

When Recorded Return To:

Puget Sound Energy, Inc.
Corporate Facilities Department OBC-11N
P.O. Box 97034
Bellevue, WA 98009-9734



200204160083
Skagit County Auditor
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FIRST AMERICAN TITLE CO.
ACCOMMODATION RECORDING ONLY

M7809

EASEMENT FOR INGRESS, EGRESS, GAS COMPRESSOR AND OVERHEAD AND UNDERGROUND UTILITIES

REFERENCE #:

GRANTOR: Puget Sound Energy, Inc.
GRANTEE: Cascade Natural Gas Corporation
LEGAL DESCRIPTION: N 1/2, NE 1/4, NW 1/4, 09-34N-03E
ASSESSOR'S PROPERTY TAX PARCEL: P21272

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

APR 16 2002

Amount Paid \$0
Skagit Co. Treasurer
By *[Signature]* Deputy

THIS EASEMENT ("Easement") is made this 9th day of APRIL, 2002, between PUGET SOUND ENERGY, INC., a Washington corporation ("PSE" herein), and CASCADE NATURAL GAS CORPORATION, a Washington corporation ("Grantee" herein);

WHEREAS, PSE is the owner of certain real property in Skagit County, Washington, which property is legally described on Exhibit A attached hereto (the "Property"); and

WHEREAS, Grantee desires the easements as set forth herein which are legally described on Exhibit B and depicted on Exhibit C attached hereto;

NOW THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Grant of Easement.** PSE hereby conveys, grants and quitclaims to Grantee a non-exclusive perpetual easement across, along, in, upon and under the easement area as legally described on Exhibit B and depicted on Exhibit C (the "Easement Area") for the use and purpose of operating, maintaining and upgrading a gas compressor station and related pipelines (collectively the "Improvements"). PSE also grants an easement for utilities (the "Utility Easement") as described in Section 7 below. In addition to the Easement Area and Utility Easement, PSE grants Grantee the right to travel across the Property in an area to be determined by PSE (the "Access Area"), as described in Section 8 below, to allow Grantee access to the Easement Area.

2. **Compliance with Laws and Rules.** The Grantee shall maintain and use the Improvements in accordance with the requirements of any statute, order, rule or regulation of any public or governmental authority having jurisdiction.

No monetary consideration has been paid

3. **Use of the Property by PSE.** Grantee's rights herein shall at all times be subordinate to such rights of PSE as are necessary to preserve and maintain the capabilities of the Property to be used for utility purposes, and nothing herein contained shall prevent or preclude PSE from undertaking construction, installation and use of any utility facilities within the Property, the Easement Area, or the Utility Easement provided such use is not inconsistent with Grantee's use thereof including additional facilities that may be necessary in the future. PSE shall notify Grantee prior to any subsequent proposed uses of the Easement Area.

4. **As-Built Survey.** Upon PSE's request, Grantee shall promptly provide PSE with as-built drawings and survey showing the location and elevations of the Improvements on the Easement Area and Utility Easement.

5. **Grantee's Use and Activities.** Grantee shall exercise its rights under this Easement so as to minimize and avoid, insofar as possible, interference with the use by PSE of the Property for utility purposes and shall at all times conduct its activities on the Easement Area and Utility Easement so as not to interfere with, obstruct or endanger PSE's operations or facilities.

6. **Work Standards.** Grantee shall exercise the utmost caution when conducting its activities in the vicinity of any of PSE's energized utility lines in order to prevent any contact therewith. Upon completion of such work Grantee shall remove all debris and restore the ground surface as nearly as possible to the condition in which it was at the commencement of such work, and shall replace any property corner monuments which were disturbed or destroyed during construction. Grantee shall also pay to PSE all of PSE's costs necessary to re-establish destroyed survey references and hubs established by PSE in conjunction with any survey for new facilities on the Property.

7. **Utilities.** Any and all utilities to the Easement Area shall be delivered over, under and across the 15' utility easement as legally described in Exhibit B and depicted on Exhibit C.

8. **Access.** Grantee shall access the Easement Area from Ovenell Road through a gate presently existing northeast of the Easement Area (the "Access Point"). Access shall occur over the existing access road (the "Access Road") located within the North 150.00 of the Property East of the Easement Area (the "Access Area") depicted on Exhibit C. PSE may (i) relocate the Access Road and/or the Access Point for any reason at any time, and/or (ii) limit access at any time for security purposes, so long as reasonable access to the Easement Area is maintained. Grantee shall maintain and use the Improvements in such fashion as to permit reasonable and continuous access to the Property, the Easement Area, the Access Area, and the Utility Easement (as described below) in all directions. Grantee shall at all times keep the Easement Area, the Access Area, and the Utility Easement free and clear of all unapproved obstructions and equipment.

9. **Termination for Breach.** In the event Grantee breaches or fails to perform or observe any of the terms and conditions herein, and fails to cure such breach or default within ninety (90) days of PSE's giving Grantee written notice thereof, or within such other period of time as may be reasonable in the circumstances, PSE may terminate Grantee's rights under this Easement in addition to and not in limitation of any other remedy of PSE at law or in equity, and the failure of PSE to exercise such right at any time shall not waive PSE's right to terminate for any future breach or default.

10. **Termination for Cessation of Use.** In the event Grantee ceases to use the Improvements for a period of five (5) successive years, this Easement and all Grantee's rights hereunder shall automatically terminate and revert to PSE.



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11. Third Party Rights. PSE reserves all rights with respect to the Property including, without limitation, the right to grant easements, licenses and permits to others subject to the rights granted in this Easement.

12. Indemnity. The Grantee agrees to indemnify, defend and hold PSE harmless from any loss, cost, or damage resulting from Grantees, it's agents, or contractors, use of the Easement Area, the Improvements thereon, or any portion of the Property and PSE agrees to hold the Grantee harmless from any loss, cost, or damage resulting from negligence to the extent PSE, its agents, invitees, or licensees are negligent on the Easement Area.

13. Insurance. Upon execution of this Easement, Grantee shall submit to PSE evidence that Grantee or Grantee's contractors has obtained comprehensive general liability coverage naming PSE as an additional insured (including broad form contractual liability coverage) satisfactory to PSE with limits no less than the following:

Bodily Injury Liability, including automobile bodily injury	\$2,000,000 each occurrence
Property Damage Liability, including automobile property damage liability	\$2,000,000 each occurrence

Said evidence shall be submitted on PSE's standard form Certificate of Insurance (which form PSE shall provide upon request) or such other form as PSE may from time to time approve.

Said coverage shall be maintained by Grantee or Grantee's contractors during the term of this Easement.

14. Title. The rights granted herein are subject to permits, leases, licenses and easements, if any, heretofore granted by PSE affecting the Property subject to this Easement. PSE does not warrant title to the Easement Area and shall not be liable for defects thereto or failure thereof.

15. Notices. Unless otherwise provided herein, notices required to be in writing under this Easement shall be given as follows:

If to PSE:	Puget Sound Energy, Inc. Corporate Facilities OBC-11N P.O. Box 97034 Bellevue, WA 98009-9734
If to Grantee:	Cascade Natural Gas Corporation P.O. Box 24464 Seattle, WA 98124-0464 Attn: Engineering/Right of Way

Notices shall be deemed effective, if mailed, upon the second day following deposit thereof in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, or upon delivery thereof if otherwise given. Either party may change the address to which notices may be given by giving notice as above provided.

16. Assignment. Grantee shall not assign its rights hereunder without the prior written consent of PSE which consent will not be unreasonably withheld or delayed. In considering whether or not to consent to any requested assignment, PSE may consider any reasonable factor, including without limitation the proposed assignee's net worth and credit worthiness. If PSE consents to such an assignment, Grantee shall only be released from liability for any loss, cost, or damage arising or resulting from any act, damage, injury or cause of action that occurs after the date of such assignment.



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17. **Successors.** The rights and obligations of the parties shall inure to the benefit of and be binding upon their respective successors and assigns.
EXECUTED as of the date hereinabove set forth

ACCEPTED:

GRANTEE

GRANTOR

CASCADE NATURAL GAS CORPORATION

PUGET SOUND ENERGY, INC.

By: *Larry E. Linden*

By: *Howard A. Strong*

Its: VP Operations

Its: MANAGER REAL ESTATE

STATE OF WASHINGTON)
) SS.
COUNTY OF KING)

On this 9TH day of APRIL, 2002, before me, the undersigned, personally appeared HOWARD A. STRONG, to me known to be the MANAGER REAL ESTATE of PUGET SOUND ENERGY, INC., the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year above written.



Mary M. Lamping
Print Name MARY M. LAMPING
Notary Public in and for the State of
Washington, residing at RENTON

My commission expires 07-20-2005



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UNDERGROUND UTILITIES
PUGET SOUND ENERGY, INC. TO CASCADE NATURAL GAS CORPORATION**

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The Northeast quarter of the Northwest quarter of Section 9, Township 34 North, Range 3 East, W.M., EXCEPT that portion, if any, lying within the boundaries of the county road running along the North line thereof commonly known as Ovenell Road, and any right of way, if any, for ditch purposes being adjacent to Skid Road.

Together with an easement for ingress, egress and utilities over, under and across the East 30 feet of the West half of the West half of Section 9, Township 34 North, Range 3 East, W.M., lying northerly of the MacFarland County Road. (The North line of said road lying 30 feet northerly of the CR-Line of the state highway known as SR 536, as condemned in Skagit County Superior Court Cause No. 31657, records of Skagit County, Washington.)



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EXHIBIT B

LEGAL DESCRIPTION OF THE EASEMENT AREA

A parcel of land lying within the Northeast quarter of the Northwest quarter of Section 9, Township 34 North, Range 3 East, W.M., Skagit County, Washington, being more particularly described as follows:

Commencing at the North quarter of said Section 9, ^{CORNER} *1106* **thence** North 89°08'06" West along the North line of said Section 9, a distance of 528.82 feet; **thence** South 00°49'47" West a distance of 91.40 feet to the **TRUE POINT OF BEGINNING**; **thence** continuing South 00°49'47" West a distance of 100.00 feet; **thence** North 89°10'13" West a distance of 100.00 feet; **thence** North 00°49'47" East a distance of 100.00 feet; South 89°10'13" East a distance of 100.00 feet to the **TRUE POINT OF BEGINNING**.

LEGAL DESCRIPTION OF THE UTILITY EASEMENT

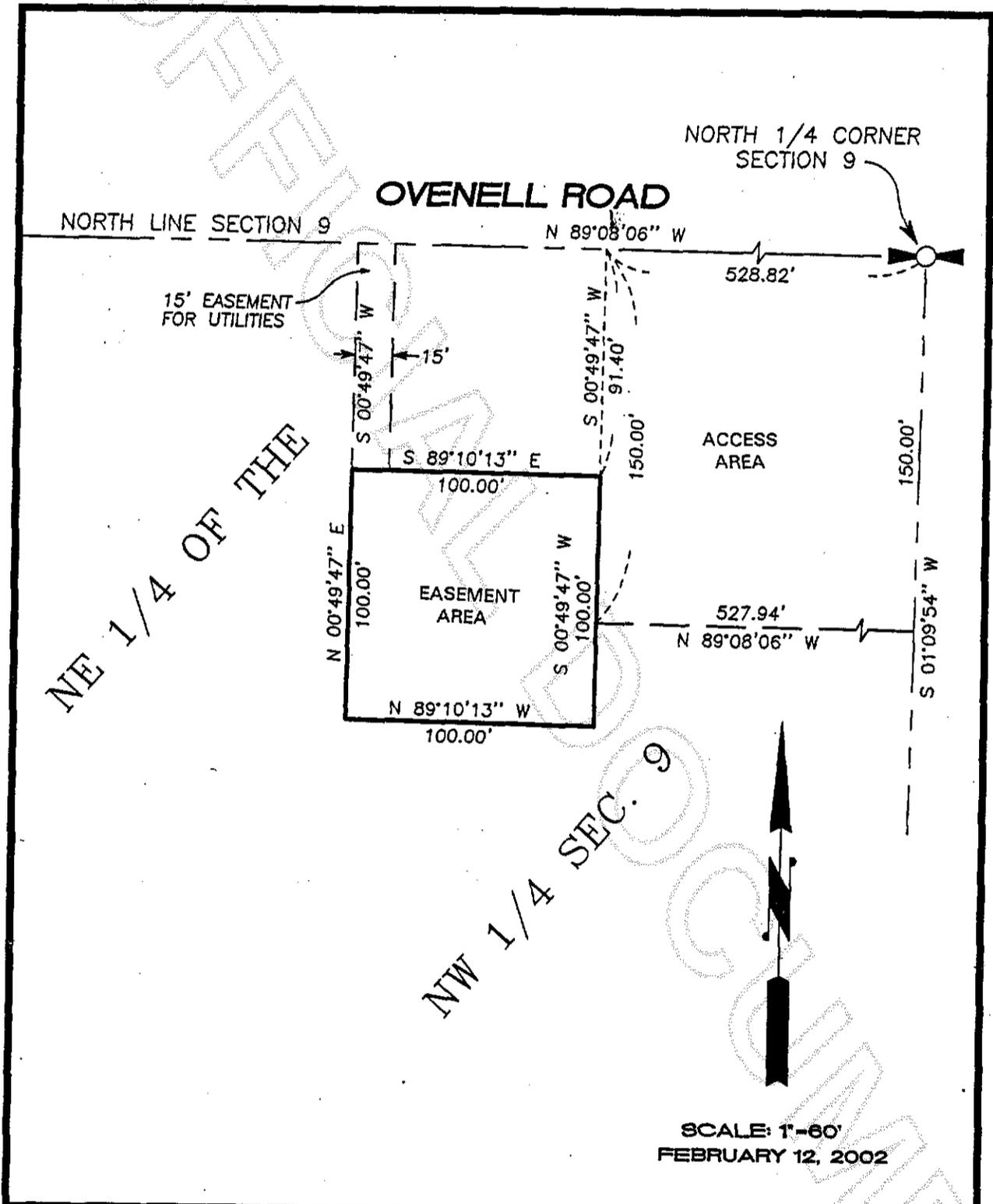
An easement for utilities over, under and across the West 15.00 feet of that portion of said Northeast quarter of the Northwest quarter lying East of the Northerly extension of the West line of the above described 100 foot by 100 foot tract, and North of its North line.



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EXHIBIT C



**EXHIBIT CASCADE NATURAL GAS EASEMENT
 FOR PUGET SOUND ENERGY**

A POR. OF THE NE 1/4 OF THE NW 1/4 OF SEC. 9, TWP. 34 N., RGE. 3 E., W.M.



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