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REVOCABLE LICENSE, RELEASE AND INDEMNITY AGREEMENT

THIS REVOCABLE LICENSE, RELEASE AND INDEMNITY AGREEMENT (this "Agreement") is made and entered into as of the ___ day of March, 2007, by and between SILVER LAKE WATER & SEWER DISTRICT ("SLWSD") of Bothell, Washington, a municipal corporation organized and existing under the laws of the State of Washington and PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON, a municipal corporation organized and existing under the laws of the State of Washington (the "PUD") (individually a "Party" and collectively the "Parties") for the purposes set forth below:

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. GRANT OF PERMISSION, LICENSE AND PAYMENT. The PUD has requested permission and license from the SLWSD to go upon and about the property of the SLWSD, specifically the facility located at 15205 41 Ave. SE, Bothell, WA 98012 ("Facility"). This permission allows one PUD service vehicle to be parked at the SLWSD facility when not being used by the PUD. One PUD employee may park his or her personal vehicle at the facility while the PUD employee is using the PUD service vehicle. Either vehicle will be parked in space as designated by SLWSD. The PUD may plug the service vehicle into an electrical outlet adjacent to the designated space in order to charge the vehicle's battery and equipment.

The SLWSD hereby grants to the PUD permission and license, revocable and terminable as provided in this Agreement, to use the SLWSD's facility described above on a seven (7) days a week/24 hours a day basis as needed by the PUD limited to the purpose set forth above. Ingress to the Facility will be by prox-card and the SLWSD will provide three (3) such cards for PUD use. Vehicles may exit the Facility without the prox-card. SLWSD understands that PUD mechanics may need to maintain the service vehicle from time to time while it is parked at the Facility.

The PUD will pay the SLWSD the amount of \$508.31 on an annual basis starting on the effective date of this license and each year thereafter for the electricity used by the PUD's service vehicle. The PUD shall also pay SLWSD the amount of Five hundred dollars (\$500.00) on the effective date of this license and each year thereafter as a fee for the PUD's use of the portion of the Facility as defined and authorized herein. SLWSD shall invoice the PUD for these payments.

2. PUD WAIVER AND RELEASE. The PUD hereby accepts and assumes any and all risks inherent in PUD'S use of the SLWSD's property, and releases and discharges SLWSD and its officers, employees and agents, and each of the heirs, personal representatives, successors and assigns of any of the foregoing (SLWSD and any such person, a "Releasee") from and against any and all losses, claims, damages, costs and liabilities of every type and nature resulting from, relating to or arising out of or in connection with such use, including but not limited to any negligence or gross negligence of any Releasee, or any negligence, gross negligence or willful

misconduct of the undersigned or any other person aside from any Releasee, in or in connection with such use.

3. PUD INDEMNIFICATION. PUD hereby indemnifies and agrees to hold harmless every Releasee from and against any and all losses, claims, damages, costs and liabilities of every type and nature resulting from, relating to or arising out of or in connection with any such use, together with any reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses and reasonable costs and expenses of investigation) incurred in connection with any of the foregoing. The PUD hereby specifically and expressly agrees that the indemnification obligations of the PUD under this Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefits acts or other employee benefits acts.

In addition, the PUD agrees that it will not use, generate, store or dispose of any hazardous substance on, under, about or within the Facility in violation of any law or regulation. PUD further to defend, indemnify and hold every Releasee harmless from and against any and all losses, liabilities, claims and costs, including reasonable attorneys' fees and costs, arising from any breach of any representation, warranty or agreement contained in this section. As used in this section, the term "hazardous substance" shall mean any pollutant, contaminant, hazardous, toxic or dangerous waste, chemical substance, or material or any other substance or material regulated pursuant to environmental laws or regulations (either local, state or federal including CERCLA, RCRA, the Washington Model Toxics Control Act, the Washington Hazardous Waste Management Act) including, without limitation, asbestos, petroleum, petroleum products, natural gas, natural gas liquids, synthetic gas, PCBs, or any other substance defined under law as a hazardous waste, dangerous waste, extremely hazardous waste, hazardous material, toxic substance or toxic chemical.

4. NOTICES AND OTHER COMMUNICATIONS.

4.1. Any notice required or permitted to be given under or pursuant to this Agreement shall be in writing and shall be delivered to the intended recipient party at its address set forth below either (i) in person, (ii) by overnight delivery service, (iii) by United States certified mail, return receipt requested, or (iv) by facsimile equipment providing confirmation of completed transmission, if a copy of such facsimile transmission is immediately sent by either first class mail, postage prepaid, or by one of the alternative means set forth in (i), (ii) or (iii) above. Notices delivered in person or sent by overnight courier shall be effective upon delivery. Notices sent by certified mail shall be effective on the date shown on the return receipt as the date of delivery or on the date on which the Post Office certifies that it was unable to deliver. Notices sent by facsimile shall be effective upon transmission, if a copy of such facsimile transmission is immediately sent by either first class mail, postage prepaid, or by one of the alternative means set forth in (i), (ii) or (iii) above.

SILVER LAKE WATER & SEWER DISTRICT
Patrick Curran, General Manager
P.O. Box 13888
Mill Creek, WA 98082
Phone (425) 337-3647

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY
Attn: Brian Cobb, Energy Control Superintendent

Distribution Services Division
Operations Center
P.O. Box 1107
Everett, WA 98206
Phone: (425) 783-5034

4.2 Either party may change the address to which notices should be sent by giving notice of such change in accordance with the requirements of Section 4.1.

5. WAIVERS. Except as otherwise provided herein or as agreed by the parties, no provision of this Agreement may be waived except as documented or confirmed in writing. Any waiver at any time by a party of its right with respect to a default under this Agreement, or with respect to any other matter arising in connection therewith, shall not be deemed a waiver with respect to any subsequent default or matter.

6. INVALID PROVISION. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

7. TERM AND TERMINATION OF AGREEMENT AND REVOCABLE LICENSE

This Agreement and the permission and license granted to the PUD as set forth herein shall commence and be effective with execution of this Agreement and continue for a period not to exceed three (3) years from the date of execution. Notwithstanding any other term of this Agreement, this Agreement may be terminated by either Party by giving the other Party thirty (30) days written notice of intent to terminate the Agreement and SLWSD shall have the right to terminate this Agreement and revoke the permission and license granted herein immediately if the PUD fails to comply with or abide by the provisions of this Agreement as determined by SLWSD in its sole discretion.

8. AMENDMENT. No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by both parties.

9. ASSIGNMENT; BINDING AGREEMENT. Neither party may assign this Agreement, or all or any part of such party's rights or obligations under this Agreement.

10. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. AUTHORIZATION. The persons executing this Agreement on behalf of the respective party represents and warrants that the person has the authority and is authorized to enter into this Agreement on behalf of the respective Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written which shall be the effective date of this Agreement. .

SILVER LAKE WATER & SEWER DISTRICT

By: *P ~ Curran*

Name: *Patrick Curran*
(Print/Type)

Title: *General Manager*

PUBLIC UTILITY DISTRICT NO. 1 OF
SNOHOMISH COUNTY, WASHINGTON

By: *David M. Roberts 3-26-07*

Name: *DAVID M. ROBERTS*
(Print/Type)

Title: *Senior Manager - DCS*