liabilities to third parties and agency fines or penalties, including associated administrative, legal, and engineering costs incurred by Clark County. If the Alliance desires Clark County to pay such liabilities to third parties or agency fines and penalties not covered by insurance required under **Section 11** of this Agreement, it must notify Clark County, and Clark County shall do so as an actual and reasonable maintenance and operation cost and adjust its internal budget for operating the Assigned Regional Assets accordingly. Clark County shall undertake all reasonable efforts to seek recovery for the costs of such liabilities under applicable insurance or self-insurance risk pool insurance. To the extent not covered by insurance required under **Section 11** of this Agreement, Clark County shall be responsible for any liabilities to third parties and agency fines or penalties and associated administrative, legal, and engineering costs caused by its grossly negligent or willful actions or omissions or by actions in violation of this Agreement.

4.4.7 Clark County shall make all reasonable efforts to accommodate the Alliance in implementing and completing capital improvements to the Assigned Regional Assets.

4.5 Wastewater quality standards and programs:

4.5.1 Members and non-Member contributors shall not discharge into the Assigned Regional Assets any wastewater that does not meet the wastewater quality standards required by the Alliance Administrative Code. The Alliance shall enforce compliance with this provision.

4.5.2 Clark County is obligated to treat only wastewater that meets the wastewater quality standards required by the Alliance Administrative Code. Clark County may decline to transport and treat wastewater from Members that does not conform to applicable state or federal standards for wastewater. If Clark County receives wastewater not in compliance with Alliance standards, Clark County shall notify the Alliance. The Alliance shall compensate Clark County for costs, penalties, and liabilities associated with receiving, treating, and discharging nonconforming wastewater.

4.5.3 Clark County and the Alliance shall cooperate to develop, as needed, resolutions, procedures, and programs to mitigate Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) levels, metals, and other pollutant levels that are higher or lower than acceptable norms, as determined by either regulatory requirements or by generally accepted environmental practices.

4.5.4 The Alliance shall adopt an industrial wastewater pre-treatment resolution, procedure, or program, as appropriate, meeting applicable state and federal requirements. The Alliance is responsible for implementing the industrial wastewater pre-treatment program, in compliance with the Clean Water Act, as a condition of the NPDES Permit. The Alliance shall be responsible for identification of dischargers, issuance of control documents, issuance of permits, and compliance enforcement, and collection of any special fees, penalties, or other associated extraordinary charges.

5. Term and Effective Date. This Agreement shall be effective January 1, 2015, for a period of five years, and shall terminate on December 31, 2019 (the "Term").

5.1 Automatic Extensions. The Term shall be automatically extended for additional one-year terms unless the Alliance or Clark County notifies the other Party on or before December 31 of the calendar year prior to the calendar year in which the Agreement will expire, that the Agreement shall not be extended.

5.2 Transition Planning. Upon either Party's receipt of notice that the Agreement shall not be extended, the Parties shall work together to develop a mutually agreed upon transition plan, which shall include, but not be limited to, a process that incorporates the best reasonable efforts of any successor Operator to hire Clark County employees, as outlined in **Section 7** of this Agreement.

6. Early Termination. Either Party may terminate this Agreement for a material and substantial default by the other Party, if the default has not been cured in a reasonable period of time after written notice of default.

6/10/14

7. Clark County Employees. If the Alliance assumes the responsibilities of Operator of Regional Assets previously assigned to Clark County, the Alliance will use its best reasonable effort to hire the employees of Clark County who request continued employment in their previous or similar positions. If the Alliance transfers Operator services over Regional Assets previously assigned to Clark County to another entity, the Alliance shall require the other entity to use its best reasonable effort to hire the employees of Clark County who request continued employment in their previous or similar positions.

8. Performance of Non-Alliance Services by Clark County. Upon the approval of the Alliance Board, Clark County may perform retail and wholesale services that are not in conflict with the services provided to the Alliance or in conflict with Clark County's responsibilities under this Agreement.

9. Cooperation. The Parties shall cooperate fully in executing documents that are necessary for Clark County to provide services under this Agreement.

10. Records.

10.1 Clark County shall maintain accounts and records that sufficiently and properly document its services and charges under this Agreement.

10.2 Upon reasonable notice, each Party shall have the right to inspect and copy, without charge, all non-privileged records held by the other Party relating to this Agreement.

11. Insurance.

11.1 General. The Alliance shall insure, at replacement cost value, the Assigned Regional Assets. The Alliance and Clark County shall obtain and maintain insurance, or self-insurance risk pool insurance, for their acts and omissions under this Agreement, with the same coverage and in the same amounts as is provided by each Party for its officers, employees, and agents. Upon request of the Alliance or Clark County, the other Party shall provide evidence of insurance, or self-insurance risk pool insurance, coverage in a form acceptable to the requesting Party. Insurance costs incurred by Clark County for coverage associated with operating the Assigned Regional Assets shall be considered an actual and reasonable cost under **Section 4.3.1** of this Agreement.

11.2 Alliance Liability Insurance. The Alliance certifies that it is, and the Alliance shall remain, a member of the Water & Sewer Insurance Pool ("WSRMP") as provided by RCW 48.62.031 (or by a comparable self-insurance risk pool or insurance

6/10/14

provider), and that it is covered by the WSRMP's Joint Self-Insurance Liability Policy. For any claim submitted under Chapter 4.96 RCW (*Actions against political subdivisions, municipal and quasi-municipal corporations*) against the Alliance, its employees, elected officials, officers, volunteers and agents and/or actions in connection with or incidental to the performance of this Agreement which the Alliance and/or its employees, officers, volunteers and agents are found to be liable for, the Alliance shall seek coverage under applicable insurance or self-insurance risk pool insurance.

11.3 Alliance Minimum Coverage. The following insurance types and limits shall be maintained by the Alliance:

11.3.1 General Liability - \$10,000,000 each occurrence Bodily Injury, Property Damage liability and Automobile Liability; and

11.3.2 Workers Compensation per state statute and federal Law.

11.4 Clark County Liability Insurance. Clark County certifies that it is, and Clark County shall remain, a member of the Washington Counties Risk Pool ("WCRP") as provided by RCW 48.62.031 (or by a comparable insurance provider), and that it is covered by the WCRP's Joint Self-Insurance Liability Policy. For any claim submitted under Chapter 4.96 RCW (*Actions against political subdivisions, municipal and quasi-municipal corporations*) against Clark County, its employees, elected officials, officers, volunteers and agents and/or actions in connection with or incidental to the performance of this Agreement which Clark County and/or its employees, officers, volunteers and agents are found to be liable for, Clark County shall seek coverage under applicable insurance or self-insurance risk pool insurance.

11.5 Clark County Minimum Coverage. The following insurance types and limits shall be maintained by Clark County:

11.5.1 General Liability - \$10,000,000 each occurrence Bodily Injury, Property Damage liability and Automobile Liability; and

11.5.2 Workers Compensation per state statute and federal Law.

12. Dispute Resolution; Remedies. The Parties shall first attempt to resolve a dispute by discussions between representative(s) of the Alliance and Clark County. If the discussions are not successful, the Parties may thereafter elect mediation or arbitration, including binding arbitration, or pursue any available remedies under law. If mediation or arbitration is selected, the costs shall be divided equally between the Alliance and Clark County.

6/10/14

13. Notices. All notices and other communications under this Agreement shall be in writing by facsimile, regular U.S. mail or certified mail, return receipt requested.

If to the Alliance, the notice shall be sent to:

Chair of the Board
Discovery Clean Water Alliance
c/o Clark Regional Wastewater District
8000 NE 52nd Court
PO Box 8979
Vancouver WA 98668-8979

with a copy to:

Hugh Spitzer
Foster Pepper PLLC
1111 3rd Avenue STE 3400
Seattle WA 98101-3299

If to the Operator, the notice shall be sent to:

Public Works Director
Clark County Public Works
PO Box 9810
Vancouver WA 98666-9810

with a copy to:

Clark County Prosecuting Attorney's Office
1013 Franklin Street
PO Box 5000
Vancouver WA 98666-5000

Either Party may notify the other Party in writing of changes in the persons to whom notices are to be delivered. Notices shall be deemed given upon delivery or, if mailed, upon the earlier of actual receipt or three (3) business days after the date of mailing.

14. Severability. If any section or part of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, such action shall not affect the validity or enforceability of any other section or part of this Agreement.

15. Entire Agreement; Amendment. This Agreement, and the exhibits attached

6/10/14

hereto or referenced herein, contains the entire written agreement of the Parties and supersedes all prior discussions and agreements. This Agreement may be amended only in writing, signed by both Parties.

16. Successors and Assigns. All of the provisions, conditions, regulations, and requirements contained in this Agreement shall be binding upon the successors and assigns of the Parties.

17. No Third Party Rights. This Agreement is solely for the benefit of the Parties and gives no right to any other party or person.

18. No Joint Venture. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of one Party or any of its contractors or subcontractors shall be deemed, or represent themselves to be, employees of the other Party.

19. Jurisdiction and Venue. This Agreement shall be interpreted in accordance with the laws of the State of Washington. The Superior Court of Clark County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

20. Enforcement; No Waiver; Prevailing Party Costs. In addition to the remedies provided by law, this Agreement shall be specifically enforceable by either Party. If either Party incurs attorney fees, costs, or other legal expenses to enforce the provisions of this Agreement against the other Party, all such fees, costs, and expenses shall be recoverable by the prevailing Party. The failure of a Party to exercise any right or enforce any provision of this Agreement shall not be considered a waiver of such right or enforcement remedy.

21. Independent Contractor. Clark County is and shall be at all times during the Term of this Agreement an independent contractor and not an employee of the Alliance. Clark County employees are not and, at all times during the Term of this Agreement, shall not be considered Alliance employees.

22. Counterparts. This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized representatives.

6/10/14

DISCOVERY CLEAN WATER
ALLIANCE

Ron Chubb
Vice, Chair

Date: 8-22-13

Attested to:

Ned Kering
Aug-16-2013, Secretary

Approved as to form:

Hugh D. Spitzer
Hugh D. Spitzer, Alliance Attorney

CLARK COUNTY

[Signature]
Chair, Board of County Commissioners

Date: 8/13/13

Attested to:

Rebecca Jitor
County Commissioner
Clerk to the Board

Approved as to form:

[Signature]
Prosecuting Attorney

6/10/14

**EXHIBIT A
ASSIGNED REGIONAL ASSETS (CLARK COUNTY)**

System Name	No.	Regional Asset Name	Regional Asset Description
Salmon Creek Wastewater Management System (SCWMS)	1	Interceptor System Salmon Creek Interceptor	4.6 mile long gravity pipeline located on the south side of the Salmon Creek drainage. The interceptor collects and conveys wastewater from partner agencies to regional pump stations. Pipeline was constructed in segments from the mid to late 1970's (21-42-inch diameter pipe routed from Betts Bridge to 36 Ave).
	2	Klineline Interceptor	1.8 mile long gravity pipeline located parallel to the Salmon Creek Interceptor. Pipeline was constructed in segments from 2002 to 2006 (48-inch diameter pipe routed from Salmon Creek Ave & NE 127 St to 117 St PS).
	3	Pump Station (PS) System 36 Avenue PS	Raw sewage PS located at 14014 NW 36 Ave in Vancouver, WA. The station pumps wastewater from the Salmon Creek interceptor to SCTP. Pump station was constructed in mid 1970's and remodeled in 1994 and 2005.
	4	117 Street PS (aka Klineline PS)	Raw sewage PS located at 1110 NE 117 St in Vancouver, WA. The station pumps wastewater from Salmon Creek and Klineline interceptors to SCTP. Pump station was constructed in 2008.
	5	Force Mains (FM) System 36 Ave PS FM	24-inch diameter FM routed from 36 Ave PS to SCTP. The FM runs approximately 1.4 miles along the south side of the Salmon Creek and discharges to SCTP. Pipeline was constructed in mid 1970's.
	6	117 Street PS FM	30-inch diameter FM routed from 117 St PS to SCTP. The FM runs approximately 4.9 miles along public rights-of-way to the SCTP. Pipeline was constructed in segments from 2004 to 2008.
	7	Salmon Creek Treatment Plant (SCTP) & Outfall	Secondary treatment plant originally constructed in the mid 1970s, with four major expansion phases. The plant is located at 15100 NW McCann Rd, in Vancouver, WA. The plant outfall is a 30-inch diameter pipeline routed west of the plant 1.3 miles, terminating in the Columbia River between mile 95 and 96. The discharge location is latitude 45° 43' 58" N, longitude 122° 45' 23" W.
Battle Ground Force Main System	9	Battle Ground FM (Including odor control system for FM)	9 mile long 16-inch diameter FM with biocide chemical injection facility routed southwesterly from McClure PS to Klineline interceptor at Salmon Creek Ave. Pipeline was constructed in 1993.

6/10/14

**EXHIBIT C: CLARK COUNTY AND DISCOVERY CLEAN WATER ALLIANCE
FRANCHISE AGREEMENT**

6/10/14

SCHEDULE 2.1: BILL OF SALE FOR SCWMS INFRASTRUCTURE

THIS BILL OF SALE is executed as of the _____ day of _____, _____, by CLARK COUNTY, Washington, a political subdivision of the State of Washington ("Assignor"):

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, Assignor does hereby grant, bargain, sell, convey, assign, transfer, and set over to the DISCOVERY CLEAN WATER ALLIANCE, a Washington municipal corporation ("Assignee"): (i) the Salmon Creek Interceptor; (ii) the Kline Interceptor; (iii) the 36th Avenue Pump Station; (iv) the 117th Street Pump Station (also referred to as the Kline Interceptor Pump Station); (v) the 36th Avenue Pump Station Force Main; (vi) the 117th Street Pump Station Force Main; (vii) the Salmon Creek Treatment Plant and Outfall; and, (viii) all improvements, upgrades, and appurtenances now existing or in the process of construction that are comprised of or are used by the SCWMS Infrastructure owned by Assignor (collectively referred to as the "SCWMS Infrastructure") located in, on, and around the SCTPO Real Property, as defined in **Section 2.2** of the Clark County and Discovery Clean Water Alliance Salmon Creek Wastewater Management System Transfer Agreement (the "SCWMS Transfer Agreement"), the 36th Avenue Pump Station Real Property, as defined in **Section 2.3** of the SCWMS Transfer Agreement, the SCWMS Easements, as defined in **Section 2.4** of the SCWMS Transfer Agreement, and all other Assignor properties and rights of way where SCWMS Infrastructure is located.

The SCWMS Infrastructure is graphically depicted for illustrative purposes on the diagrams attached as **Exhibit 2.1.A** of this **Schedule 2.1**.

In all respects, the SCWMS Infrastructure is being transferred in its "as is, where is" condition, and without representation or warranty.

[Remainder of Page Intentionally Left Blank.]

6/10/14

IN WITNESS WHEREOF, Assignor has executed and delivered this Bill of Sale as of the day and year first above written.

ASSIGNOR:

**BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY, WASHINGTON**



Tom Mielke, Chair

Date: 6/24/14

David Madore, Commissioner

Edward L. Barnes, Commissioner

Approved as to form only
Anthony F. Golik
Prosecuting Attorney

BY: 

ASSIGNEE:

**DISCOVERY CLEAN WATER ALLIANCE,
a Washington municipal corporation**

By: _____ Date: _____
Ron Onslow, Chair, Board of Directors

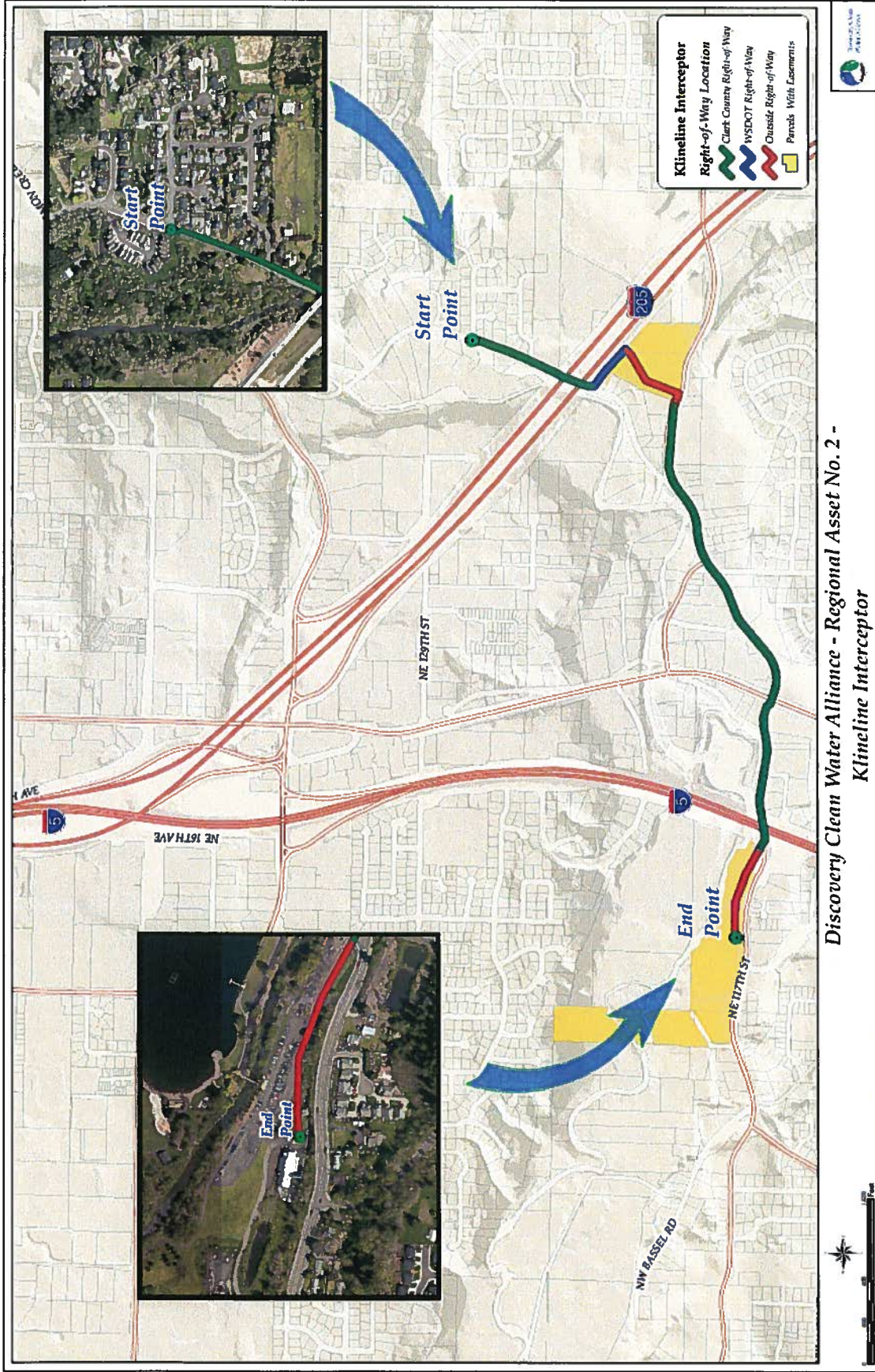
Attest: _____
Neil Kimsey, Secretary, Board of Directors

Approved: _____
Hugh D. Spitzer, Alliance Attorney

6/10/14

**EXHIBIT 2.1.A
DIAGRAMS OF THE SCWMS INFRASTRUCTURE**

6/10/14



Schedule 2.1 - 2

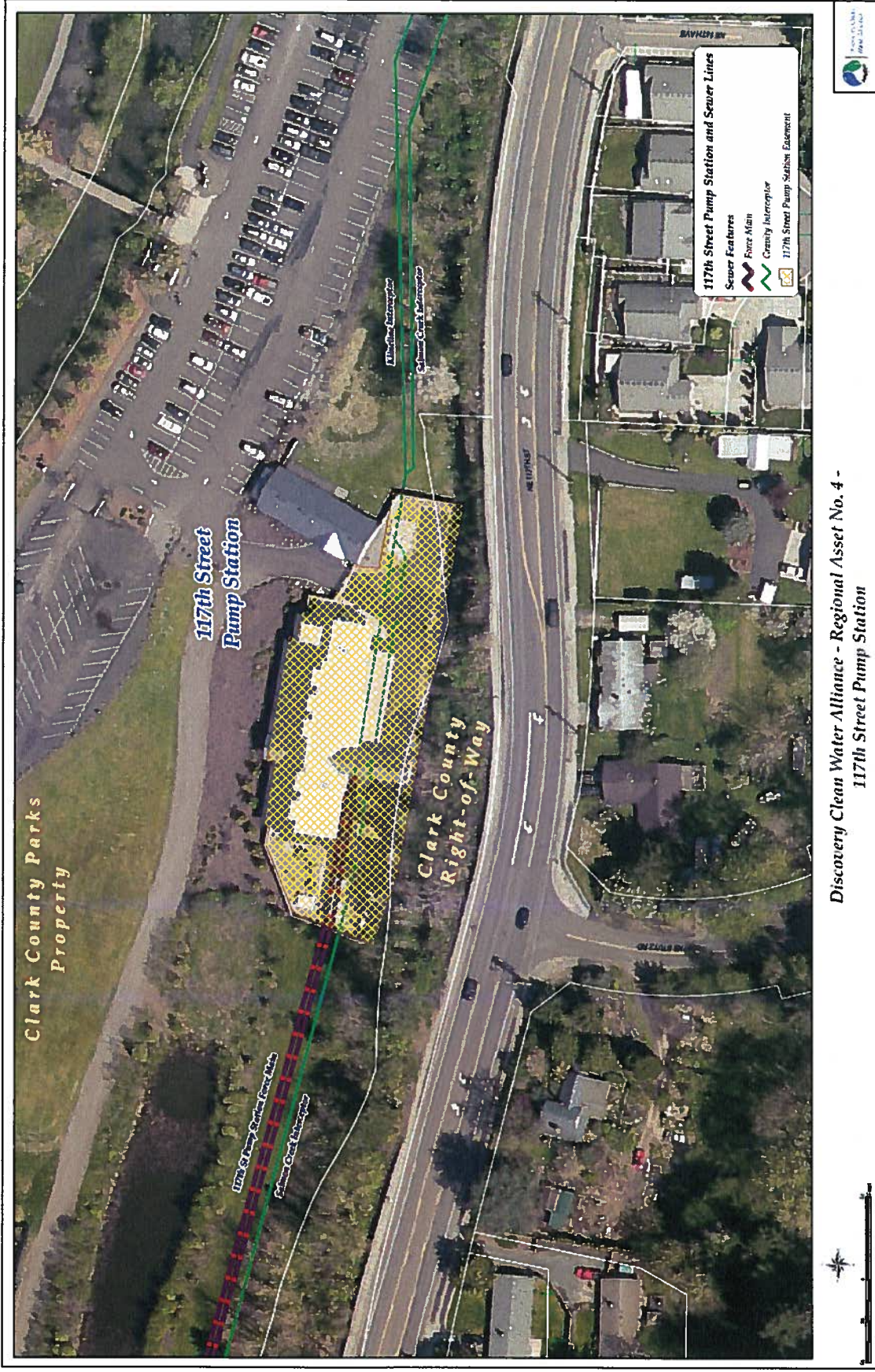
6/10/14



Discovery Clean Water Alliance - Regional Asset No. 3 -
36th Avenue Pump Station

Schedule 2.1 - 3

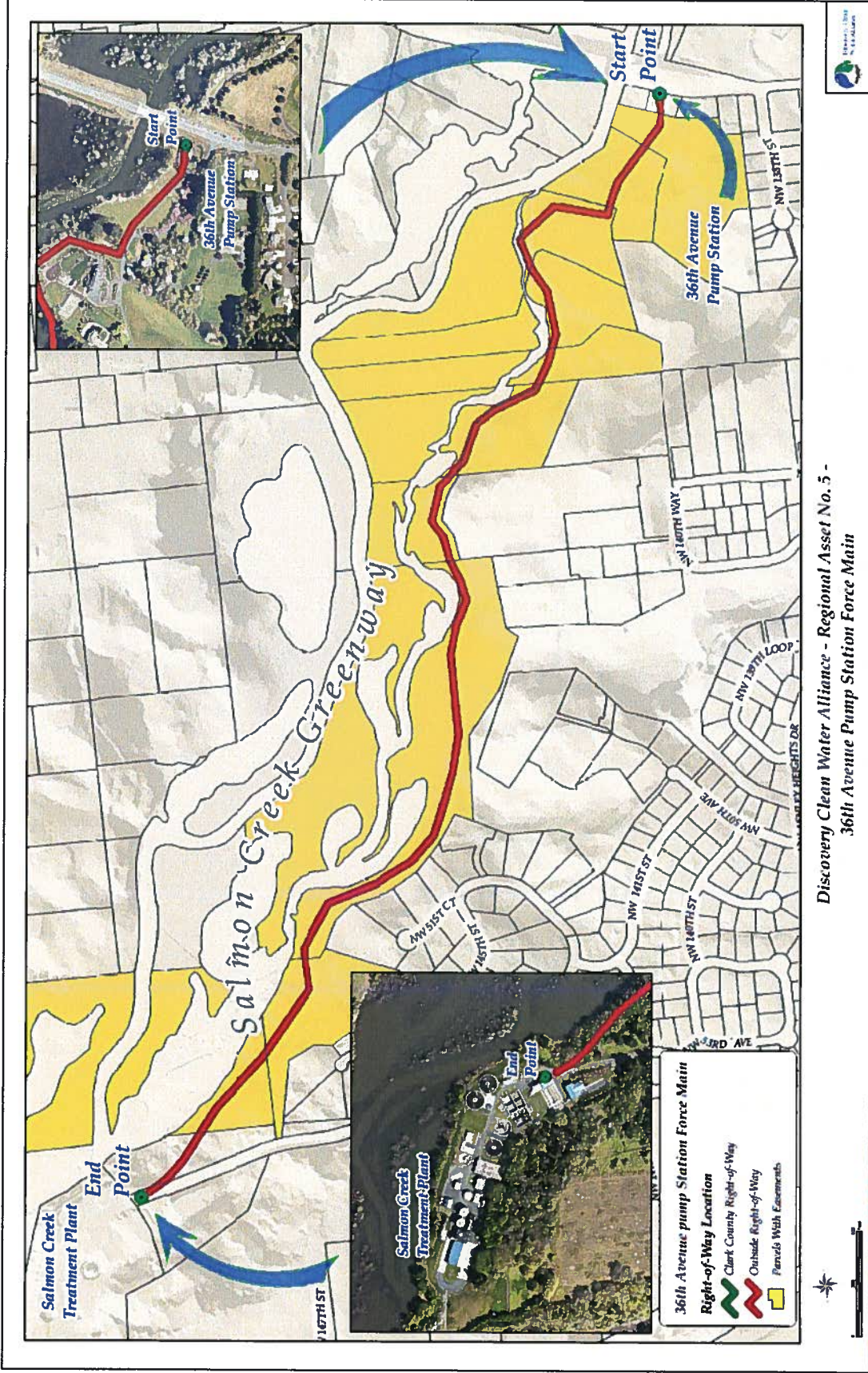
6/10/14



Discovery Clean Water Alliance - Regional Asset No. 4 -
117th Street Pump Station

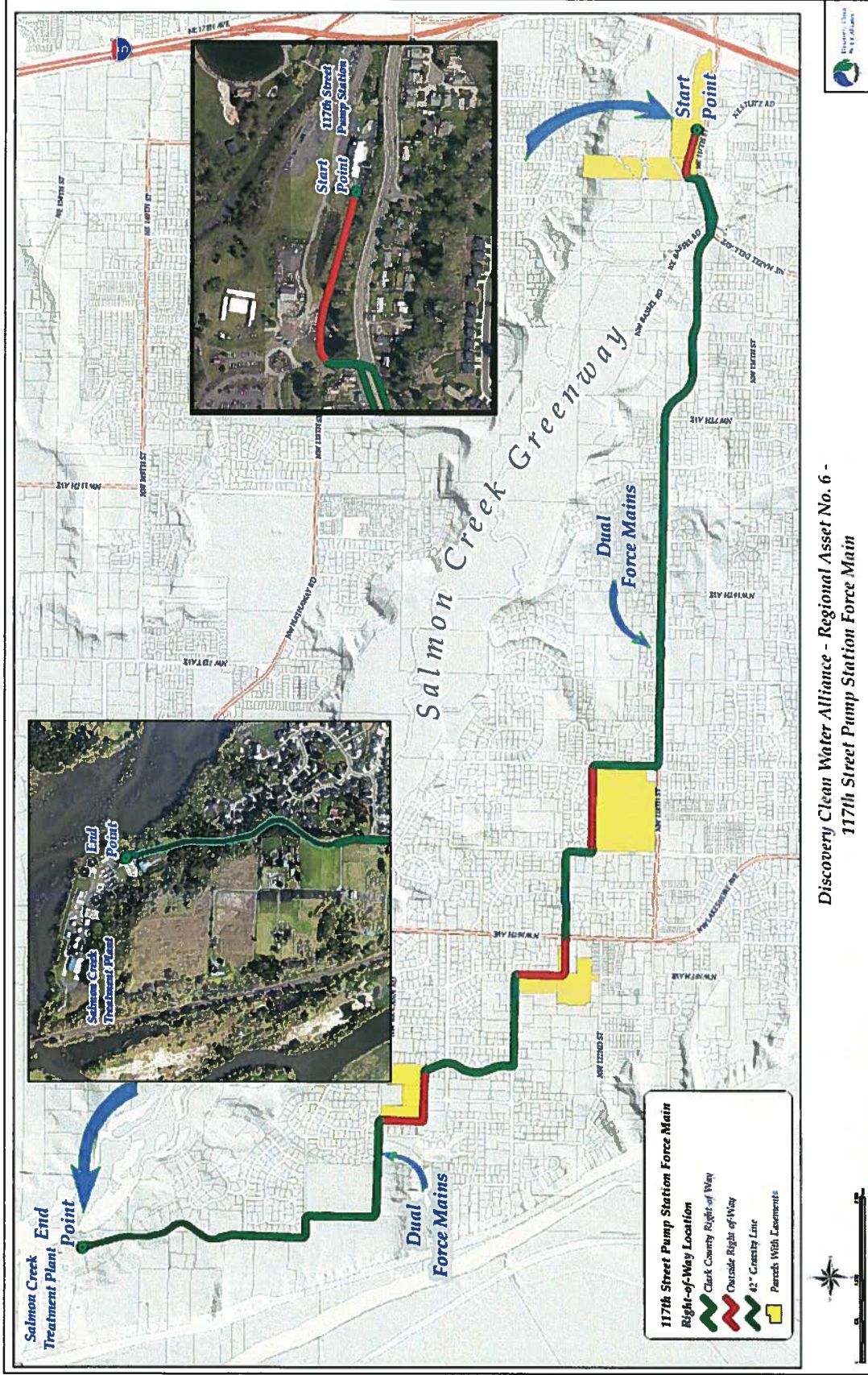
Schedule 2.1 - 4

6/10/14



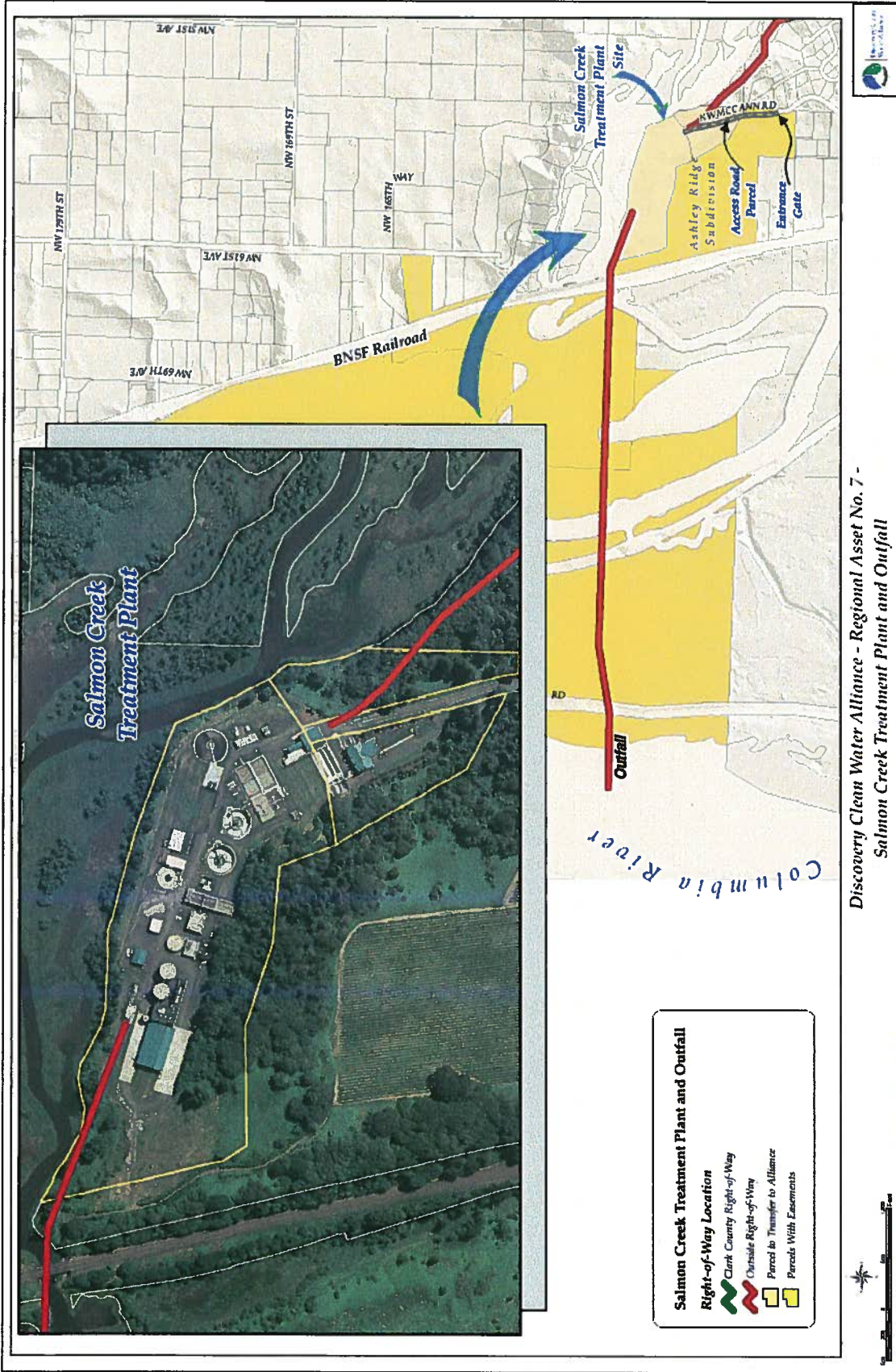
Schedule 2.1 - 5

6/10/14



Schedule 2.1 - 6

6/10/14



Schedule 2.1 - 7

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Foster Pepper PLLC
Attn: Hugh D. Spitzer
1111 Third Avenue, Suite 3400
Seattle, WA 98101-3299

QUITCLAIM DEED

GRANTOR:

CLARK COUNTY,
a political subdivision of the
State of Washington

GRANTEE:

DISCOVERY CLEAN WATER ALLIANCE,
a Washington municipal corporation

**ABBREVIATED LEGAL
DESCRIPTION:**

Tracts of land situated in Section 19,
Township 3 North, Range 1 East of the
Willamette Meridian, Clark County,
Washington.

Complete legal description below.

**ASSESSOR'S TAX PARCEL
ID NOs.:**

183508-000, 183515-000, Private portion
of NW McCann Road (adjacent to Parcel
No. 183515-000.).

**ABBREVIATED EASEMENT
LEGAL DESCRIPTION:**

Easements situated in Section 19,
Township 3 North, Range 1 East of the
Willamette Meridian and Section 24,
Township 3 North, Range 1 West of the
Willamette Meridian, Clark County,
Washington.

Complete legal description below.

**EASEMENT ASSESSOR'S
TAX PARCEL ID NOs.:**

191177-000, 191067-000, 183058-000
and 183493-000

Schedule 2.2

6/10/14

QUITCLAIM DEED

Grantor, CLARK COUNTY, Washington, a political subdivision of the State of Washington, for and in consideration of compliance with the terms of the Clark County and Discovery Clean Water Alliance Salmon Creek Wastewater Management System Transfer Agreement, effective the _____ day of _____, _____, and other good and valuable consideration, the receipt of which is hereby acknowledged, conveys and quitclaims to the DISCOVERY CLEAN WATER ALLIANCE, Clark County, Washington, a Washington municipal corporation, all interest in the following described real estate:

LEGAL DESCRIPTION

183508-000

A tract of land situated in Section 19, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark, State of Washington, which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows:

BEGINNING at a point which is North 30° 41' 59" West, 4918.52 feet from the Southeast corner of Section 19 of said Township and Range and running thence South 68° 15' 51" East, 324.04 feet; thence North 85° 02' 59" East, 254.95 feet; thence South 73° 14' 30" East, 1095.00 feet; thence South 27° 38' 32" East, 349.22 feet; thence South 56° 35' 22" West, 245.00 feet; thence South 66° 40' 19" West, 174.24 feet; thence South 80° 53' 56" West, 208.63 feet; thence North 20° 27' 30" West, 205.99 feet; thence North 84° 22' 44" West, 255.23 feet; thence North 72° 32' 32" West, 296.66 feet; thence South 89° 19' 16" West, 428.76 feet; thence North 13° 26' 26" West, 676.61 feet to the point of beginning, containing 20.13 acres, more or less. EXCEPT any portion thereof lying Westerly of a line that is Easterly and 160 feet distant when measured at right angles to the Easterly line of the Burlington Northern Railway Company right of way.

Subject to easements and restrictions of record.

Situated in Clark County, Washington, together with all after-acquired title of Grantor therein.

6/10/14

183515-000

A parcel of land lying in the Northeast quarter of Section 19, Township 3 North, Range 1 East of the Willamette Meridian, said parcel being more particularly described as follows:

Commencing at the Southeast Corner of said Section 19 and running thence N 89° 27' 38" W along the South line of said Section 19 a distance of 759.13 feet to a point on the East line of the Silas Curtis Donation Land Claim; thence along said East line run N 01° 57' 07" E 2668.00 feet to the True Point of Beginning of this tract; thence run N 62° 47' 22" W 361.60 feet; thence N 34° 46' 58" W 528.70 feet; thence N 80° 53' 56" E 183.63 feet; thence N 66° 40' 19" E 174.20 feet; thence N 56° 35' 22" E 245.00 feet; thence N 27° 38' 32" W 349.22 feet; thence S 73° 14' 30" E 287.69 feet to a point on first said East line of said Silas Curtis D.L.C.; thence along said East line S 01° 57' 07" W 1059.55 feet to the True Point of Beginning, all in Clark County, Washington.

Excepting any portion of the above described parcel lying within the right-of-way of McCann Road, being 60.00 feet in width, and running in a Southeasterly direction through said parcel.

This parcel contains 7.259 acres, more or less.

Bearings hereon are based on the assumption that the East line of the Silas Curtis Donation Land Claim bears N 01° 57' 07"E.

Situated in Clark County, Washington, together with all after-acquired title of Grantor therein.

Treatment Plant Access Road (A.K.A. NW McCann Road)

A strip of land 60.00 feet wide, situated in Clark County, Washington and lying in the East half of Section 19, Township 3 North, Range 1 East of the Willamette Meridian, described as follows:

Commencing at the intersection of the West line of that parcel conveyed to Clark County, Washington by Statutory Warranty Fulfillment Deed recorded under Auditor's File No. 9703040238 and the South line of that tract of land conveyed to Clark County, Washington by Statutory Warranty Deed recorded under Auditor's File No. G 647059; thence along the North line of said Clark County tract Auditor's File No. 9703040238 and the South line of said Clark County tract Auditor's File No. G 647059 the following four (4) courses: North 80° 54' 13" East 183.63 feet; thence North 66° 40' 34" East 120.52 feet to the Northwest corner of that 60.00 foot wide

6/10/14

strip of land commonly referred to as NW McCann Road right of way, said corner being the Point of Beginning; thence North $66^{\circ} 40' 34''$ East 53.72 feet; thence North $56^{\circ} 35' 37''$ East 6.37 feet to the Northeast corner of said NW McCann Road, said corner being on the arc of a 780.00 foot radius curve; thence leaving said North and South lines, along the East line of said NW McCann Road the following eight (8) courses: from a tangent bearing of South $24^{\circ} 33' 21''$ East, along said curve to the right, through a central angle of $12^{\circ} 05' 46''$, an arc distance of 164.67 feet to a point of tangency; thence South $12^{\circ} 27' 35''$ East 167.86 feet to a point of curvature with a 1970.00 foot radius curve; thence along said curve to the left, through a central angle of $04^{\circ} 42' 44''$, an arc distance of 162.02 feet to a point of tangency; thence South $17^{\circ} 10' 19''$ East 207.59 feet to a point of curvature with a 430.00 foot radius curve; thence along said curve to the right, through a central angle of $16^{\circ} 15' 25''$, an arc distance of 122.01 feet to a point of tangency; thence South $00^{\circ} 54' 54''$ East 178.41 feet to a point of curvature with a 470.00 foot radius curve; thence along said curve to the left, through a central angle of $11^{\circ} 04' 26''$, an arc distance of 90.84 feet to a point of tangency; thence South $11^{\circ} 59' 20''$ East 54.53 feet; thence leaving said East line South $78^{\circ} 00' 22''$ West 60.00 feet to the West line of said NW McCann Road; thence along said West line the following eight (8) courses: North $11^{\circ} 59' 20''$ West 54.54 feet to a point of curvature with a 530.00 foot radius curve; thence along said curve to the right, through a central angle of $11^{\circ} 04' 26''$, an arc distance of 102.44 feet to a point of tangency; thence North $00^{\circ} 54' 54''$ West 178.41 feet to a point of curvature with a 370.00 foot radius curve; thence along said curve to the left, through a central angle of $16^{\circ} 15' 25''$, an arc distance of 104.98 feet to a point of tangency; thence North $17^{\circ} 10' 19''$ West 207.59 feet to a point of curvature with a 2030.00 foot radius curve; thence along said curve to the right, through a central angle of $04^{\circ} 42' 44''$, an arc distance of 166.96 feet to a point of tangency; thence North $12^{\circ} 27' 35''$ West 167.86 feet to a point of curvature with a 720.00 foot radius curve; thence along said curve to the left, through a central angle of $12^{\circ} 06' 36''$, an arc distance of 152.18 feet to the Point of Beginning.

Subject to easements and restrictions of record.

TOGETHER WITH

A Sewer Easement as described in Auditor's File No. G 668935 as follows:

A strip of land twenty (20.0) feet wide situated in Section 24, Township 3 North, Range 1 West of the Willamette Meridian, in the county of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

6/10/14

BEGINNING at a point on the Easterly line of Grantor's property as conveyed under Auditor's File No. G650118, records of said County, said line being the westerly meander line of Lake River; thence North 87° 42' 22" West, 20 feet, more or less, to a point which bears North 53° 04' 38" West, 7162.69 feet, from the southeast corner of Section 19, Township 3 North, Range 1 East of the Willamette Meridian; thence North 87° 42' 22" West, 1301.62 feet; thence South 81° 02' 28" West, 820.09 feet to a point which bears North 61°39' 26" West, 8904.28 feet from the southeast corner of Section 19, said Township and Range; thence North 87° 42' 22" West, 100 feet, more or less, to the Westerly line of Grantor's property, said line being the meanders of the East bank of the Columbia River.

TOGETHER WITH

A Sewer Easement as described in Auditor's File No. G 671854 as follows:

A strip of land twenty (20.0) feet wide situated in Section 19, Township 3 North, Range 1 East, and section 24, Township 3 North, Range 1 West, of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING At a point on the Easterly line of Grantors' property as conveyed under Auditor's File No. G502780, records of said county, said line being an intermediate Easterly boundary of William Green DLC; thence North 81° 12' 06" West, 120 feet more or less to a point which bears North 36° 05' 00" West, 5,192.00 feet from the Southeast corner of said Section 19; thence North 87° 42' 22" West, 2,000.00 feet to a point which bears North 49° 46' 45" West, 6,622.01 feet from said section corner; thence North 87° 42' 22" West, 540 feet more or less to Westerly line of Grantors' property, said line being the Easterly meander line of Lake River.

Subject to a right of way granted and conveyed to Olympia Pipe Line Company under Auditor's File #G384351, records of said County.

TOGETHER WITH

An easement as described in Auditor's File No. G 647058 as follows:

A strip of land twenty (20.0) feet wide situated in the Northeast and Northwest quarter sections of Section 19, Township 3 North, Range 1 East of Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

6/10/14

BEGINNING at a point on a tract of land, described by Clark County Assessor's number 183493 as tax lot 1, which bears North 29° 49' 06" West, 4,774.39 feet from Southeast section corner of said Section 19, thence 71° 42' 41" West, 163.28 feet; thence South 82° 56' 20" West, 179.51 feet; thence South 75° 45' 35" West, 73.22 feet to a point which bears North 33° 46' 43" West, 4,996.95 feet from Southeast section corner of said Section 19; thence North 81° 12' 31" West, 180 feet more or less to westerly line of said tract; EXCEPT land bounded by easterly and westerly lines of Burlington Northern Railroad Right of Way.

Situated in Clark County, Washington, together with all after-acquired title of Grantor therein.

[Signatures Follow.]

6/10/14

Dated this 25 day of June, 2014.

**BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY, WASHINGTON**

Tom Mielke
Tom Mielke, Chair

David Madore, Commissioner

Edward L. Barnes, Commissioner

Approved as to form only
Anthony F. Golik
Prosecuting Attorney

BY: Anthony F. Golik

STATE OF WASHINGTON

COUNTY OF CLARK

On this 25 day of June, 2014, before me personally appeared Tom Mielke, and _____, to me known to be the duly elected, qualified and acting County Commissioner(s) of Clark County, Washington, who executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of Clark County, for the uses and purposes therein mentioned, and on oath stated that she/they is/are authorized to execute said instrument by resolution of the Board of County Commissioners of Clark County and that the seal affixed is the official seal of Clark County.

Dated June 25, 2014

Tina Redline
Notary Public in and for the State of WA
Residing at
My commission expires:

TINA REDLINE
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 5, 2016

APRIL 5, 2016

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Foster Pepper PLLC
Attn: Hugh D. Spitzer
1111 Third Avenue, Suite 3400
Seattle, WA 98101-3299

QUITCLAIM DEED

GRANTOR:

CLARK COUNTY,
a political subdivision of the
State of Washington

GRANTEE:

**DISCOVERY CLEAN WATER
ALLIANCE,**
a Washington municipal corporation

**ABBREVIATED LEGAL
DESCRIPTION:**

A tract of land situated in the Southeast
quarter of Section 20, Township 3 North,
Range 1 East of the Willamette Meridian,
Clark County, Washington.

Complete legal description below.

**ASSESSOR'S TAX PARCEL
ID NO.:**

184828-000.

6/10/14

QUITCLAIM DEED

Grantor, CLARK COUNTY, Washington, a political subdivision of the State of Washington, for and in consideration of compliance with the terms of the Clark County and Discovery Clean Water Alliance Salmon Creek Wastewater Management System Transfer Agreement, effective the _____ day of _____, _____, and other good and valuable consideration, the receipt of which is hereby acknowledged, conveys and quitclaims to the DISCOVERY CLEAN WATER ALLIANCE, Clark County, Washington, a Washington municipal corporation, all interest in the following described real estate:

LEGAL DESCRIPTION

184828-000

A tract of land located in the Southeast quarter of Section 20, Township 3 North, Range 1 East of the Willamette Meridian in the County of Clark, State of Washington which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows:

Beginning at the quarter corner between Sections 20 and 29 of said Township and Range; thence East along the South line of Section 20, 1308.7 feet to center of county road; thence North along center line of said road, 51.7 feet to beginning of curve; thence along a 572.9-foot radius curve right, 109.8 feet to a point on curve, said point being true point of beginning; thence along said curve right, 65.0 feet to end of curve; thence North $21^{\circ} 44' 17''$ East, 98.00 feet to point on center line of said road; thence North $68^{\circ} 15' 43''$ West, 130.0 feet; thence South $21^{\circ} 44' 17''$ West, 153.00 feet; thence South $64^{\circ} 02' 36''$ East, 134.04 feet to point of true beginning, described tract containing 0.47 acres, more or less.

TOGETHER WITH:

An access easement as described in Auditor's File No. 8304200049 as follows:

A strip of land twenty (20.00) feet in width situated in Section 20, Township 3 North, Range 1 East of the Willamette Meridian in the County of Clark and the State of Washington, the centerline of which is described as follows:

Beginning at Engineer Station 35+81.07, being more fully described in Exhibit "B" attached herein; thence North $61^{\circ} 55' 00''$ West a distance of 204.15 feet; thence North $28^{\circ} 05' 00''$ East a distance of 86.29 feet; thence along a curve to the right having a radius of 30.00 feet a distance of 38.55 feet; thence South $78^{\circ} 17' 48''$ East a distance of 14.55 feet to the end of this centerline description.

6/10/14

CENTERLINE DESCRIPTION
EXHIBIT "B"

Beginning at Engineer Station 31+95.41, said point being 1280 feet more or less West of and 265 feet more or less South of section corners common to section 20, 21, 28, and 29 Township 3 North, Range 1 East of the Willamette Meridian, said point being the true point of beginning of the following described, and Engineer Station 31+95.41 P.C.;

thence Northerly along a curve to the right having a radius of 1500 feet and a central angle of 17° 32' 07", a distance of 459.07 feet to Engineer Station 36+54.48 P.T.; thence North 20° 05' 00" East a distance of 1087.10 feet more or less to Engineer Station 47+41.58; thence North 19° 40' 35" East a distance of 247.27 feet to Engineer Station 49+88.85 P.O.T. N.W. 36th Avenue, being also Engineer Station 20+00.00 N.W. Bliss Road; thence North 19° 40' 35" East a distance of 181.52 feet to Engineer Station 51+70.37 P.C.

Also beginning at Engineer Station 49+88.85 P.O.T. N.W. 36th Avenue being also Engineer Station 20+00.00 N.W. Bliss Road; thence South 79° 11' 40" East a distance of 493.43 feet P.O.T. and the end of this centerline description.

TOGETHER WITH:

A Flood Wall easement as described in Auditor's File No. 4009534 as follows:

An easement over that portion of "Nye" parcel as described under Auditor's File No. 8612150122, records of the Clark County Auditor, lying in the Southeast quarter of Section 20, Township 3 North, Range 1 East of the Willamette Meridian, Clark County Washington described as follows:

Commencing at the Southwest corner of the "Clark County" parcel as described under Auditor's File No. G647061 as shown in Book 18 of Surveys at Page 34, records of the Clark County Auditor; thence North 20° 22' 10" East, along the West line of said "Clark County" parcel, 110.80 feet to the Northerly line of the "Clark County" parcel as described under Auditor's File No. 8304200049, said point being on the arc of a 40.00 foot radius curve to the left and the Point of Beginning; thence from a tangent bearing of South 78° 26' 55" West, along said curve and along the Northerly and Westerly lines of the latter mentioned "Clark County" parcel, through a central angle of 50° 02' 54", an arc distance of 34.94 feet to a point of tangency; thence continuing South 28° 24' 01" West, along said Westerly line, 96.29 feet to the Southwest corner of the latter mentioned "Clark County" parcel; thence North 61° 35' 59" West, 9.00 feet; thence North 28° 24' 01" East, 96.29 feet to a point of curvature with a 49.00 foot radius curve to the right; thence along said curve, through a central angle of 56° 23' 53", an arc distance of 48.23 feet to a point on the West line of the

6/10/14

first mentioned "Clark County" parcel; thence South 20° 22' 10" West along said West line, 10.25 feet to the Point of Beginning.

Subject to easements and restrictions of record.

Containing 1,241 square feet.

Situated in Clark County, Washington, together with all after-acquired title of Grantor therein.

[Signatures Follow.]

6/10/14

Dated this 25 day of June, 2014.

**BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY, WASHINGTON**

Tom Mielke

Tom Mielke, Chair

David Madore, Commissioner

Edward L. Barnes, Commissioner

Approved as to form only
Anthony F. Golik
Prosecuting Attorney

BY: *[Signature]*

STATE OF WASHINGTON

COUNTY OF CLARK

On this 25 day of June, 2014, before me personally appeared Tom Mielke, and _____, to me known to be the duly elected, qualified and acting County Commissioner(s) of Clark County, Washington, who executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of Clark County, for the uses and purposes therein mentioned, and on oath stated that she/they is/are authorized to execute said instrument by resolution of the Board of County Commissioners of Clark County and that the seal affixed is the official seal of Clark County.

Dated June 25, 2014

Tina Redline

Notary Public in and for the State of WA
Residing at
My commission expires: April 5, 2016

TINA REDLINE
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
APRIL 5, 2016

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Foster Pepper PLLC
Attn: Hugh D. Spitzer
1111 Third Avenue, Suite 3400
Seattle, WA 98101-3299

**OMNIBUS ASSIGNMENT, ASSUMPTION AND QUITCLAIM OF SALMON CREEK
WASTEWATER MANAGEMENT SYSTEM EASEMENTS**

GRANTOR: **CLARK COUNTY,**
a political subdivision
of the State of Washington

GRANTEE: **DISCOVERY CLEAN WATER ALLIANCE,**
a Washington municipal corporation

**ABBREVIATED LEGAL
DESCRIPTION:** A portion of the NW Quarter and the NE Quarter of
Section 24, T3N, R1W; a portion of the NW Quarter,
NE Quarter and SE Quarter of Section 19, the SW
Quarter and the SE Quarter of Section 20, the SW
Quarter of Section 25, the SW Quarter & SE Quarter
of Section 27, the NW Quarter, NE Quarter, SW
Quarter and SE Quarter of Section 28, the NW
Quarter, NE Quarter and SE Quarter of Section 29,
the NE Quarter of Section 34, and the NW Quarter of
Section 35, T3N, R1E, Willamette Meridian, Clark
County, WA. All situated in Clark County,
Washington. Complete legal descriptions on
Exhibit 2.4.A.

**ASSESSOR'S TAX PARCEL
ID NOs.:** 184847-000, 187917-000, 187927-000, 187564-000,
117893-754, 187565-000, 117897-509, 187354-000,
187394-000, 186899-000, 187204-000, 187213-000,
187203-000, 187214-000, 187111-054, 187208-000,
187085-000, 187198-000, 187184-000, 187163-000,
187152-000, 187151-000, 187096-000, 187189-000,
187082-000, 189409-000, 189476-000, 189470-000,
189476-000, 189470-000, 186372-000, 186219-000,
186284-000, 184824-000, 184824-000, 189470-000,

**ASSESSOR'S TAX PARCEL
ID NOs. (continued):**

189476-000, 183515-000, 183706-000, 183709-000,
184840-000, 184836-000, 184835-000, 184825-000,
184821-000, 184822-000, 184712-000, 184824-000,
183291-000, 183285-000, 183290-005, 188290-000,
188317-000, 187831-000, 187329-000, 187080-000,
189470-000, 189476-000, 191177-000, 191067-000,
191176-000, 183058-000, 183493-000

REFERENCE NOs.:

G 650491, G 650492, G 663176, G 663177,
G 666951, G 657000, G 654698, G 657001,
G 657002, G 660720, G 654696, G 654697,
G 652695, G 650493, G 652221, G 651825,
G 660715, G 654695, G 654694, G 651824,
G 650878, G 638524, 4329286, 4141899, 4257520,
8304200049, 4009534, 4460735, G 647057,
G 645171, G 647062, G 647063, 4141093, 4432978,
4109005, 4141092, 4329286, G 668935, G 671854,
G 647058

6/10/14

OMNIBUS ASSIGNMENT, ASSUMPTION AND QUITCLAIM OF SCWMS EASEMENTS

THIS OMNIBUS ASSIGNMENT OF SALMON CREEK WASTEWATER MANAGEMENT SYSTEM EASEMENTS ("Assignment") is entered into as of the _____ day of _____, _____, by and between CLARK COUNTY, Washington, a political subdivision of the State of Washington ("Assignor"), and the DISCOVERY CLEAN WATER ALLIANCE, a Washington municipal corporation ("Assignee") (collectively, the "Parties"), who agree as follows:

RECITALS

A. The Salmon Creek Wastewater Management System Infrastructure. The Salmon Creek Wastewater Management System Infrastructure (the "SCWMS Infrastructure") means the infrastructure as defined in **Section 2.1** of the Clark County and Discovery Clean Water Alliance Salmon Creek Wastewater Management System Transfer Agreement (the "SCWMS Transfer Agreement"), including: (i) the Salmon Creek Interceptor; (ii) the Klineline Interceptor; (iii) the 36th Avenue Pump Station; (iv) the 117th Street Pump Station (also referred to as the Klineline Pump Station); (v) the 36th Avenue Pump Station Force Main; (vi) the 117th Street Pump Station Force Main; (vii) the Salmon Creek Treatment Plant and Outfall; and, (viii) all improvements, upgrades, and appurtenances now existing or in the process of construction that comprise of or are used by the SCWMS Infrastructure.

B. Assignor is the Grantee under the following easements:

i. Relating to the Salmon Creek Interceptor:

(a) Those certain easements from Giles and Leonard for the benefit of Clark County regarding Parcel Nos. 184847-000, 187917-000, 187927-000 under the Recording Nos. G 650491, G 650492.

(b) Those certain easements from Miller for the benefit of Clark County regarding Parcel Nos. 187564-000, 117893-754 under the Recording Nos. G 663176, G 663177.

(c) Those certain easements from Miller, Boyer, and Schaefer for the benefit of Clark County regarding Parcel No. 187565-000 under the Recording No. G 666951.

(d) Those certain easements from Harlan for the benefit of

6/10/14

Clark County regarding Parcel No. 117897-509 under the Recording No. G 657000.

(e) Those certain easements from Bernard for the benefit of Clark County regarding Parcel No. 187354-000 under the Recording No. G 654698.

(f) Those certain easements from Heermann, Scherer and Running for the benefit of Clark County regarding Parcel No. 187394-000 under the Recording No. G 657001.

(g) Those certain easements from Portland Development Corp., Rice and Poling, and Heermann, Scherer and Running for the benefit of Clark County regarding Parcel Nos. 187394-000, 186899-000 under the Recording Nos. G 657002, G 660720.

(h) Those certain easements from Scherer for the benefit of Clark County regarding Parcel No. 187204-000 under the Recording Nos. G 654696, G 654697.

(i) Those certain easements from Bolton for the benefit of Clark County regarding Parcel Nos. 187213-000, 187203-000, 187214-000, 187111-054 under the Recording No. G 652695.

(j) Those certain easements from Jones for the benefit of Clark County regarding Parcel Nos. 187208-000, 187085-000 under the Recording No. G 650493.

(k) Those certain easements from Kolke for the benefit of Clark County regarding Parcel No. 187198-000 under the Recording Nos. G 652221, G 651825.

(l) Those certain easements from Clark for the benefit of Clark County regarding Parcel Nos. 187184-000, 187163-000, 187152-000 under the Recording Nos. G 660715, G 654695.

(m) Those certain easements from Paulsen for the benefit of Clark County regarding Parcel No. 187151-000 under the Recording No. G 654694.

(n) Those certain easements from Jones for the benefit of Clark County regarding Parcel Nos. 187096-000, 187189-000, 187082-000 under the Recording No. G 651824.

6/10/14

- (o) Those certain easements from Bramley for the benefit of Clark County regarding Parcel Nos. 189409-000 under the Recording No. G 650878.
- ii. Relating to the Kline Interceptor:
 - (a) Those certain easements from Chevron Asphalt Company for the benefit of Clark County Sewer District No. 1 regarding Parcel Nos. 189476-000, 189470-000 under the Recording No. G 638524.
 - (b) Those certain easements from Vancouver-Clark Parks and Recreation for the benefit of Clark County regarding Parcel Nos. 189476-000, 189470-000 under the Recording No. 4329286 (Memorandum of Understanding).
 - (c) Those certain easements from Kuokka for the benefit of Clark County regarding Parcel Nos. 187080-000, 186372-000, 186219-000 under the Recording No. 4141899 (Certified copy of Stipulated Judgment and Decree of Appropriation).
 - (d) Those certain easements from Caffrey for the benefit of Clark County regarding Parcel Nos. 186284-000 under the Recording No. 4257520 (Certified copy of Judgment and Decree of Appropriation).
- iii. Relating to the 36th Avenue Pump Station:
 - (a) Those certain easements from Coy, Clark County, and Casco, Inc. for the benefit of Clark County regarding Parcel Nos. 184828-000, 184824-000, and 184712-000 under the Recording Nos. G 647061, 8304200049.
 - (b) Those certain easements from Nye for the benefit of Clark County regarding Parcel Nos. 184824-000 under the Recording No. 4009534 (Flood Wall Easement).
- iv. Relating to the 117th Street Pump Station:
 - (a) Those certain easements from Vancouver-Clark Parks and Recreation for the benefit of Clark County regarding Parcel Nos. 189470-000, 189476-000 under the Recording No. 4460735 (Memorandum of Understanding).

6/10/14

- v. Relating to the 36th Avenue Pump Station Force Main:
 - (a) Those certain easements from Delanoy for the benefit of Clark County regarding Parcel Nos. 183515-000, 183706-000, 183709-000, 184840-000 under the Recording No. G 647057.
 - (b) Those certain easements from Slocum for the benefit of Clark County regarding Parcel No. 184836-000 under the Recording No. G 645171.
 - (c) Those certain easements from Hines for the benefit of Clark County regarding Parcel No. 184835-000 under the Recording No. G 647062.
 - (d) Those certain easements from Coy for the benefit of Clark County regarding Parcel Nos. 184825-000, 184821-000, 184822-000, 184712-000, 184824-000 under the Recording No. G 647063.

- vi. Relating to the 117th Street Pump Station Force Main:
 - (a) Those certain easements from Vancouver School District #37 for the benefit of Clark County regarding Parcel Nos. 183291-000, 183285-000, 183290-005 under the Recording No. 4141093.
 - (b) Those certain easements from Vancouver-Clark Parks and Recreation for the benefit of Clark County regarding Parcel Nos. 188290-000, 188317-000 under the Recording No. 4432978 (Memorandum of Understanding).
 - (c) Those certain easements from Kimsey for the benefit of Clark County regarding Parcel No. 187831-000 under the Recording No. 4109005.
 - (d) Those certain easements from Vancouver School District #37 for the benefit of Clark County regarding Parcel Nos. 187329-000 under the Recording No. 4141092.
 - (e) Those certain easements from Vancouver-Clark Parks and Recreation for the benefit of Clark County regarding Parcel Nos. 187080-000, 189470-000, 189476-000 under the Recording No. 4329286 (Memorandum of Understanding).

6/10/14

- vii. Relating to the Salmon Creek Treatment Plant and Outfall:
- (a) Those certain easements from Fazio for the benefit of Clark County regarding Parcel No. 191177-000 under the Recording No. G 668935.
 - (b) Those certain easements from Curtis Lake Farm for the benefit of Clark County regarding Parcel Nos. 191067-000, 191176-000, 183058-000 under the Recording No. G 671854.
 - (c) Those certain easements from Delanoy for the benefit of Clark County regarding Parcel No. 183493-000 under the Recording No. G 647058.

(The items described in clauses (i) through (vii) of this Recital B are collectively referred to as the "Easements."). The Easements benefit the SCWMS Infrastructure and the owner of the SCWMS Infrastructure and are legally described in Exhibit 2.4.A attached hereto.

C. Simultaneously herewith, Assignor has granted, transferred, and conveyed the SCWMS Infrastructure to Assignee. In connection therewith, Assignor has also agreed to assign and Assignee has agreed to assume certain rights of Assignor under and with respect to the Easements to Assignee.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment and Assumption. Assignor hereby assigns, transfers, quitclaims and conveys to Assignee, as the owner of the SCWMS Infrastructure, the right, title, and interest of Assignor and of the SCWMS Infrastructure under and with respect to the Easements. By this Assignment, Assignee, as the owner of the SCWMS Infrastructure, shall succeed to and be entitled to the full benefits of the Easements. Assignee hereby assumes the obligations of Assignor and of the SCWMS Infrastructure arising under or with respect to the Easements for periods from and after the date of this Assignment.

2. Successors and Assigns. All of the provisions, conditions, regulations, and requirements of this Assignment shall be binding upon the successors and assigns of the Parties.

3. Power and Authority. Each Party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and

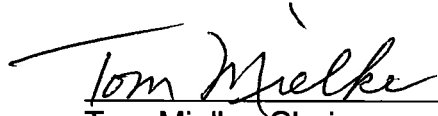
6/10/14

the individual signing this Assignment on behalf of such Party represents and warrants to the other Party that he or she is fully empowered and authorized to do so.

4. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one agreement, binding on all parties.

ASSIGNOR:

**BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY, WASHINGTON**


Tom Mielke, Chair Date: 6/24/14

David Madore, Commissioner

Edward L. Barnes, Commissioner

Approved as to form only
Anthony F. Golik
Prosecuting Attorney

BY: 

ASSIGNEE:

**DISCOVERY CLEAN WATER ALLIANCE,
a Washington municipal corporation**

By: _____ Date: _____
Ron Onslow, Chair, Board of Directors

Attest: _____
Neil Kimsey, Secretary, Board of Directors

Approved: _____
Hugh D. Spitzer, Alliance Attorney

6/10/14

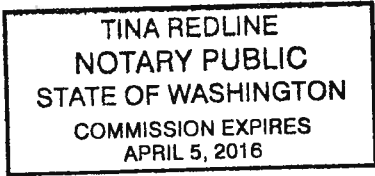
STATE OF WASHINGTON)
)ss.
COUNTY OF CLARK)

On this 24 day of June, 2014, before me personally appeared Tom Mielke,

and _____, to me known to be the duly elected, qualified and acting County Commissioner(s) of Clark County, Washington, who executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of Clark County, for the uses and purposes therein mentioned, and on oath stated that she/they is/are authorized to execute said instrument by resolution of the Board of County Commissioners of Clark County and that the seal affixed is the official seal of Clark County.

Dated June 24, 2014

Tina Redline



Notary Public in and for the State of WA
Residing at _____
My commission expires: April 5, 2016

STATE OF WASHINGTON)
) ss.
COUNTY OF CLARK)

On this _____ day of _____, 2014, before me personally appeared _____, to me known to be the _____ of the Discovery Clean Water Alliance that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and that they are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington,
residing at _____
My appointment expires _____

6/10/14

EXHIBIT 2.4.A: LEGAL DESCRIPTIONS TO ASSIGNMENT OF EASEMENTS

EASEMENTS RELATING TO THE SALMON CREEK INTERCEPTOR:

G 650491: (Regarding Parcel Nos. 184847-000, 187917-000, 187927-000)

A strip of land twenty (20.0) feet wide situated in section 20, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at the quarter corner between Sections 20 and 29, Township 3 North, Range 1 East of the Willamette Meridian; thence Easterly along south line of Section 20, 1,308.7 feet to the centerline of County Road, thence North 51.7 feet along centerline of said road to beginning of curve; thence along a 572.9 foot radius curve right, 174.8 feet to the end of curve; thence North 21°44'16" East along centerline of said road, 26.96 feet; thence North 72°30'53" West, 33 .13 feet to the TRUE POINT OF BEGINNING; thence South 72° 30' 53" East, 74.07 feet; thence South 59°44'05" East, 287.16 feet, crossing County Road Easterly Right-of-Way line at a distance of 75 feet, more or less, along said bearing, to a point which bears North 87°23'32" East, 1,640.11 feet from said quarter corner; thence South 28°12'10" East, 105 feet, more or Less, to the Southerly line of Grantor's property, as conveyed under Auditor's File No. G599061, Records of said County, said line also being the section line between said Sections 20 and 29.

G 650492: (Regarding Parcel Nos. 184847-000, 187917-000, 187927-000)

A strip of land twenty (20.0) feet wide situated in Section 29, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline

of which is described by bearings and distances based on the Washington State plane Coordinate System, South Zone. As follows, to-wit:

BEGINNING at a point on the Westerly line of Grantor's property, as conveyed under Auditor's File No. G599061, records of said County, said line being the section line between Sections 20 and 29, said Township and Range; thence South 28°12'10" East, 220 feet, more or less, to a point which bears North 16°20'31" West, 2,548.20 feet from the quarter corner between Sections 28 and 29, said Township and Range; thence South 44°26'43" East, 285.27 feet; thence South 31°38'06" East, 235.87 feet; thence South 49°51 '01" East,

6/10/14

491.64 feet to a point which bears North 00°35'22" West, 1,723.85 feet from said quarter corner; thence South 42°53'20" East, 125 feet, more or less, to Grantor's Easterly property line, said line also being the section line between Sections 28 and 29, said Township and Range.

G 663176: (Regarding Parcel Nos. 187564-000, 117893-754)

A strip of land twenty (20.0) feet wide situated in Section 28 Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on the Westerly line of Grantors' property, as conveyed under Auditor's File No. G582624, records of said County, said line being part of the section line between Sections 28 and 29, said Township and Range; thence South 42°53'20" East, 270 feet, more or less, to a point which bears North 09°36'35" East, 1,462.38 feet from the quarter corner between Sections 28 and 29, said Township and Range; thence South 55°58'45" East, 267.55 feet to a point which bears North 19°49'34" East, 1,373.61 feet from said quarter corner; thence South 64°21'54" East, 275 feet, more or less, to Grantors' Easterly property line.

G 663177: (Regarding Parcel Nos. 187564-000, 117893-754)

A strip of land twenty (20.0) feet wide situated in Section 28 Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on the Westerly line of Grantors' property, as conveyed under Auditor's File No. F98450, records of said County, thence South 55° 44' 03" East 110 feet, more or less, to a point which bears North 36° 26' 31" East, 1331.18 feet from the quarter corner between Sections 28 and 29, said Township and Range, thence South 54° 27' 20" East, 294.42 feet to a point which bears North 48° 52' 13" East, 1367.84 feet from said quarter corner, said Township and Range; thence South 76° 57' 13" East, 340 feet, more or less to Grantors' Easterly property line.

6/10/14

G 666951: (Regarding Parcel No. 187565-000)

A strip of land twenty (20.0) feet wide situated in Section 28 Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on the Westerly line of Grantors' property, as conveyed under Auditor's File No. G526790, records of said County; thence South 76° 57' 13" East, 90 feet, more or less, to a point which bears North 60° 38' 21" East, 1644.54 feet from the quarter corner between Sections 28 and 29, said Township and Range; thence South 58° 10' 21" East, 265.53 feet; thence South 72° 14' 54" East, 110.87 feet; thence North 71° 31' 15" East, 232.93 feet; thence South 44° 09' 22" East, 152.49 feet; thence South 01° 08' 44" West, 230.60 feet; thence South 47° 02' 49" East, 234.75 feet; thence South 38° 52' 05" East, 260.53 feet to a point which bears North 89° 54' 56" East, 2,422.33 feet from said quarter corner; thence South 72° 00' 25" East, 220 feet, more or less, to Grantor's Southerly property line.

G 657000: (Regarding Parcel No. 117897-509)

A strip of land twenty (20.0) feet wide situated in Section 28 Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point North of Grantor's property, as conveyed under Auditor's File No. G180370, records of said County, which bears North 01°04'58" East, 2,632.52 feet from the quarter corner between Sections 28 and 33, said Township and Range; thence South 69°10'57" East, 10 feet, more or less, to Grantor's Northerly property line; thence continuing on said bearing 40 feet, more or less, to a point which bears North 1° 54' 24" East, 2,619.28 feet from said quarter corner; thence South 80° 02' 54" East ,15 feet, more or less to Grantor's Easterly property line.

G 654698: (Regarding Parcel No. 187354-000)

A strip of land twenty (20 .0) feet wide situated in Section 28, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and

6/10/14

distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point which bears North 01° 53' 47" East, 2,617.33 feet from the quarter corner between Sections 28 and 33, said Township and Range; thence South 80° 02' 54" East, 360 feet, more or less, to a point; thence North 81° 55' 32" East, 261.00 feet to a point which bears North 15 ° 07' 18" East, 2,683.19 feet from said quarter corner; thence North 81° 55' 32" East, 10 feet, more or less, to Grantor's Easterly property line, as conveyed under Auditor's File No. G 643112.

G 657001: (Regarding Parcel No. 187394-000)

A strip of land twenty (20.0) feet wide situated in Section 28, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit;

BEGINNING at a point on the Westerly line of Grantors' property, as conveyed under Auditor's File No. G355832, records of said County; thence North 81° 55'32" East, 10 feet, more or less, to a point which bears North 15° 07' 18" East, 2,683.19 feet from the quarter corner between Sections 28 and 33, said Township and Range; thence North 81° 55'32" East, 253.17 feet; thence South 36° 19' 53" East, 256.00 feet; thence South 31° 05' 32" East, 291.35 feet; thence South 53° 44' 47" East, 267.57 feet; thence South 58° 17' 55" East, 401.31 feet; thence South 73° 50'57" East, 457.76 feet to a point which bears North 12° 51' 04" West, 1,774.37 feet from the Southeast corner of Section 28; thence South 67° 47' 24" East, 480 feet, more or less, to Grantors' Easterly property line.

G 657002: (Regarding Parcel Nos. 187394-000, 186899-000)

PARCEL 1

A strip of land twenty (20.0) feet wide situated in said property, as follows, to-wit:

BEGINNING at a point on the Westerly line of Grantor's property, as conveyed under Auditor's File No. G355832, records of said County, thence North 81° 55' 32" East, 10 feet, more or less, to a point which bears North 15° 07' 18" East, 2,683.19 feet from the quarter corner between Sections 28 and 33, said Township and Range; thence North 81° 55' 32" East, 253.17 feet; thence

6/10/14

South 36° 19' 53" East 256.00 feet; thence South 31° 05' 12" East, 251.35 feet to a point which bears North 29° 12' 09" East, 2,525.32 feet from said quarter corner.

PARCEL 2

A strip of land thirty (30.0) feet wide situated in said property, as follows, to-wit:

BEGINNING at a point which bears North 29° 12' 09" East, 2525.32 Feet from the quarter corner between Sections 28 and 33, said Township and Range; thence South 47° 14' 37" East, 206.13 feet to a point which bears North 33° 49' 39" East, 2,485.13 feet from said quarter corner, said Township and Range.

PARCEL 3

A strip of land twenty (20.0) feet wide situated in said property, as follows, to-wit:

BEGINNING at a point which bears North 30° 44' 01" West, 2,467.20 feet from the Southeast corner of Section 28, said Township and Range, thence South 58° 17' 55" East, 501.31 feet; thence south 73° 50' 57" East, 457.76 feet to a point which bears North 12° 51' 04" West, 1,774.37 feet from said Section corner: thence South 67° 47' 24" East, 480 feet, more or less, to Grantors' Easterly property line.

G 660720: (Regarding Parcel Nos. 187394-000, 186899-000)

A strip of land twenty (20.0) feet wide situated in Section 27, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING on the Westerly line of Grantors' property, as conveyed under Auditor's File No. G355832, records of said County; thence South 67° 47' 24" East, 60 feet, more or less, to a point which bears North 02° 53' 13" East 1,539.09 feet from the Southwest corner said Section 27; thence South 55° 34' 34" East, 369.55 feet to a point which bears North 16° 03' 34" East, 1,382.16 feet from said section corner; thence South 76° 36' 29" East 100 feet, more or less, to Grantors' Southerly property line.

6/10/14

SUBJECT to an easement for pole line right-of-way granted to the Pacific Telephone & Telegraph Company, a California Corporation, now under the legal name of Pacific Northwest Bell, by instrument recorded under Auditor's File No. C70588 and C77362.

G 654696: (Regarding Parcel No. 187204-000)

A strip of land twenty (20.0) feet wide situated in Section 27, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING on the Westerly line of Grantors' property, as conveyed under Auditor's File No. G355832, records of said County; thence South 62°04'01" East, 115 feet, more or less, to a point which bears North 33°53'04" East, 1,407.60 feet from the Southwest corner of said Section; thence South 58°33'27" East, 160.00 feet to a point which bears North 40°19'58" East, 1,423.42 feet from said Section corner; thence South 58°33'27" East, 10 feet, more or less, to grantors' Easterly property line.

G 654697: (Regarding Parcel No. 187204-000)

A strip of land twenty (20.0) feet wide situated in Section 27, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, To-wit:

BEGINNING at a point which bears North 16° 03' 34" East, 1,382.16 feet from the Southwest corner of said Section; thence South 76°36' 29" East, 65 feet, more or less, to the Northerly line of Grantors' property, as conveyed under Auditor's File No. G 370013, records of said County; thence South 76° 36' 29" East, 124 feet, more or less, to a point which bears North 23° 47' 03" East, 1,403.69 feet from the Southwest corner of said Section; thence South 62° 04' 01" East, 160 feet, more or less, to Grantors' Easterly property line.

G 652695: (Regarding Parcel Nos. 187213-000, 187203-000, 187214-000, 187111-054)

A strip of land twenty (20.0) feet wide situated in Section 27, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and

6/10/14

distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on the Westerly line of Grantors' property, as conveyed under Auditor's File No. G463094 records of said County; thence South 58° 33' 27" East, 125 feet, more or less, to a point which bears North 44° 43' 36" East, 1,444.99 feet from the Southwest corner of said Section; thence South 42° 25' 19" East, 175.53 feet; thence South 69° 28' 08" East, 148.88 feet; thence North 76° 13' 41" East, 267.74 feet to a point which bears North 59° 22' 29" East, 1,783.53 feet from said Section corner; thence South 89° 15' 58" East, 160 feet, more or less, to Grantors' Easterly property line.

G 650493: (Regarding Parcel Nos. 187208-000, 187085-000)

A strip of land twenty (20.0) feet wide situated in Section 27, Township 3 North, Range 1 East of the Willamette Meridian, in the county of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point which bears North 45° 27' 43" West, 1,367.65 feet from the quarter corner between Sections 27 and 34, said Township and Range: thence South 82° 32' 13" East, 10 feet, more or less, to Westerly line of Grantor's property, as conveyed under Auditor's File No. G 585237, records of said County: thence South 82° 32' 13" East, 30 feet, more or less; thence South 39° 22' 08" East, 230.79 feet: thence South 63° 49' 38" East, 520.22 feet to a point which bears North 30° 30' 51" West, 633.97 feet from said quarter corner; thence South 81° 22' 27" East, 355 feet, more or less, to Grantor's Easterly property line.

G 652221: (Regarding Parcel No. 187198-000)

A strip of land twenty (20.0) feet wide situated in Section 27, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, south Zone, as follows, to-wit:

BEGINNING at a point which bears North 00° 03' 59" West, 497.43 feet from the quarter, corner between Sections 27 and 34, said Township and Range; thence South 81° 22' 27" East, 15 feet, more or less, to westerly line of Grantor's property, as conveyed under Auditor's File No. G 542037, records of said County: thence South 81° 22' 27" East 10 feet, more or less, to a point

6/10/14

which bears North 15° 39' 52" East, 495.46 feet from said quarter corner; thence South 81° 22' 27" East 10 feet, more or less to Grantor's Easterly property line.

G 651825: (Regarding Parcel No. 187198-000)

A strip of land twenty (20.0) feet wide situated in Section 27, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING on the Westerly line of Grantors' property, being a remnant parcel of property conveyed under Auditor's File No. F11535, records of said County, said line also being the Easterly line of a tract conveyed to Gerald Kolke under Auditor's File No. G 542037, records of said County; thence South 81° 22' 15" East, 40 feet, more or less, to a point which bears North 20° 12' 04" East, 501.92 feet from the quarter corner between Sections 27 and 34, said Township and Range; thence South 79° 12' 25" East, 344.86 feet; thence South 89° 33' 09" East, 191.14 feet to a point which bears North 60° 03' 51" East, 811.46 feet from said quarter corner: thence South 64° 11' 58" East, 160 feet, more or less, to Easterly line of Grantors' property.

G 660715: (Regarding Parcel Nos. 187184-000, 187163-000, 187152-000)

A strip of land twenty (20.0) feet wide situated in Section 27, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point which bears North 77° 59' 56" East, 1,088.40 feet from the quarter corner between Sections 27 and 34, said Township and Range; thence South 62° 26' 28" East, 5 feet, more or less, to Westerly line of Grantor's property as conveyed under Auditor's File No. G 585457, records of said County; thence continuing South 62° 26' 28" East, 220 feet, more or less, to a point which bears North 84° 21' 40" East, 1,266.02 feet from said quarter corner; thence South 26° 35' 43" East, 190 feet .more or less, to Grantor's Easterly property line.

6/10/14

G 654695: (Regarding Parcel Nos. 187184-000, 187163-000, 187152-000)

All that portion of the below described tract which falls within Grantor's property, as conveyed under Auditor's File No. G382110, records of Clark County.

A strip of land twenty (20.0) feet wide situated in Sections 27 and 34, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point which bears North 82° 16' 17" West, 1,394.99 feet from the Southeast corner of Section 27, said Township and Range; thence South 26° 35' 43" East, 231.52 feet; thence South 86° 35' 23" East, 460.00 feet to a point which bears South 86° 43' 56" West, 820.82 feet from said section corner.

G 654694: (Regarding Parcel No. 187151-000)

All that portion of the below described tract which falls within Grantor's property as conveyed under Auditor's File No. G382111, records of said County.

A strip of land twenty (20.0) feet wide situated in Section 34, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point which bears South 89° 07' 47" West, 1,278.82 feet from the Northeast corner of said Section 34; thence South 86° 35' 23" East, 460.00 feet to a point which bears South 86° 43' 56" West, 820.82 feet from said Section corner.

G 651824: (Regarding Parcel Nos. 187096-000, 187189-000, 187082-000)

A strip of land twenty (20.0) feet wide situated in Section 34, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

6/10/14

BEGINNING at a point which bears South 87° 59' 10" West, 1,009.77 feet from the Northeast corner of said section 34; thence South 86° 35' 23" East, 15 feet, more or less, to Westerly line of Grantor's property as conveyed under Auditor's File No. G376218, records of said County; thence South 86° 35' 23" East, 180 feet, more or less, to a point which bears South 86° 43' 56" West, 820.82 feet from said section corner; thence South 86° 35' 23" East, 170 feet, more or less, to Grantor's Easterly property line.

G 650878: (Regarding Parcel No. 189409-000)

A strip of land twenty (20.0) feet wide situated in Section 34, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington; the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on Westerly line of Grantors' property, as conveyed under Auditor's File No. G446425, records of said County; thence South 86° 35' 23" East, 15 feet, more or less, to a point which bears South 84° 59' 44" West, 652.27 feet from the Northeast corner of said Section; thence South 86° 35' 33" East, 286.31 feet to a point which bears South 78° 31' 06" West; 371.42 feet from said Section corner; thence South 73° 27' 20" East, 15 feet, more or less, to Easterly line of Grantors' property.

EASEMENTS RELATING TO THE KLINELINE INTERCEPTOR:

G 638524: (Regarding Parcel No. 189476-000)

A strip of land ten (10) feet in width, five (5) feet on each side of the following described center line:

Beginning at a point on the West line of the Northwest quarter of Section 35, Township 3 North, Range 1 East of the Willamette Meridian, in Clark County Washington, 300 feet South of the Northwest corner thereof; thence North 83° 43' 54" East 18 feet; thence South 74° 28' 12" East 183.4 feet; thence South 69° 31' 53" East 279.7 feet; thence South 84° 18' 49" East 286.5 Feet; thence North 87° 58' 49" East 251.5 feet; thence South 75° 22' 22" East 150.8 feet; thence South 69° 02' 42" East 166.2 feet; thence South 65° 07' 46" East 160 feet to the northerly margin of N. E, 117th Street and the terminus of said line.

6/10/14

4329286: (Regarding Parcel Nos. 189470-000, 189476-000, 187080-000)

An easement over that portion of the "Clark County" parcels as described under Auditor's File No. G 695631 and Auditor's File No. D90189, records of the Clark County Auditor, lying in the Northeast quarter of Section 34 and in the Northwest quarter of Section 35, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

Commencing at a brass cap marking the Northwest corner of said Section 35; thence South 01° 55' 27" West, along the West line of the Northwest corner of said Section 35, a distance of 391.36 feet to a point on the arc of a 984.92 foot radius curve to the right on the North right of way line of NE 117th Avenue, being 30.00 feet from, when measured perpendicular to, the centerline of said NE 117th Avenue; thence, from a tangent bearing of South 86° 02' 07" East, along said North right of way line and along said curve, concentric and parallel with said centerline, through a central angle of 10° 46' 56", an arc distance of 185.35 feet to a point of tangency; thence continuing along said North right of way line, South 75° 15' 11" East, 222.43 feet; thence leaving said right of way line, North 14° 44' 49" East, 53.51 feet to the **Point of Beginning**; thence South 71° 00' 00" East, 51.92 feet; thence South 80° 00' 00" East 273.33 feet to a point hereafter referred to as Point "A"; thence South 10° 00' 00" West, 12.77 feet to said North right of way line, being 30.00 feet from, when measured perpendicular to, the centerline of said NE 117th Avenue; thence South 87° 20' 49" West, along said North right of way line, parallel with said centerline, 32.99 feet; thence leaving said right of way line, North 80° 00' 00" West, 242.71 feet; thence North 71° 00' 00" West, 464.10 feet; thence North 51° 46' 04" West, 57.99 feet to a point on the arc of a 1,989.75 foot radius curve to the left; thence from a tangent bearing of North 81° 38' 46" West, along said curve, through a central angle of 06° 48' 56", an arc distance of 236.69 feet to a point of tangency; thence North 88° 27' 42" West, 34.57 feet; thence South 46° 03' 53" West, 15.85 feet to a point on the arc of a 491.75 foot radius curve to the left; thence from a tangent bearing of South 01° 31' 03" West, along said curve, through a central angle of 10° 24' 27", an arc distance of 89.32 feet to a point of tangency; thence South 08° 53' 24" East, 43.61 feet to a point on the arc of a 839.98 foot radius curve to the left on the North right of way line of said NE 117th Avenue; thence from a tangent bearing of South 75° 17' 09" West, along said North right of way line and along said curve, through a central angle of 02° 31' 16", an arc distance of 36.96 feet; thence North 09° 10' 50" East, 37.64 feet; thence North 08° 53' 24" West, 12.38 feet to a point of curvature with a 516.75 foot radius curve to the right; thence along said curve, through a central angle of 11° 33' 17", an arc distance of 104.21 feet; thence North 46° 03' 53" East, 36.42 feet; thence

6/10/14

South 88° 27' 42" East, 45.04 feet to a point of curvature with a 2,014.75 foot radius curve to the right; thence along said curve, through a central angle of 08° 43' 48", and arc distance of 306.98 feet; thence South 71° 00' 00" East, 380.33 feet; thence North 19° 00' 00" East, 10.00 feet; thence South 71° 00' 00" East, 25.00 feet; thence South 21° 10' 00" West, 45.03 feet to the **Point of Beginning**.

Containing 42,856 square feet.

ALSO, Beginning at aforementioned Point "A"; thence North 10° 00' 00" East, 51.17 feet; thence North 87° 42' 35" East, 331.77 feet; thence South 68° 16' 04" East, 286.33 feet; thence South 63° 22' 23" East, 201.02 feet to said North right of way line; thence South 89° 48' 54" West, along said North right of way line, 95.84 feet; thence leaving said right of way line North 62° 43' 37" West, 112.19 feet; thence North 72° 35' 17" West, 311.13 feet; thence South 87° 42' 35" West, 293.88 feet to the **Point of Beginning**.

Containing 38,246 square feet.

Subject to easements and restrictions of record.

Except county roads.

Bearing based on Washington State Plane Coordinate System (South Zone).

4141899: (Regarding Parcel No. 186372-000)

An easement over that portion of the Southwest quarter of the Southwest quarter of Section 25, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, being a strip of land, 20.00 feet in width, lying 10.00 feet on each side of the following described centerline:

Commencing at a ½" iron rod marking the most Easterly corner of the Kane parcel as shown in Book 21 of Surveys at Page 13, records of the Clark County Auditor, said point being on the Southwesterly right of way line of Interstate 205 and being on the North line of the Kuokka parcel described under Auditor's File No. G516739; thence along the South line of said Kane parcel and the North line of said Kuokka parcel North 88° 31' 18" West, 74.19 feet to the **Point of Beginning** of the centerline to be described; thence South 39° 54' 55" West, 9.11 feet; thence South 62° 24' 55" West, 300.10 feet; thence South 22° 18' 49" West, 338.49 feet; thence North 77° 18' 58" West, 96.33 feet to a point on the West line of said Kuokka parcel and the **Terminus**

6/10/14

of said centerline at a point which bears South 48° 27' 39" West, 660.42 feet from the Point of Beginning.

The sidelines of this easement shall be extended or shortened as necessary so as to terminate at the North and West lines of the Kuokka parcel.

Containing 14,880 square feet, or 0.342 acres.

Subject to easements and restrictions of record.

4257520: (Regarding Parcel Nos. 186284-000, 186336-000)

An easement over that portion of the Southwest quarter of the Southwest quarter of Section 25, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

Commencing at a ½" iron rod marking the most Easterly corner of the Kane parcel as shown in Book 21 of Surveys at Page 13, records of the Clark County Auditor, said point being on the Southwesterly right of way line of Interstate 205 and being on the North line of the Kuokka parcel described under Auditor's File No. G516739; thence along the South line of said Kane parcel and the North line of said Kuokka parcel North 88° 31' 18" West, 61.43 feet to the **Point of Beginning**; thence continuing along said parcel lines North 88° 31' 18" West, 26.18 feet; thence North 62° 24' 55" East, 1.32 feet; thence North 39° 54' 55" East, 55.97 feet to a point on said Southwesterly right of way line of Interstate 205; thence along said Southwesterly right of way line South 47° 47' 20" East, 20.02 feet; thence South 39° 54' 55" West, 40.11 feet to the **Point of Beginning**.

Containing 962 square feet.

Subject to easements and restrictions of record.

EASEMENTS RELATING TO THE 36TH AVENUE PUMP STATION:

8304200049: (Regarding Parcel No. 184712-000)

A strip of land twenty (20.00) feet in width situated in Section 20, Township 3 North, Range 1 East of the Willamette Meridian in the County of Clark and the State of Washington, the centerline of which is described as follows:

Beginning at Engineer Station 35+81.07, being more fully described in Exhibit "B" attached herein; thence North 61° 55' 00" West a distance of 204.15 feet;

6/10/14

thence North 28° 05' 00" East a distance of 86.29 feet; thence along a curve to the right having a radius of 30.00 feet a distance of 38.55 feet; thence South 78° 17' 48" East a distance of 14.55 feet to the end of this centerline description.

**CENTERLINE DESCRIPTION
EXHIBIT "B"**

Beginning at Engineer Station 31+95.41, said point being 1280 feet more or less West of and 265 feet more or less South of section corners common to section 20, 21, 28, and 29 Township 3 North, Range 1 East of the Willamette Meridian, said point being the true point of beginning of the following described, and Engineer Station 31+95 .41 P.C.; thence Northerly along a curve to the right having a radius of 1500 feet and" a central angle of 17° 32' 07" a distance of 459.07 feet to Engineer Station 36+54.48 P.T.; thence North 20° 05' 00" East a distance of 1087.10 feet more or less to Engineer Station 47+41.58; thence North 19° 40' 35" East a distance of 247.27 feet to Engineer Station 49+88.85 P.O.T. N.W. 36th Avenue, being also Engineer Station 20+00.00 N.W. Bliss Road; thence North 19° 40' 35" East a distance of 181.52 feet to Engineer Station 51+70.37 P.C.

Also beginning at Engineer Station 49+88.85 P.O.T. N.W. 36th Avenue being also Engineer Station 20+00.00 N.W. Bliss Road; thence South 79° 11' 40" East a distance of 493.43 feet P.O.T. and the end of this centerline description.

4009534: (Regarding Parcel No. 184831-000)

An easement over that portion of "Nye" parcel as described under Auditor's File No. 8612150122, records of the Clark County Auditor, lying in the Southeast quarter of Section 20, Township 3 North, Range 1 East of the Willamette Meridian, Clark County Washington described as follows:

Commencing at the Southwest corner of the "Clark County" parcel as described under Auditor's File No. G647061 as shown in Book 18 of Surveys at Page 34, records of the Clark County Auditor; thence North 20° 22' 10" East, along the West line of said "Clark County" parcel, 110.80 feet to the Northerly line of the "Clark County" parcel as described under Auditor's File No. 8304200049, said point being on the arc of a 40.00 foot radius curve to the left and the **Point of Beginning**; thence from a tangent bearing of South 78° 26' 55" West, along said curve and along the Northerly and Westerly lines of the latter mentioned "Clark County" parcel, through a central angle of 50°

6/10/14

02' 54", an arc distance of 34.94 feet to a point of tangency; thence continuing South 28° 24' 01" West, along said Westerly line, 96.29 feet to the Southwest corner of the latter mentioned "Clark County" parcel; thence North 61° 35' 59" West, 9.00 feet; thence North 28° 24' 01" East, 96.29 feet to a point of curvature with a 49.00 foot radius curve to the right; thence along said curve, through a central angle of 56° 23' 53", an arc distance of 48.23 feet to a point on the West line of the first mentioned "Clark County" parcel; thence South 20° 22' 10" West along said West line, 10.25 feet to the **Point of Beginning**.

Subject to easements and restrictions of record.

Containing 1,241 square feet.

EASEMENTS RELATING TO THE 117TH STREET PUMP STATION:

4460735: (Regarding Parcel Nos. 189470-000, 189476-000)

That portion of the "Clark County" parcels as described under Auditor's File No. G 695631, records of Clark County Auditor, lying in the Northwest quarter of Section 35, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

Commencing at a brass cap marking the Northwest corner of said Section 35; thence South 01° 55' 27" West, along the West line of the Northwest corner of said Section 35, a distance of 391.36 feet to a point on the arc of a 984.92 foot radius curve to the right on the North right of way line of NE 117th Avenue, being 30.00 feet from, when measured perpendicular to, the centerline of said NE 117th Avenue; thence, along said North right of way line and along said curve, concentric and parallel with said centerline, from a tangent bearing of South 86° 02' 07" East, through a central angle of 10° 46' 56", an arc distance of 185.35 feet to a point of tangency; thence continuing along said North right of way line, South 75° 15' 11" East, 222.43 feet; thence leaving said right of way line, North 14° 44' 49" East, 53.51 feet to the **Point of Beginning**; thence North 21° 10' 00" East, 61.33 feet; thence North 68° 12' 00" East, 53.40 feet; thence South 80° 00' 00" East, 13.37 feet; thence North 10° 00' 00" East, 4.00 feet; thence South 80° 00' 00" East, 47.33 feet; thence North 10° 00' 00" East, 6.00 feet; thence South 80° 00' 00" East, 90.67 feet; thence South 10° 00' 00" West, 6.00 feet; thence South 80° 00' 00" East, 19.33 feet; thence South 10° 00' 00" West, 4.00 feet; thence South 80° 00' 00" East, 13.17 feet; thence South 10° 00' 00" West, 15.73 feet; thence South 58° 31' 00" East, 27.60 feet; thence South 03° 30' 25" West, 19.42 feet; thence South 80° 00' 00" East, 55.60 feet; thence South 10° 00' 00" West, 51.30 feet; thence North 80° 00'

6/10/14

00" West, 273.33 feet; thence North 71° 00' 00" West, 51.92 feet to the **Point of Beginning**.

Containing 0.64 acres.

Subject to easements and restrictions of record.

Except county roads.

Bearing based on Washington State Plane Coordinate System (South Zone).

EASEMENTS RELATING TO THE 36TH AVENUE PUMP STATION FORCE MAIN:

G 647057: (Regarding Parcel Nos. 183515-000, 183706-000, 183709-000, 184840-000)

A strip of land twenty (20.0) feet wide situated in Sections 19 and 20, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point within Clark County Water Reclamation Plant Access Road 60-foot Right-of-Way that bears North 15° 31' 56" West, 3355.27 feet from the Southeast corner of Section 19, Township 3 North, Range 1 East of the Willamette Meridian, thence South

42° 56' 43" East, 176.72 feet; thence South 50° 33' 39" East, 288.58 feet; thence South 39° 48' 41" East, 72.08 feet; thence South 40° 20' 45" East, 241.58 feet; thence South 48° 03' 48" East, 401.65 feet; thence North 88° 49' 22" East, 195.52 feet; thence South 54° 11' 15" East, 252.98 feet; thence South 15° 13' 12" East, 262.84 feet; thence South 24° 31' 36" East, 177.44 feet; thence South 43° 31' 32" East, 163.71 feet; thence South 66° 36' 39" East, 318.19 feet; thence South 73° 07' 42" East, 170.59 feet; thence South 88° 11' 31" East, 381.89 feet; thence South 70° 59' 50" East, 126.73 feet; thence South 61° 09' 32" East, 135.69; thence North 79° 15' 17" East, 114.63 feet to a point which bears North 50° 56' 42" East, 2,318.57 feet from said section corner; thence North 69° 27' 54" East, 95 feet more or less, to the Easterly line of Grantor's property as conveyed under Auditor's File No G 113368, records of said County.

6/10/14

G 645171: (Regarding Parcel No. 184836-000)

A strip of land twenty (20.0) feet wide situated in Section 20, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based-on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on the Westerly line of Grantor's property, being a tract of land conveyed under Auditor's File No. G290842, records of said County; thence North 69° 27' 54" East, 30 feet more or less to a point which bears North 51° 41' 20" East, 2,412.25 feet from Southwest corner of said Section 20; thence North 82° 06' 48" East, 109.43 feet; thence North 59° 54' 31" East, 90.51 feet; thence South 69° 27' 54" East, 172.88 feet to a point which bears North 56° 17' 37" East, 2,694.33 feet from Southwest corner of said Section 20; thence South 39° 59' 05" East, 90 feet more or less to Easterly line of said tract.

Subject to a right of way granted and conveyed to El Paso Natural Gas Company under Auditor's File No. G192907, records of said County.

G 647062: (Regarding Parcel No. 184835-000)

A strip of land twenty (20.0) feet wide situated in Section 20, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and state of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on the Westerly line of Grantor's property, being a tract of land conveyed under Clark County Auditor's File No. G 399094; thence South 39° 59' 05" East, 110 feet more or less to a point which bears North 59° 45' 58" East, 2,717.42 feet from the Southwest corner of said Section 20; thence South 63° 51' 34" East 181.22 feet; thence South 34° 28' 31" East, 116.85 feet; thence South 17° 21' 35" East, 216.19 feet to a point which bears North 69° 31' 54" East, 2,819.10 feet from Southwest corner of said Section 20; thence South 58° 51' 46" East, 55 feet more or less to the Easterly line of said tract.

6/10/14

G 647063: (Regarding Parcel Nos. 184825-000, 184821-000, 184822-000, 184712-000, 184824-000)

A strip of land twenty (20.0) feet wide situated in Section 20, Township 3 North, Range 1 East of the Willamette Meridian, in the County of Clark and state of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on the westerly line of Grantor's property, being a tract of land conveyed under County Auditor's File No. G 318876; thence South 58° 51' 46" East, 120 feet more or less to a point which bears North 71° 46' 39" East, 2,911.75 feet from the Southwest corner of said Section 20; thence South 67° 00' 02" East, 133.84 feet; thence North 86° 20' 28" East, 211.82 feet; thence North 61° 58' 06" East, 123.59 feet; thence North 73° 50' 42" East, 157.37 feet; thence South 36° 30' 32" East, 230.44 feet; thence South 17° 16' 35" West, 258.97 feet; thence South 73° 07' 57" East, 67.17 feet; thence South 63° 20' 03" East, 93.94 feet; thence South 46° 35' 57" East, 340.46 feet to a point which bears North 86° 19' 08" East, 3,824.24 feet from the Southwest corner of said Section 20; thence South 78° 51' 52" East, 50 feet more or less to County Road Westerly Right-of-Way.

EASEMENTS RELATING TO THE 117TH STREET PUMP STATION FORCE MAIN:

4141093: (Regarding Parcel Nos. 183285-000, 183290-005, 183291-000)

That portion of the "Vancouver School District No. 37" parcel as described under Auditor's File No. 9603210221, records of Clark County Auditor, lying in the Ira Patterson Donation Land Claim No. 44 in the Southeast quarter of the Northwest quarter of Section 29, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

(Regarding Parcel No. 183285-000)

Commencing at the Southeast corner of Lot 2 of that Short Plat as recorded in Book 3 of Short Plats at Page 001, records of the Clark County Auditor; thence North 89° 10' 45" West, along the South line of said Lot 2 for a distance of 325.37 feet to the Southwest corner thereof and the Point of Beginning said point also being the Southeast corner of the "Vancouver School District No. 37" parcel as described under Auditor's File No. 9603210221; thence North 89° 10' 45" West, along the South line of said "Vancouver School District No. 37" parcel, 325.05 feet to the Southwest corner thereof; thence North 02° 24' 14" East, along the West line of said "Vancouver School District No. 37" parcel

6/10/14

20.01 feet; thence South 89° 10' 45" East, 325.05 feet to the West line of said "Vancouver School District No. 37" parcel; thence South 02° 24' 14" West, along said West line, 20.01 feet to the Point of Beginning.

Containing 6,501 square feet.

Subject to easements and restrictions of record.

(Regarding Parcel No. 183290-005)

That portion of the "Vancouver School District No. 37" parcel as described under Auditor's File No. 9803270232, records of Clark County Auditor, lying in the Ira Patterson Donation Land Claim No. 44 in the Southeast quarter of the Northwest quarter of Section 29, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

Commencing at the Southeast corner of Lot 2 of that Short Plat as recorded in Book 3 of Short Plats at Page 001, records of the Clark County Auditor; thence North 89° 10' 45" West, along the South line of said Lot 2 for a distance of 54.42 feet to the Point of Beginning; thence South 44° 17' 36" East, 7.24 feet; thence South 00° 42' 24" West, 9.83 feet to the South line of the "Vancouver School District No. 37" parcel as described under Auditor's File No. 9803270232; thence North 89° 10' 16" West, along said South line 20.00 feet; thence North 00° 42' 24" East, 1.51 feet; thence North 44° 17' 36" West, 19.03 feet to the South line of said Lot 2; thence North 89° 10' 45" West, along the South line of said Lot 2 for a distance of 242.61 feet to the Southwest corner thereof; thence North 02° 24' 14" East, along the West line of said Lot 2 for a distance of 20.01 feet; thence South 89° 10' 45" East, 250.32; thence South 44° 17' 36" East, 28.34 feet to the Point of Beginning.

Containing 5,589 square feet.

Subject to easements and restrictions of record.

(Regarding Parcel No. 183291-000)

That portion of the "Scholz" parcel as described under Auditor's File No. 9408290192, records of Clark County Auditor, lying in the Ira Patterson Donation Land Claim No. 44 in the Southeast quarter of the Northwest quarter of Section 29, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

6/10/14

Commencing at the Southeast corner of Lot 2 of that Short Plat as recorded in Book 3 of Short Plats at Page 001, records of the Clark County Auditor; thence North 89° 10' 45" West, along the South line of said Lot 2 and the South line of the "Vancouver School District No. 37" parcel as described under Auditor's File No. 9603210221 for a distance of 650.42 feet to the Southwest corner of said "Vancouver School District No. 37" parcel and the Point of Beginning said point also being the Southeast corner of "Scholz" parcel as described under Auditor's File No. 9408290192; thence North 89° 10' 45" West, along the South line of said "Scholz" parcel, 235.09 feet to the Southeast corner of the 15.00 foot wide Sanitary Sewer easement as described under Auditor's File No. 9706110266; thence North 02° 22' 38" East, parallel with the West line of said "Scholz" parcel, along the East line of said Sanitary Sewer easement, 659.88 feet to a point 20.00 feet from, when measured perpendicular to, the centerline of NW McCann Road; thence South 87° 48' 59" East, parallel with said centerline, 15.00 feet; thence South 02° 22' 38" West, 639.52 feet; thence South 89° 10' 45" East, 220.09 feet; thence South 02° 24' 14" West, 20.01 feet to the Point of Beginning.

Containing 14,297 square feet.

Subject to easements and restrictions of records.

Except County roads.

4432978: (Regarding Parcel Nos. 188317-000, 188290-000)

That portion of the "Clark County" parcels as described under Auditor's File No. 9610240149 and Auditor's File no. 9609060057, records of Clark County Auditor, lying in the Christian Powley Donation Land Claim No. 51 in the Southeast quarter of Section 29, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

Commencing at a brass cap marking the Northeast corner of the Christian Powley Donation Land Claim as shown in Book 44 of Surveys at Page 142, records of the Clark County Auditor; thence South 01° 45' 39" West, along the East line of said Donation Land Claim, 30.00 feet to a point on the South right of way line of NW 127th Street, said point also being the Northeast corner of said "Clark County" parcel as described under Auditor's file No. 9609060057; thence North 89° 09' 00" West, along said South right of way line and the North line of said "Clark County" parcel as described under Auditor's file No. 9609060057, 20.00 feet to the Point of Beginning; thence South 01° 45' 39" West, 723.90 feet; thence South 89° 18' 12" East, 20.00 feet to the West line

6/10/14

of the "Kimsey" parcel as described under Auditor's File No. 9610250093 and the East line of said "Clark County" parcel as described under Auditor's file No. 9610240149; thence South 01° 45' 39" West, along said West and East lines, 36.01 feet to the Southwest corner of said "Kimsey" parcel; thence North 89° 18' 12" West, 40.01 feet; thence North 01° 45' 39" East, 759.96 feet to the South right of way line of said NW 127th Street; thence South 89° 09' 00" East, along said South right of way line, 20.00 feet to the Point of Beginning.

Containing 0.36 acres.

Subject to easements and restrictions of record.

Except County roads.

4109005: (Regarding Parcel No. 187831-000)

That portion of the "Kimsey" parcel as described under Auditor's File No. 9610250093, records of Clark County Auditor, lying in the Southeast quarter of Section 29, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

Beginning at the Southeast corner of Adjusted Tax Lot 85 as shown in Book 37 of Surveys at Page 5, records of the Clark County Auditor said point also being the Southeast corner of the "Kimsey" parcel as described under Auditor's File No. 9610250093, records of the Clark County Auditor said point also being on the West line of Northwest 36th Avenue; thence North 89° 19' 50" West, along the South line of said "Kimsey" parcel 507.02 feet to the Southwest corner thereof; thence North 01° 45' 39" East, along the West line of said "Kimsey" parcel, 20.00 feet; thence South 89° 19' 50" East, 507.20 feet to the West line of NW 36th Avenue; thence South 02° 17' 03" West, along said West line, 20.01 the Point of Beginning.

Containing 10,142 square feet.

Subject to easements and restrictions of record.

Except county roads.

4141092: (Regarding Parcel No. 187329-000)

That portion of the "Vancouver School District No. 37" parcel as described under Auditor's File No. G636171, records of Clark County Auditor, lying in the Southwest quarter of the Southwest quarter of Section 28, Township 3 North,

6/10/14

Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

Beginning at the Southeast corner of Lot 32 of Miller Crest Phase 1 according to the Plat thereof as recorded in Book H of Plats at Page 982, records of the Clark County Auditor said point being on the arc of a 327.00 foot radius curve to the left on the West line of NW 26th Avenue as dedicated to Clark County under Auditor's File No. 9208120001; thence from a tangent bearing of South 01° 30' 01" West, along said curve through a central angle of 03° 30' 21", an arc distance of 20.01 feet; thence North 88° 49' 43" West, 1197.88 feet; thence South 46° 15' 42" West, 31.58 feet; thence North 88° 44' 18" West, 39.13 feet to a point 16.50 feet from, when measured perpendicular to, the West line of the Southwest quarter of Section 28; thence North 02° 06' 59" East, parallel with said West line, 20.00 feet; thence South 88° 44' 18" East, 30.55 feet; thence North 46° 15' 42" East, 31.56 feet to the South line of Miller Crest Phase 2 according to the Plat thereof as recorded in Book H of Plats at Page 983; thence South 88° 49' 43" East, along the South lines of Miller Crest Phase 2 according to the Plat thereof as recorded in Book H of Plats at Page 983 and Miller Crest Phase 1, 1205.65 feet to the Point of Beginning.

Containing 0.58 acres.

Subject to easements and restrictions of record.

Except County roads.

Bearings based on Survey Book 6, Page 44.

4329286: (Regarding Parcel Nos. 189470-000, 189476-000, 187080-000)

An easement over that portion of the "Clark County" parcels as described under Auditor's File No. G 695631 and Auditor's File No. D90189, records of the Clark County Auditor, lying in the Northeast quarter of Section 34 and in the Northwest quarter of Section 35, Township 3 North, Range 1 East of the Willamette Meridian, Clark County, Washington, described as follows:

Commencing at a brass cap marking the Northwest corner of said Section 35; thence South 01° 55' 27" West, along the West line of the Northwest corner of said Section 35, a distance of 391.36 feet to a point on the arc of a 984.92 foot radius curve to the right on the North right of way line of NE 117th Avenue, being 30.00 feet from, when measured perpendicular to, the centerline of said NE 117th Avenue; thence, from a tangent bearing of South 86° 02' 07" East, along said North right of way line and along said curve, concentric and parallel

6/10/14

with said centerline, through a central angle of $10^{\circ} 46' 56''$, an arc distance of 185.35 feet to a point of tangency; thence continuing along said North right of way line, South $75^{\circ} 15' 11''$ East, 222.43 feet; thence leaving said right of way line, North $14^{\circ} 44' 49''$ East, 53.51 feet to the Point of Beginning; thence South $71^{\circ} 00' 00''$ East, 51.92 feet; thence South $80^{\circ} 00' 00''$ East 273.33 feet to a point hereafter referred to as Point "A"; thence South $10^{\circ} 00' 00''$ West, 12.77 feet to said North right of way line, being 30.00 feet from, when measured perpendicular to, the centerline of said NE 117th Avenue; thence South $87^{\circ} 20' 49''$ West, along said North right of way line, parallel with said centerline, 32.99 feet; thence leaving said right of way line, North $80^{\circ} 00' 00''$ West, 242.71 feet; thence North $71^{\circ} 00' 00''$ West, 464.10 feet; thence North $51^{\circ} 46' 04''$ West, 57.99 feet to a point on the arc of a 1,989.75 foot radius curve to the left; thence from a tangent bearing of North $81^{\circ} 38' 46''$ West, along said curve, through a central angle of $06^{\circ} 48' 56''$, an arc distance of 236.69 feet to a point of tangency; thence North $88^{\circ} 27' 42''$ West, 34.57 feet; thence South $46^{\circ} 03' 53''$ West, 15.85 feet to a point on the arc of a 491.75 foot radius curve to the left; thence from a tangent bearing of South $01^{\circ} 31' 03''$ West, along said curve, through a central angle of $10^{\circ} 24' 27''$, an arc distance of 89.32 feet to a point of tangency; thence South $08^{\circ} 53' 24''$ East, 43.61 feet to a point on the arc of a 839.98 foot radius curve to the left on the North right of way line of said NE 117th Avenue; thence from a tangent bearing of South $75^{\circ} 17' 09''$ West, along said North right of way line and along said curve, through a central angle of $02^{\circ} 31' 16''$, an arc distance of 36.96 feet; thence North $09^{\circ} 10' 50''$ East, 37.64 feet; thence North $08^{\circ} 53' 24''$ West, 12.38 feet to a point of curvature with a 516.75 foot radius curve to the right; thence along said curve, through a central angle of $11^{\circ} 33' 17''$, an arc distance of 104.21 feet; thence North $46^{\circ} 03' 53''$ East, 36.42 feet; thence South $88^{\circ} 27' 42''$ East, 45.04 feet to a point of curvature with a 2,014.75 foot radius curve to the right; thence along said curve, through a central angle of $08^{\circ} 43' 48''$, and arc distance of 306.98 feet; thence South $71^{\circ} 00' 00''$ East, 380.33 feet; thence North $19^{\circ} 00' 00''$ East, 10.00 feet; thence South $71^{\circ} 00' 00''$ East, 25.00 feet; thence South $21^{\circ} 10' 00''$ West, 45.03 feet to the Point of Beginning.

Containing 42,856 square feet.

ALSO, Beginning at aforementioned Point "A"; thence North $10^{\circ} 00' 00''$ East, 51.17 feet; thence North $87^{\circ} 42' 35''$ East, 331.77 feet; thence South $68^{\circ} 16' 04''$ East, 286.33 feet; thence South $63^{\circ} 22' 23''$ East, 201.02 feet to said North right of way line; thence South $89^{\circ} 48' 54''$ West, along said North right of way line, 95.84 feet; thence leaving said right of way line North $62^{\circ} 43' 37''$ West, 112.19 feet; thence North $72^{\circ} 35' 17''$ West, 311.13 feet; thence South $87^{\circ} 42' 35''$ West, 293.88 feet to the Point of Beginning.

6/10/14

Containing 38,246 square feet.

Subject to easements and restrictions of record.

Except County roads.

Bearing based on Washington State Plane Coordinate System (South Zone).

EASEMENTS RELATING TO THE SALMON CREEK TREATMENT PLANT AND OUTFALL:

G 668935: (Regarding Parcel No. 191177-000)

A strip of land twenty (20.0) feet wide situated in Section 24, Township 3 North, Range 1 West of the Willamette Meridian, in the county of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on the Easterly line of Grantor's property as conveyed under Auditor's File No. G650118, records of said County, said line being the westerly meander line of Lake River; thence North 87° 42' 22" West, 20 feet more or less, to a point which bears North 53° 04' 38" West, 7162.69 feet, from the southeast corner of Section 19, Township 3 North, Range 1 East of the Willamette Meridian; thence North 87° 42' 22" West, 1301.62 feet; thence South 81° 02' 28" West, 820.09 feet to a point which bears North 61° 39' 26" West, 8904.28 feet from the southeast corner of Section 19, said Township and Range; thence North 87° 42' 22" West, 100 feet, more or less, to the Westerly line of Grantor's property, said line being the meanders of the east bank of the Columbia River.

SUBJECT TO: Easement, including the terms and provisions thereof, as established by deed recorded June 25, 1881 in Book "R" at page 4, records of said County, being a right-of-way for roadway 60 feet wide across subject property; Easement, including the terms and provisions thereof, as granted to Pacific Northwest Bell Telephone Company, a Washington corporation, by instrument recorded August 22, 1961, records of said county, across subject property.

EXCEPT: Easement, including the terms and provisions thereof, as established by deed recorded November 4, 1954, under Auditor's File No. G157517, records of said county, being a right-of-way 150 feet wide granted to

6/10/14

Clark County for the purpose of a public road and river dike across subject property.

G 671854: (Regarding Parcel Nos. 191067-000, 191176-000, 183058-000)

A strip of land twenty (20.0) feet wide situated in Section 19, Township 3 North, Range 1 East, and Section 24, Township 3 North, Range 1 West, of the Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING At a point on the Easterly line of Grantors' property as conveyed under Auditor's File No. G502780, records of said county, said line being an intermediate Easterly boundary of William Green DLC; thence North $81^{\circ} 12' 06''$ West, 120 feet more or less to a point which bears North $36^{\circ} 05' 00''$ West, 5,192.00 feet from the Southeast corner of said Section 19; thence North $87^{\circ} 42' 22''$ West, 2,000.00 feet to a point which bears North $49^{\circ} 46' 45''$ West, 6,622.01 feet from said section corner; thence North $87^{\circ} 42' 22''$ West, 540 feet more or less to Westerly line of Grantors' property, said line being the Easterly meander line of Lake River.

G 647058: (Regarding Parcel Nos. 183493-000)

A strip of land twenty (20.0) feet wide situated in the Northeast and Northwest quarter sections of Section 19, Township 3 North, Range 1 East of Willamette Meridian, in the County of Clark and State of Washington, the centerline of which is described by bearings and distances based on the Washington State Plane Coordinate System, South Zone, as follows, to-wit:

BEGINNING at a point on a tract of land, described by Clark County Assessor's number 183493 as tax lot 1, which bears North $29^{\circ} 49' 06''$ West, 4,774.39 feet from Southeast section corner of said section 19, thence $71^{\circ} 42' 41''$ West, 163.28 feet; thence South $82^{\circ} 56' 20''$ West, 179.51 feet; thence South $75^{\circ} 45' 35''$ West, 73.22 feet to a point which bears North $33^{\circ} 46' 43''$ West, 4,996.95 feet from Southeast section corner of said Section 19; thence North $81^{\circ} 12' 3''$ West, 180 feet more or less to westerly line of said tract; **EXCEPT** land bounded by easterly and westerly lines of Burlington Northern Railroad Right of Way.

6/10/14

SCHEDULE 2.5: BILL OF SALE FOR SCWMS PERSONAL PROPERTY

THIS BILL OF SALE is executed as of the _____ day of _____, _____ (the "Execution Date"), by CLARK COUNTY, Washington, a political subdivision of the State of Washington ("Assignor"):

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, Assignor shall, upon the Effective Date of this Bill of Sale, grant, bargain, sell, convey, assign, transfer, and set over to the DISCOVERY CLEAN WATER ALLIANCE, a Washington municipal corporation ("Assignee"), (i) all laboratory equipment and supplies purchased for and stored in the on-site laboratory; (ii) all maintenance and operations tools and specialized equipment; (iii) all spare parts purchased for or furnished by equipment manufacturers; (iv) all operational fixtures, furniture, furnishings, appliances, and related items; (v) all operating and processing chemicals; (vi) all maintenance and operations vehicles and rolling stock; (vii) all maintenance and operations information technology hardware, equipment, systems, and software (to the extent transferrable under applicable software licenses); and, (viii) all associated forms of documentation, including, but not limited to, reports, plans, specifications, estimates, designs, drawings, maps, surveys, construction records, photos, documentation, maintenance and operation manuals and correspondence, any component thereof, and any existing, in progress or proposed parts of the same owned by Assignor (collectively referred to as the "SCWMS Personal Property") located in, on, and around the SCWMS Infrastructure as defined in **Section 2.1** of the Clark County and Discovery Clean Water Alliance Salmon Creek Wastewater Management System Transfer Agreement (the "SCWMS Transfer Agreement"), the SCTPO Real Property as defined in **Section 2.2** of the SCWMS Transfer Agreement, the 36th Avenue Pump Station as defined in **Section 2.3** of the SCWMS Transfer Agreement, the SCWMS Easements as defined in **Section 2.4** of the SCWMS Transfer Agreement, and all other Assignor properties and rights of way where SCWMS Personal Property is located.

The "Effective Date" of this Bill of Sale is that date of the expiration or termination of that "Clark County and Discovery Clean Water Alliance Operator Agreement," effective January 1, 2015.

In no event shall the transfers created in this Bill of Sale be effective beyond the expiration of 21 years from the death of the survivors of the descendants of Joseph P. Kennedy, the late Ambassador of the United States to the Court of St. James's, living on the Execution Date of this Bill of Sale.

In all respects, the SCWMS Personal Property is being transferred in its "as is, where is" condition, and without representation or warranty.

6/10/14

ASSIGNOR:

**BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY, WASHINGTON**

Tom Mielke Date: 6/24/14
Tom Mielke, Chair

David Madore, Commissioner

Edward L. Barnes, Commissioner

Approved as to form only
Anthony F. Golik
Prosecuting Attorney

BY: Anthony F. Golik

ASSIGNEE:

**DISCOVERY CLEAN WATER ALLIANCE,
a Washington municipal corporation**

By: _____ Date: _____
Ron Onslow, Chair, Board of Directors

Attest: _____
Neil Kimsey, Secretary, Board of Directors

Approved: _____
Hugh D. Spitzer, Alliance Attorney

6/10/14

SCHEDULE 2.6: ASSIGNMENT OF SCWMS CONTRACTS AND INTANGIBLES

THIS ASSIGNMENT OF CONTRACTS AND INTANGIBLES ("Assignment") is entered into as of the ____ day of _____, _____ (the "Execution Date"), by and between CLARK COUNTY, Washington, a political subdivision of the State of Washington ("Assignor"), and the DISCOVERY CLEAN WATER ALLIANCE, a Washington municipal corporation ("Assignee") (collectively, the "Parties"), who agree as follows:

1. Contracts and Intangibles. "Contracts and Intangibles" means (i) all warranties and guarantees; (ii) all ownership permits and operations permits; and (iii) all rights and duties under any other existing contracts.

2. Assignment. For good and valuable consideration received by Assignor, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby grants, transfers, and assigns to Assignee the entire right, title, and interest of Assignor in and to the Contracts and Intangibles relating to the SCWMS Infrastructure as defined in **Section 2.1** of the Clark County and Discovery Clean Water Alliance Salmon Creek Wastewater Management System Transfer Agreement (the "SCWMS Transfer Agreement"), the SCTPO Real Property as defined in **Section 2.2** of the SCWMS Transfer Agreement, the 36th Avenue Pump Station Real Property as defined in **Section 2.3** of the SCWMS Transfer Agreement, and the SCWMS Easements as defined in **Section 2.4** of the SCWMS Transfer Agreement. Assignor shall continue to be responsible for, and shall perform and satisfy its obligations under, the Contracts and Intangibles referenced in this **Section 2** insofar as such obligations relate to the period on or before the Execution Date of this Assignment. The assignment of warranties shall be on a non-exclusive basis, and Assignor reserves the right to pursue warranty claims in the event claims are brought against Assignor which might give Assignor claims under such warranties.

3. Future Assignment. For good and valuable consideration received by Assignor, the receipt and sufficiency of which is hereby acknowledged, Assignor shall, upon the Future Assignment Date, grant, transfer, and assign to Assignee the entire right, title, and interest of Assignor in and to the Contracts and Intangibles relating to the SCWMS Personal Property as defined in **Section 2.5** of the SCWMS Transfer Agreement. Assignor shall continue to be responsible for, and shall perform and satisfy its obligations under, the Contracts and Intangibles referenced in this **Section 3** insofar as such obligations relate to the period on or before the Future Assignment Date. The assignment of warranties shall be on a non-exclusive basis, and Assignor reserves the right to pursue warranty claims in the event claims are brought against Assignor which might give Assignor claims under such warranties.

6/10/14

4. Future Assignment Date. The "Future Assignment Date" is that date of the expiration or termination of that "Clark County and Discovery Clean Water Alliance Operator Agreement," effective January 1, 2015.

5. Savings. In no event shall the grants, transfers, and assigns created in this Assignment be effective beyond the expiration of 21 years from the death of the survivors of the descendants of Joseph P. Kennedy, the late Ambassador of the United States to the Court of St. James's, living on the Execution Date of this Assignment.

6. Assumption. Assignee hereby assumes the covenants, agreements, and obligations of Assignor under the Contracts and Intangibles of **Sections 2 and 3** of this Assignment which are applicable to the period and required to be performed from and after the Execution Date for the Contracts and Intangibles of **Section 2** and from and after the Future Assignment date for the Contracts and Intangibles of **Section 3**, but not otherwise. No person or entity other than Assignor shall be deemed a beneficiary of the provisions of this **Section 6**.

7. Jurisdiction and Venue. This Assignment shall be interpreted in accordance with the laws of the State of Washington. As against the other Party, the Assignor and the Assignee shall file suit to enforce this Agreement only in the Superior Court of Clark County, Washington.

8. Enforcement; Prevailing Party Costs. In addition to the remedies provided by law, this Agreement shall be specifically enforceable by either Party. If either Party incurs attorney fees, costs or other legal expenses to enforce the provisions of this Agreement against the other Party, all such fees, costs, and expenses shall be recoverable by the prevailing Party.

9. Successors and Assigns. All of the provisions, conditions, regulations, and requirements of this Assignment shall be binding upon the successors and assigns of the Parties.

10. Power and Authority. Each Party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of such Party represents and warrants to the other Party that he or she is fully empowered and authorized to do so.

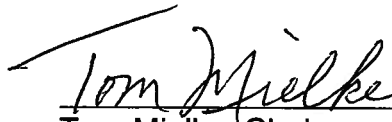
11. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one agreement, binding on all parties.

[Signatures Follow.]

6/10/14

ASSIGNOR:

**BOARD OF COUNTY COMMISSIONERS
CLARK COUNTY, WASHINGTON**



Tom Mielke, Chair

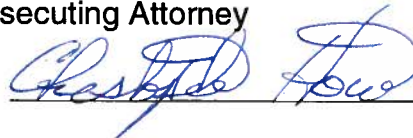
Date: 6/24/14

David Madore, Commissioner

Edward L. Barnes, Commissioner

Approved as to form only
Anthony F. Golik
Prosecuting Attorney

BY:



ASSIGNEE:

**DISCOVERY CLEAN WATER ALLIANCE,
a Washington municipal corporation**

By: _____ Date: _____
Ron Onslow, Chair, Board of Directors

Attest: _____
Neil Kimsey, Secretary, Board of Directors

Approved: _____
Hugh D. Spitzer, Alliance Attorney

**CLARK COUNTY AND DISCOVERY CLEAN WATER ALLIANCE
FRANCHISE AGREEMENT**

A RESOLUTION granting a nonexclusive Franchise to the Discovery Clean Water Alliance to engage in constructing, operating, and maintaining a regional wastewater transmission and treatment system in Clark County Public Rights-of-Way; setting forth terms and conditions accompanying the grant of the nonexclusive Franchise; and providing for County administration and regulation of the nonexclusive Franchise.

WHEREAS, Clark County, Clark Regional Wastewater District, the City of Battle Ground, and the City of Ridgefield entered into the "Discovery Clean Water Alliance Interlocal Formation Agreement" on September 27, 2012, and filed the Alliance Agreement with the Washington Secretary of State on January 4, 2013, thereby forming the Discovery Clean Water Alliance; and

WHEREAS, Section VII of the Alliance Agreement expresses an assumption that Clark County will transfer to the Alliance the Salmon Creek Wastewater Management System as an Initial Regional Asset listed in Exhibit B of the Alliance Agreement; and

WHEREAS, this transfer will create public benefit by supporting regional cooperation and economic development in an environmentally-sound manner by helping manage regional wastewater service costs in a financially-transparent manner, by providing reliable and predictable service, and by providing a framework that encourages the participation of all Clark County municipal utilities that protects both regional and jurisdictional autonomy; and

WHEREAS, the County and the Alliance entered into the "Clark County and Discovery Clean Water Alliance Salmon Creek Wastewater Management System Transfer Agreement" (the "SCWMS Transfer Agreement"), dated the ____ day of _____, _____ to transfer the assets; and

WHEREAS, a condition of closing in the SCWMS Transfer Agreement requires the County and the Alliance to enter into a franchise agreement that grants the Alliance a franchise to construct, operate, and maintain wastewater facilities within the County's rights-of-way; and

WHEREAS, the County and the Alliance entered into the "Discovery Clean Water Alliance Operator Agreement," dated the ____ day of _____, _____ to set forth the terms of the County's operation of the Salmon Creek Wastewater Management System and the Battle Ground Force Main and Odor Control System; and

WHEREAS, the Alliance has applied to the Board of County Commissioners of Clark County, pursuant to Chapter 36.55 RCW, for a nonexclusive Franchise to construct, operate, and maintain a regional wastewater transmission and treatment

system upon, under, along and/or across certain Public Rights-of-Way in Clark County; and

WHEREAS, pursuant to RCW 36.55.040, notice was posted in three public places in the County seat at least fifteen (15) days before the hearing date, and notice was published twice in the official County newspaper, the last publication being not less than five (5) days before the date fixed for the hearing; and

WHEREAS, pursuant to RCW 36.55.040, a hearing on the application for Franchise was held on the ____ day of _____, 2014; and

WHEREAS, the County and the Alliance now desire to set forth the terms and conditions of this Franchise; and

WHEREAS, the Board of County Commissioners finds that it is in the public interest to grant the nonexclusive Franchise;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CLARK COUNTY as follows:

1. Definitions. Where used in this Franchise, these terms have the following meanings:

1.1 "Alliance" means the Discovery Clean Water Alliance, a Washington municipal corporation, and its respective successors and assigns.

1.2 "Alliance Agreement" means the agreement entered into by the County, Clark Regional Wastewater District, the City of Battle Ground, and the City of Ridgefield on September 27, 2012, forming the Alliance, pursuant to the Joint Municipal Utility Services Act, Chapter 39.106 RCW.

1.3 "Alliance Facilities" means the Alliance's then existing Facilities within the Franchise Area.

1.4 "CCC" means the Clark County Code, as amended or recodified.

1.5 "County" means Clark County, Washington, a political subdivision of the State of Washington, and all the unincorporated territory within its present and future boundaries and including any area over which the County exercises jurisdiction.

1.6 "Facilities" means all meters, pipes, mains, services, valves, vaults, risers, manholes, generators, electrical control panels, power meters, telephone connections, lines, pump stations, meter stations, lift stations, air release and vacuum relief valve assemblies, locate stations, pigging stations, chemical injection facilities, chemical storage tanks, chemical metering pumps, and all necessary or convenient facilities and appurtenances for the purpose of operating wastewater utility systems, including without

limitation the collection, transmission, and treatment of wastewater, whether the same be located over or under ground.

1.7 “Franchise Area” means every and all of the Public Rights-of-Way of the County as now or hereafter laid out, platted, dedicated, or improved, or annexed to the County.

1.8 “Party” or “Parties” means the County or the Alliance individually or collectively as addressed in this Franchise.

1.9 “Public Rights-of-Way” means the surface of, and the space above and below any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle, or other public right-of-way, including any easement now or hereafter held by the County within the Franchise Area for the purposes of public travel, and over which the County has authority to grant permits, licenses, or franchises for use thereof, or has regulatory authority thereover, excluding private roads, railroad rights-of-way, airports, harbor areas, buildings, parks, poles, conduits, or similar facilities or property owned, maintained, or leased by the County in its governmental or proprietary capacity or as an operator of a utility.

1.10 “Resolution” means Resolution No. _____, which approves the terms and conditions of this Franchise.

2. Franchise.

2.1 Grant of Franchise. Pursuant to the Laws of the State of Washington, including, but not limited to, RCW 36.55.010, RCW 39.106.040, and RCW 39.106.060, the County hereby grants to the Alliance a nonexclusive franchise to construct, install, lay, support, attach, maintain, repair, renew, replace, remove, enlarge, operate, and use Facilities in, upon, over, under, along, through, and across the Franchise Area, but excluding those portions of the Franchise Area occupied with infrastructure of another entity, for purposes of the Alliance’s wastewater utility and treatment functions, as authorized by Chapter 39.106 RCW and as defined in the Alliance Agreement, beginning on the Effective Date of this Franchise; provided, that the County’s grant of the right to use the Franchise Area as provided herein shall not be construed to require the Alliance to provide such Facilities to the County. The following conditions shall apply to the Franchise granted herein:

2.1.1 The Franchise granted shall not convey any rights, title or interest in the Public Rights-of-Way but shall be deemed a Franchise only to use and occupy the Public Rights-of-Way for the limited purposes and term stated herein;

2.1.2 The Franchise granted shall not authorize or excuse the Alliance from securing such further easements, leases, permits, or other approvals as may be required to lawfully occupy and use the Public Rights-of-Way;

2.1.3 The Franchise granted shall not be construed as any warranty of title;

2.1.4 No act, event, occurrence, or thing shall give the Alliance any rights to occupy or use the Public Rights-of-Way permanently or operate as an estoppel against the County; and,

2.1.5 The Alliance shall comply with all applicable service quality and continuity requirements of State and Federal law.

2.1.6 The Franchise granted includes the covenant by and obligation of the Alliance to maintain, at its own expense, Alliance Facilities located within the Franchise Area.

2.2 Limit on Franchise. Nothing contained in this Franchise is to be construed as granting permission to the Alliance to go upon any other public place other than those types of public places designated as the Franchise Area in this Franchise. Permission to go upon any other property owned or controlled by the County must be sought on a case-by-case basis from the County.

2.3 Franchise Nonexclusive. This Franchise shall be nonexclusive. This Franchise shall not in any manner prohibit the County from granting other and further franchises over, upon, and along the Franchise Area. This Franchise shall not prohibit or prevent the County from using the Franchise Area or affect the jurisdiction of the County over the same or any part thereof.

2.4 Franchise Term – Termination. This Franchise shall have a term of twenty (20) years from its Effective Date, and shall automatically renew on the anniversary date of the Effective Date for two (2) consecutive terms of five (5) years unless one Party gives the other Party notice of intent to terminate the Franchise at least twenty-four (24) months in advance of the expiration of the initial thirty-year term or any five-year extension. Upon the expiration of the second five-year extension, this Franchise shall automatically renew on the anniversary date of the Effective Date each year unless one Party gives the other Party notice of intent to terminate the Franchise at least one (1) year in advance of the anniversary date.

2.5 Consideration for Franchise. In lieu of a franchise fee, the County grants this Franchise pursuant to Chapter 36.55 RCW, subject to the terms of this Franchise. The County reserves the right to impose a reasonable fee to reimburse the County's costs in connection with administering this franchise and processing any permit required of the Alliance to use and occupy the Public Rights-of-Way under this Franchise.

3. Compliance with Codes and Regulations.

3.1 Scope. This Franchise is granted subject to the applicable provisions of the Clark County Code, including, but not limited to, Chapter 12.20A CCC, "Accommodation of Utilities on County Rights-of-Way," as now codified or as later

amended, which shall apply in addition to the terms and conditions of this Franchise and Chapter 36.55 RCW.

3.2 Police Power Preserved. Nothing in this Franchise limits the County's lawful exercise of its police power to regulate the use of the Public Rights-of-Way.

3.3 Compliance with Laws. The Alliance shall perform all work in the Public Rights-of-Way in accordance with applicable federal, state, and county laws and regulations.

4. Performance of Work.

4.1 Permit Required. Except as agreed to by the County and the Alliance for projects constructed jointly or concurrently by the Parties, the Alliance shall apply for and obtain a utility permit prior to conducting any work which disturbs any soil, surface, facility, or structure of any Public Rights-of-Way pursuant to Chapter 12.20A CCC; provided, however, that in cases of emergency when an immediate excavation may be necessary for the protection of private or public property, the Alliance may conduct the necessary excavation upon the express condition that the Alliance apply for a utility permit pursuant to CCC 12.20A. 070. As between the Alliance and the County, the Alliance shall remain solely responsible for compliance with all applicable laws, regulations, codes, and standard plans and specifications in the design and construction of its Facilities. Except as agreed to by the Parties, the Alliance shall pay all fees, costs, and expenses incurred by the County in the administration, examination, inspection, and approval of such work on account of granting the permit.

4.2 Non-Interference. Facilities shall be located, relocated, and maintained within the Franchise Area so as not to unreasonably interfere with the free and safe passage of (i) pedestrian, vehicular traffic, and other transportation uses, and (ii) ingress or egress to or from the abutting property in accordance with the laws of the State of Washington. In addition, all construction or installation of Alliance Facilities, service, repair, or relocation of the same, performed along or under any Public Rights-of-Way shall be done in such a manner as not to unreasonably interfere with the construction and maintenance of other utilities, public or private, drains, drainage ditches and structures, irrigation ditches and structures, located therein, nor with the grading or improvement of such Public Rights-of-Way or other County property.

4.3 Road Closures. Nothing herein shall preclude the Alliance from effecting temporary road closures as reasonably necessary during construction or maintenance of Facilities; provided that the Alliance receives prior County approval, which shall not be unreasonably withheld; and provided further that the Alliance shall have the right to effect temporary road closures in the event of emergencies to maintain, repair, and replace Alliance Facilities without prior County approval, but the Alliance shall obtain County approval of each road closure as soon as reasonably possible after the Alliance becomes aware of the need to put that closure into effect.

4.4 Excavations; Monuments. Whenever it is necessary for the Alliance, in the exercise of its rights under this Franchise, to make any excavation in the Franchise Area, the Alliance shall, upon completion of such excavation, restore the surface of the Franchise Area to County standards and at least to the same condition existing prior to any such excavation, installation, construction, relocation, maintenance, or repair. Survey monuments shall not be removed or destroyed without the Alliance first obtaining the required Department of Natural Resources (DNR) permit in accordance with RCW 58.09.130 and WAC 332-120-030, and as such statutes and regulations may be modified and amended. All survey monuments, which have been distributed or displaced by such work, shall be restored pursuant to all federal, state, and local standards and specifications. The Alliance agrees to promptly complete all restoration work and to promptly repair any damage caused by such work at its sole expense.

4.5 Restoration. If the County determines that the Alliance has failed to restore a right-of-way in accordance with **Subsection 4.4**, the County shall provide the Alliance with written notice, which shall include a description of actions the County believes necessary to restore the right-of-way. If the right-of-way is not restored in accordance with the County's notice within fifteen (15) days of that notice, or such longer period as may be specified in the notice, the County, or its authorized agent, may restore the right-of-way and the Alliance shall be responsible for all reasonable costs and expenses incurred by the County in restoring the right-of-way in accordance with this **Subsection 4.5** and **Subsection 4.4**. The rights granted to the County under this **Subsection 4.5** shall be in addition to those otherwise provided by this Franchise.

5. Planning Coordination. The Alliance acknowledges that there are other utilities also occupying the Franchise Area and that it is the responsibility of all utilities to coordinate their alignment within the Franchise Area. The Parties also recognize that wastewater Facilities within the Franchise Area, such as the Alliance Facilities, usually are installed underground and significantly deeper than other utilities, and therefore are more expensive to relocate than other utilities. The Parties shall work together to reduce the need for relocation of Alliance Facilities within the Franchise Area; provided, such coordination does not require the County to incur an increase in design or construction costs. To accomplish this goal, the Parties shall each assign a representative whose responsibility shall be to coordinate planning for County projects as described in **Subsection 6.1** below, including those projects that involve undergrounding. At a minimum, such coordination shall include the following:

5.1 Capital Improvement Plans. For the purpose of planning, the Parties shall provide each other with a copy of their respective current adopted capital improvement plans annually and upon request by the other Party.

5.2 Alliance Schedule. By September 1st of each year, the Alliance shall provide the County, and all other known utilities, with a schedule of the Alliance's planned capital improvements which may affect the Franchise Area for the next year.

5.3 County Schedule. By September 1st of each year, the County shall provide the Alliance with a schedule of the County's planned projects as described in **Subsection 6.1** below which may affect the Franchise Area for the following year, including, but not limited to, street overlays and repairs, storm drainage improvements and construction, and all other right-of-way activities that could affect Alliance capital improvements and infrastructure.

5.4 Construction Coordination. The Alliance shall meet with the County, and other franchisees and users of the Public Rights -of-Way, as necessary, to schedule and coordinate construction activities.

5.5 Limited Impacts. All construction locations, activities, and schedules of the County and utility franchise holders within the Franchise Area shall be coordinated to minimize inconvenience, disruption, or damages to the public and to the Facilities of utility franchise holders. All construction locations, activities, and schedules of the Alliance within the Franchise Area shall be coordinated to minimize disruption or damage to the Public Rights-of-Way and to minimize inconvenience to the public.

5.6 Emergency Operations. The Parties agree to cooperate in the planning and implementation of emergency operations response procedures.

5.7 Plans, Maps, and Records. As available, and without charge to either Party, both Parties agree to provide each other with plans, maps, and records that show the vertical and horizontal location of its improvements within Public Rights-of-Way, measured from the center line of the Public Rights-of-Way. Additionally, following any construction in the Public Rights-of-Way, the Alliance shall provide the County with record drawings (*i.e.*, drawings produced post-construction that reflect the best record of the constructed Facilities, including their vertical and horizontal locations measured from the center line of the Public Rights-of-Way) of Alliance Facilities. Maps shall be provided in the digital electronic format used by the County or the Alliance unless the Parties agree on another format.

6. Relocation of Facilities.

6.1 Relocation or Removal. If at any time the County constructs, improves, or changes the line, grade, or cross-section of any County road, Public Rights-of-Way, or other County property(ies) subject to this Franchise, together with construction of storm and sanitary sewers, surfacing, paving, and any other work, the Alliance, upon written notice from the County Engineer, shall, at its sole expense, with due diligence adjust Alliance Facilities so that the same shall not interfere with the County work and so that the Alliance Facilities shall conform to such new lines, grades, and cross-sections as may be established. All relocation work shall comply with Chapter 12.20A CCC. Except as described in **Subsection 6.4** below, the County Engineer will endeavor to provide as much reasonable advance notice as possible for the relocation or removal of Alliance Facilities, but in no event shall notice be less than one-hundred twenty (120) days from the removal/relocation of Alliance Facilities.

Relocation of Alliance Facilities shall be completed in a timely manner, defined as follows: Relocation of Alliance Facilities shall normally be accomplished in advance of County projects. In the event the relocation of Alliance Facilities is done concurrently with County projects, the Alliance shall notify the County. The County will establish a written schedule for relocation. The Alliance shall comply with such written schedule. In no event shall the relocation of Alliance Facilities interfere with County projects or delay County contractors.

6.2 Cost of Relocation – Alliance. Subject to **Subsections 6.3 and 6.4** below, the Alliance shall pay for the cost of relocation of Alliance Facilities pursuant to RCW 36.55.060. Both Parties shall meet to discuss the proposed project at a mutually agreeable time and place. Either Party may propose reasonable alternatives to the relocation of Alliance Facilities, each of which shall be given full and fair consideration without undue delay. The timing of this discussion and evaluation, and any relocation of Alliance Facilities, shall take into account the type, extent, scope, and purpose of the proposed project, the type and extent of the relocation, service, and safety requirements, the need for acquisition of additional right-of-way or easements for utility relocation, the construction sequence for the relocation within the construction sequence and constraints for the overall public improvement project, and the period of time for and complexity of obtaining necessary permits and approvals for the proposed project and relocation. The County shall make reasonable efforts to provide the Alliance with as much time as practicable to review the proposed project, consider alternatives, and accomplish any necessary relocation. The County and the Alliance shall work together cooperatively in the process of design, engineering, estimating, scheduling, sequencing work, conversion, cut-over, and construction to bring the proposed project and Alliance Facilities relocation work to completion in the most efficient and timely manner and to avoid delay and disruption. The Alliance shall make reasonable efforts to complete any necessary relocation within the timeframe requested by the County under the foregoing process and in accordance with state bid law requirements and applicable regulations, permits, and approvals. The decision to modify the design or schedule, or to undertake any alternative proposal, will be made by the County in the sole exercise of its discretion.

6.3 Cost of Relocation – County. The County shall pay for the cost of County required relocation of Alliance Facilities if reconstruction is required within five (5) years of the initial construction of the Alliance Facilities; provided, however, that the County shall not pay for such cost where the relocation is required due to emergent or serious life safety circumstances; or where the relocation cost is paid for or reimbursed from other sources. For the purposes of this **Subsection 6.3** “initial construction” shall mean acceptance of substantial completion by the Alliance. This **Subsection 6.3** shall not restrict the County from obtaining payment under separate agreements or applicable laws for the cost of relocation of Alliance Facilities.

6.4 Cost of Relocation – Other. Whenever any person or entity, other than the County, requires the relocation of Alliance Facilities to accommodate the work of that person or entity within the Franchise Area (including any conditions or requirements

imposed by the County upon the person or entity), or whenever the County requires the relocation of Alliance Facilities within the Franchise Area for the benefit of any person or entity other than the County, then the Alliance shall have the following Alliance rights to require that person or entity to:

6.4.1 Make payment to the Alliance at a time and upon terms acceptable to the Alliance for any and all costs and expenses incurred by the Alliance in the relocation of Alliance Facilities; and

6.4.2 Protect, defend, indemnify, and save the Alliance and the County harmless from any and all claims and demands made against the Alliance or the County on account of injury or damage to the person or property of another arising out of or in conjunction with the relocation of Alliance Facilities, to the extent such injury or damage is caused by the negligence or willful misconduct of the person or entity requesting the relocation of Alliance Facilities or other negligence or willful misconduct of the agents, servants, or employees of the person or entity requesting the relocation of Alliance Facilities.

6.5 Scope – Limited to Franchise Area. This **Section 6** shall govern all relocations of Alliance Facilities within the Franchise Area and all locations at which the County has granted an easement without monetary payment but shall not apply to the location or relocation of any Alliance Facilities outside of the Franchise Area.

7. Location of Facilities. With the exception of components that are traditionally installed above ground, such as wastewater treatment plants and associated improvements, fixtures and equipment, and vault lids, risers, manhole covers, pump stations, lift stations, generators, electrical control panels, power meters, telephone connections, and utility markers, all Facilities to be installed within the Franchise Area shall be installed underground; provided that Facilities may be installed above ground if so authorized by the County, and, consistent with the provisions of the Clark County Code and applicable development agreements, that authorization shall not be unreasonably withheld, conditioned, or delayed.

8. Aesthetic and Scenic Considerations.

8.1 Design and Construction. In addition to the requirements of CCC 12.20A.060, the Alliance shall design and construct its Facilities in a manner that minimizes adverse effects on existing roadside manmade or natural amenities.

8.2 Refuse and Debris. The Alliance shall promptly remove and properly dispose of refuse and debris resulting from the installation or maintenance of its Facilities once the work is completed.

9. Record of Installations and Service.

9.1 One-Number Locator. With respect to excavations by the Parties within the Franchise Area, each Party shall comply with its respective obligations pursuant to

Chapter 19.122 RCW, and as such statute may be modified and amended, and any other applicable state law.

9.2 Draft Plan Disclosure. Upon written request of the County, the Alliance shall provide the County with the most recent update available of any plan of potential improvements to the Alliance Facilities within the Franchise Area; provided that any such plan so submitted shall only be for informational purposes within the Franchise Area, and such plan shall be construed as a proposal to undertake any specific improvements within the Franchise Area.

9.3 Plan Disclosure. Upon written request of the Alliance, the County shall provide the Alliance with the most recent updates available of any plan of potential improvements to its improvements located within the Franchise Area and any plan of potential improvements to the improvements of other franchisees or permittees of the County located within the Franchise Area; provided that any such plan so submitted shall only be for informational purposes within the Franchise Area, and such plan shall be construed as a proposal to undertake any specific improvements within the Franchise Area.

9.4 Record Drawings. The Alliance shall make record drawings (*i.e.*, drawings produced post-construction that reflect the best record of the constructed Facilities, including their vertical and horizontal locations measured from the center line of the Public Rights-of-Way) of past projects and of any future Alliance Facilities in the Franchise Area available to the County within ten (10) working days of the County's request.

10. Excavations and Trenching.

10.1 Reasonable Efforts. The Parties shall exercise reasonable efforts to coordinate construction work 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 informed of its intent to undertake such construction work. The Parties shall further exercise reasonable efforts to minimize any delay or hindrance to any construction work undertaken by themselves or other utilities within the Franchise Area.

10.2 All construction or installation of Alliance Facilities, service, repair, or relocation of the same, performed along or under any Public Rights-of-Way shall be done in such a manner as not to materially interfere with the construction and maintenance of other utilities, public or private, drains, drainage ditches and structures, irrigation ditches and structures, located therein, nor with the grading or improvement of such Public Rights-of-Way or other County property. The Alliance shall coordinate the location and relocation of its Facilities with other utilities to maximize the orderly alignment of all utilities. The County agrees to use reasonable efforts to notify franchise

holders of right-of-way work and require reasonable cooperation among franchise holders, but in no event shall the County be liable for failure to coordinate.

10.3 Shared Use of Excavations. If at any time, or from time to time, either the Alliance or the County excavates within the Franchise Area, the excavating Party shall afford the other Party, upon receipt of a written request to do so, an opportunity to jointly use the excavation, provided that:

10.3.1 No statutes, laws, regulations, or ordinances prohibit or restrict the proximity of other utilities or facilities to Alliance Facilities installed or to be installed within the area to be excavated;

10.3.2 The Parties' joint use of the excavations shall not unreasonably delay the work of the excavating Party; and

10.3.3 The Parties' joint use of the excavations 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. To the extent, the Party requesting joint use of the excavation causes additional cost or delay, that Party shall be responsible for the additional costs.

10.4 Trenching Limited. The County prohibits open trenching for five (5) years following a street overlay or improvement project, except that the County's prohibition shall not be unreasonably imposed nor will the prohibition apply to emergency street trenching. The County shall give the Alliance written notice at least one hundred eighty (180) days prior to the commencement of the project. Untrenched construction methods, such as pushing, boring or bore-pulling, must be explored and exhausted before filing a request for an exception.

11. Vacation of Franchise Area. Whenever any portion of the Franchise Area is vacated upon a finding that it is not useful and the public will be benefited by the vacation, the County may retain an easement in respect to the vacated land for the construction, repair and maintenance of public utilities and services which at the time of the vacation are specifically authorized under this Franchise or physically located on a portion of the land being vacated, but only in accordance with the provisions of RCW 36.87.140. The County shall not be liable for any damages or loss to the Alliance by reason of any such vacation. The Alliance is obligated to notify the County if the Alliance wishes the County to retain an easement. Upon receipt of notice from the Alliance that it wishes the County to retain an easement, the County shall use its best reasonable efforts to retain the easement.

12. Rights and Powers Reserved to the County.

12.1 Eminent Domain. This Franchise is subject to the power of eminent domain and the rights of the Board to repeal, amend, or modify this Franchise. To the extent of an exercise of eminent domain by the County, this Franchise itself shall have no value.

12.2 Police Power. In granting this Franchise, the County does not waive any of its police powers to regulate the use of the Public Rights-of-Way.

12.3 Compensation. The Franchise granted hereunder is subject to the County's right, which is expressly reserved, to annually fix a fair and reasonable fee to reimburse the County's costs in connection with administration and oversight of this Franchise, and in connection with reviewing, inspecting, monitoring and supervising the use and occupancy of the Public Rights-of-Way. Nothing herein shall prohibit the County and Grantee from agreeing upon the compensation to be paid.

12.4 Nonwaiver of Rights. The County and the Alliance agree that the excuse or forgiveness of performance or waiver of any provision of this Franchise does not constitute a waiver of such provision(s) or future performance, or prejudice the right of the waiving party to enforce any of the provisions of this Franchise at a subsequent time.

13. Transfers or Assignment.

13.1 Consent. All of the provisions, conditions, and requirements herein contained shall be binding upon the Alliance, and no right, privilege, license, or authorization granted to the Alliance hereunder may be assigned or otherwise transferred without the prior written authorization and approval of the County, which the County may not unreasonably withhold, condition, or delay. A merger, consolidation, or membership expansion of the Alliance with or into another municipal corporation shall not be considered an assignment for the purposes of this **Section 13**.

13.2 Binding on Successors. All provisions, conditions, regulations, obligations, liabilities of the Alliance, and requirements herein contained shall be binding upon the successors and assigns of the Alliance. Upon approval by the County of Assignment or Novation, all privileges and responsibilities, of the Alliance, as applicable, shall inure to its successors and assigns equally as if they were specifically mentioned wherever the Alliance is mentioned.

14. Default.

14.1 Default by the Alliance. If the Alliance materially defaults in the performance of the terms and conditions of this Franchise, the County may terminate this Franchise as provided in **Subsection 14.2** below. Upon termination of this Franchise, all rights of the Alliance hereunder shall cease.

14.2 Notice and Opportunity to Cure. If the Alliance fails to comply with any of the provisions of this Franchise, unless otherwise provided for herein, the County may serve upon the Alliance a written order to so comply within thirty (30) days from the date such order is received by the Alliance. If the Alliance is not in compliance with this Franchise after expiration of said thirty (30) day period, the County may act to remedy the violation and may charge the costs and expenses of such action to the Alliance. The County may act without the thirty (30) day notice in case of an emergency. The

County may, in addition, by resolution adopted no sooner than ten (10) days after notice of the County Commission hearing (at which the Alliance will have an opportunity to be heard) on the impending resolution, declare an immediate forfeiture of this Franchise; provided, that if any material failure to comply with this Franchise by the Alliance cannot be corrected with due diligence within the thirty (30) day period, and if the Alliance's obligation to comply and to proceed with due diligence is subject to unavoidable delays and events beyond its control, then the time within which the Alliance may so comply shall be extended for such time as may be reasonably necessary and so long as the Alliance commences promptly and diligently to effect such compliance, provided that a good faith dispute does not exist concerning such compliance.

14.3 Force Majeure. The Alliance shall not be deemed in default of any provisions of this Franchise, or subject to any penalty hereunder, where performance or compliance is prevented by Acts of God, including, without limitation, civil emergencies or natural disasters.

14.4 Termination by the Alliance. Upon ninety (90) days' notice to the County, the Alliance may terminate this Franchise.

14.5 Default by the County. The Alliance shall have the right to seek equitable relief if the County materially defaults in the performance of the terms and conditions of this Franchise for a period of thirty (30) days after receipt of written notice thereof to cure.

15. Hazardous Substances and Conditions.

15.1 Hazardous Substances. If the Alliance or Alliance Facilities cause the release of any Hazardous Substance into or upon any Public Rights-of-Way contrary to any State or Federal law, the Alliance shall promptly notify the County Engineer in writing of such release. The Alliance shall indemnify and hold the County harmless from any and all liability resulting from such release. The County shall be entitled to full contribution for all costs incurred by the County as the result of such release of Hazardous Materials caused by the Alliance.

15.2 Hazardous Conditions. Whenever the County Engineer determines that any conditions or operations caused by any activity covered by this Franchise have become a hazard to life and limb, endanger property or public resources, or adversely affect the safety, use, or stability of Public Rights-of-Way, the County Engineer may notify the Alliance in writing of the property upon which the condition or operation is located for the purpose of eliminating the condition or operation within the period specified therein. Should the County Engineer have reasonable cause to believe that the severity of the situation makes written notice unreasonable, the County Engineer may take measures necessary to eliminate the hazardous situation; provided, that the Engineer shall first make a reasonable effort to notify the Alliance before acting. If costs are incurred and the hazardous situation has been created in conjunction with or as a result of an operation for which a bond has been posted, the County Engineer shall

have the authority to forfeit the bond or other security to recover costs incurred if the Alliance fails to pay such costs.

15.3 Preexisting Conditions. The Alliance shall not be liable for any hazardous substances or hazardous conditions existing in the Public Rights-of-Way prior to its right-of-way work. The County shall hold the Alliance and its officers, employees, and agents harmless for claims relating to pre-existing hazardous substances or hazardous conditions. To the extent the Alliance becomes aware of hazardous substances or hazardous conditions in the Public Rights-of-Way, the Alliance shall immediately discontinue work and notify the County.

16. Indemnification.

16.1 County Indemnified. In addition to and distinct from the insurance requirements of this Franchise, the Alliance shall indemnify and hold the County, its agents, officers, employees, volunteers, and assigns harmless from and against any and all claims, demands, liability, loss, cost, damage, or expense of any nature whatsoever, including all costs and attorney fees, made against them on account of injury, sickness, death, or damage to persons or property to the extent caused by or arising out of the willful, tortious, or negligent acts, failures, or omissions of the Alliance or its agents, servants, employees, contractors, subcontractors, or assigns in the construction, operation, or maintenance of Alliance Facilities or in exercising the rights granted the Alliance in this Franchise; provided that such indemnification shall not extend to injury or damage to the extent caused by the reckless or willful misconduct of the County, its agents, officers, employees, volunteers, or assigns.

16.2 Alliance Indemnified. The County shall indemnify and hold the Alliance, its agents, officers, employees, volunteers, and assigns harmless from and against any and all claims, demands, liability, loss, cost, damage, or expense of any nature whatsoever, including all costs and attorney fees, made against them on account of injury, sickness, death, or damage to persons or property to the extent caused by or arising out of the willful acts, failures, or omissions of the County or its agents, servants, employees, contractors, subcontractors, or assigns in the County's performance, administration, and operation of this Franchise or in exercising the rights granted the County in this Franchise; provided that such indemnification shall not extend to injury or damage to the extent caused by the negligence or willful misconduct of the Alliance, its agents, officers, employees, volunteers, or assigns.

16.3 Notice. In the event any such claim or demand be presented to or filed with the Alliance or the County arising out of or relating to the acts or omissions in whole or in part of the other Party, the Alliance or the County shall promptly notify the other Party thereof, and the notified Party shall have the right, at its election and at its sole cost and expense, to settle and compromise such claim or demand.

16.4 Limits. 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 County and the Alliance, their officers, employees, and agents, the County's and the Alliance's liability hereunder shall be only to the extent of the County's or the Alliance's respective negligence.

16.5 Waiver of Immunity. It is further specifically and expressly understood that the indemnification provided herein constitutes the Parties' respective waivers of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This **Subsection 16.5** has been specifically negotiated by the Parties.

17. Insurance.

17.1 Minimum Insurance. The Alliance shall maintain in full force and effect throughout the term of this Franchise, a minimum of Ten Million Dollars (\$10,000,000.00) liability insurance for property damage and bodily injury, including business automobile liability insurance for owned, non-owned and hired vehicles with limits of not less than One Million Dollars (\$1,000,000) per person, Two Million Dollars (\$2,000,000) per accident, and employers liability coverage with a limit of not less than One Million Dollars (\$1,000,000) per occurrence.

17.2 Self and Pooled Insurance. In satisfying the insurance requirement set forth in this **Section 17**, the Alliance may self-insure or insure under a state-approved risk pool against such risks in such amounts as are consistent with good utility practice. The Alliance shall provide the County with sufficient written evidence, the sufficiency of which shall be determined at the reasonable discretion of the County, upon request, that such insurance (or self insurance) is being so maintained by the Alliance. Such written evidence shall include, to the extent available from the Alliance's insurance carrier, a written certificate of insurance with respect to any insurance maintained by the Alliance in compliance with this **Section 17**.

17.3 Workers Compensation. The Alliance shall maintain Workers' Compensation insurance to the extent required by Title 51, RCW.

17.4 Maintenance of Coverage. The insurance policies required by this section shall be maintained at all times by the Alliance. Each liability policy shall be endorsed to require the insurer to notify the County at least forty-five (45) days before the policy can be canceled by either the insurer or the Alliance, and to require notice of cancellation due to non-payment of premium to be mailed to the County Public Works Director as well as the named insured. The Alliance will be obligated to replace or renew the canceled or expiring policy and show proof in the form of a certificate of insurance, at least twenty (20) days before the expiration or cancellation of the existing policy(s).

17.5 No Limitation. The insurance limits mandated for any insurance coverage required by this Franchise are not intended to be an indication of limits of exposure nor are they limitations on liability or indemnification.

18. Incorporation/Annexation.

18.1 City or Town. If any Public Rights-of-Way covered by this Franchise are incorporated into the limits of any city or town, this Franchise shall terminate as to such Public Rights-of-Way within the corporate limits of such city or town.

18.2 New County. If, pursuant to Article XI, §3, of the Washington Constitution, territory is stricken or taken from the County and a new county is established from the territory taken from the County, this Franchise shall terminate as to any Public Rights-of-Way within the territory so taken to establish the new county.

19. Notices. All notices and other communications under this Franchise shall be in writing by facsimile, regular U.S. mail, or certified mail, return receipt requested.

If to the County, the notice shall be sent to:

Clark County Public Works
Attn: Public Works Director
PO Box 9810
Vancouver WA 98666-9810

with a copy to:

Clark County Prosecuting Attorney's Office
Attn: Chief Civil Deputy
1013 Franklin Street
PO Box 5000
Vancouver WA 98666-5000

If to the Alliance, the notice shall be sent to:

Discovery Clean Water Alliance
c/o Clark Regional Wastewater District
Attn: General Manager
8000 NE 52nd Court
PO Box 8979
Vancouver, WA 98668-8979

with a copy to:

Foster Pepper PLLC
Attn: Hugh D. Spitzer
1111 Third Avenue, Suite 3400
Seattle, WA 98101-3299

Either Party may notify the other Party in writing of changes in the persons to whom notices are to be delivered. Notices shall be deemed given upon delivery or, if mailed, upon the earlier of actual receipt or three (3) business days after the date of mailing.

20. Dispute Resolution.

20.1 Mediation. The Parties shall first attempt to resolve a dispute arising from this Franchise by discussions among a County representative or representatives selected by the Public Works Director and an Alliance representative or representatives selected by the Alliance, or by the Alliance Administrative Lead, if appropriate. If the discussions are not successful, the Parties shall engage in mediation within forty-five (45) days of termination of discussions, according to a process and before a mediator agreed upon by the Parties. Unless otherwise agreed upon between the Parties or determined herein, the cost of that process shall be shared equally by the Parties. The Parties reserve their rights to pursue any available equitable remedies at any time after the conclusion of the mediation.

20.2 Governing Law; Jurisdiction and Venue. This Franchise shall be interpreted in accordance with the laws of the State of Washington. As against the other Party, the County and the Alliance shall file suit to enforce this Franchise only in the Superior Court of Clark County, Washington.

21. Entire Agreement. This Franchise constitutes the entire understanding and agreement between the Parties as to the subject matter herein and no other agreements or understandings, written or otherwise, shall be binding upon the Parties upon execution and acceptance hereof.

22. Amendment.

22.1 Written Instrument. This Franchise may be amended only by written instrument, signed by both Parties, which specifically states that it is an amendment to this Franchise, and is approved and executed in accordance with the laws of the State of Washington; provided, however, that this franchise will always be subject to and superseded where inconsistent with the County Code as such provision is enacted to protect the health or safety of County residents.

23. General.

23.1 Survival of Terms. The Parties' mutual obligations in **Section 16** ("Indemnification") of this Franchise shall survive the termination, expiration, revocation, or forfeiture of this Franchise.

23.2 Severability. If any term, provision, condition, or portion of this Franchise is held by a court of competent jurisdiction to be invalid or unenforceable, such action shall not affect the validity or enforceability of the remaining portions of this Franchise.

23.3 Waiver. Waiver of any default shall not be deemed to be a waiver of any subsequent default. The failure of either Party to enforce any breach or violation by the other Party or any provision of this Franchise shall not be deemed to be a waiver or a continuing waiver by the non-breaching Party of any subsequent breach or violation of the same or any other provision of this Franchise, unless stated to be such through

written approval of the non-breaching Party and attachment of such written approval to this Franchise.

23.4 No Third Party Beneficiaries. The rights and obligations created by this Franchise are for the sole benefit of the Parties, their successors or assigns, and no person not a Party shall be a beneficiary, intended or otherwise, of any such rights or be entitled to enforce any of the obligations created by this Franchise.

23.5 Headings. Any headings to articles, sections, or paragraphs appearing herein are not part of the terms of this Franchise and shall not be interpreted as such.

24. Directions to the Clerk of the Board. Upon passage of the Resolution that grants this Franchise, the Clerk of the Board of Clark County Commissioners is authorized and requested to forward a certified copy of the Resolution to the Alliance. The Alliance shall have sixty (60) days from the receipt of the certified copy of the Resolution to accept in writing the terms of the Resolution and this Franchise.

25. Alliance Acceptance of Franchise. The Alliance shall have no rights under this Franchise nor shall the Alliance be bound by the terms and conditions of this Franchise unless the Alliance shall, within sixty (60) days after the effective date of the Resolution that grants this Franchise, file with the County its written acceptance of the Resolution and this Franchise.

26. Effective Date of Franchise. The terms and conditions of this Franchise shall not be binding on the County and the Alliance unless the Alliance Board of Directors adopts a resolution accepting this Franchise within sixty (60) days of the effective date of the Resolution, and the date of the adoption of such resolution by the Alliance Board of Directors shall be the effective date ("Effective Date") of this Franchise.

ADOPTED this 24 day of June, 2014.

Attest:

BOARD OF COUNTY COMMISSIONERS
Clark County, Washington

By: *Ina Redlin*
Deputy Clerk to the Board

By: *Tom Mielke*
Tom Mielke, Chair

APPROVED AS TO FORM ONLY:
Anthony F. Golik, Prosecuting Attorney

By: _____
David Madore, Commissioner

By: *Christy Anne*

By: _____
Edward L. Barnes, Commissioner

ACCEPTANCE:
DISCOVERY CLEAN WATER ALLIANCE,
a Washington municipal corporation

Date: _____

By: _____
Ron Onslow, Chair, Board of Directors

Attest: _____
Neil Kimsey, Secretary, Board of Directors

Approved: _____
Hugh D. Spitzer, Alliance Attorney