



200803070067

Skagit County Auditor

3/7/2008 Page 1 of 5 3:01PM

RETURN ADDRESS:

CASCADE NATURAL GAS CORPORATION
ATTN: Engineering/Right of Way
PO Box 24464
SEATTLE, WA 98124-0464

**NATURAL GAS SERVICE LINE AGREEMENT
FOR LINE WITHIN TALLAWHALT PROJECT PHASE I**

CONSENTOR: SWINOMISH INDIAN TRIBAL COMMUNITY
CONSENTEE: CASCADE NATURAL GAS CORPORATION
SHORT LEGAL: Tract 39 Tallawhalt phase 1
ASSESSORS'S PROPERTY TAX PARCEL: Portion P20067/P126705

For and in consideration of One Dollar (\$1.00) and other valuable consideration in hand paid, **SWINOMISH INDIAN TRIBAL COMMUNITY**, a federally recognized Indian Tribe organized pursuant to Section 16 of the Indian Reorganization Act of 1934 (25 U.S.C. § 476) ("Tribe" herein), and **CASCADE NATURAL GAS CORPORATION** a Washington Corporation ("CNG" herein), hereby agree as follows:

CNG, for the purposes hereinafter set forth, and subject to and conditioned upon the terms hereinafter set forth, is authorized to construct and maintain a natural gas service line over, along, under, across and through the following described real property ("Property" herein) in Skagit County, Washington:

TRACT 39 AS SHOWN ON THAT CERTAIN SURVEY OF TALLAWHALT PHASE 1 AS RECORDED UNDER AUDITOR'S FILE NO. 200708160141; BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 34 NORTH, RANGE 2 EAST W.M.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.

Except as may be otherwise set forth herein CNG shall construct and maintain the natural gas service line upon that portion of the Property ("Service Line Extension Area" herein) described as follows:

A strip of land ten (10) feet in width with five (5) feet on each side of the natural gas service line of Cascade Natural Gas Corporation or its successors as now constructed, to be constructed, extended or relocated lying within the above described parcel - the location, size and extent of which service line is generally adjacent to and along the Puget Sound Energy electric distribution line shown on Exhibit "A" as hereto attached and by reference incorporated herein. This description may be superseded at a later date with a surveyed description provided at no cost to CNG.

1. **Purpose.** CNG shall have the right to use the Service Line Extension Area to construct, operate, maintain, repair, replace, improve, remove, and enlarge for one or more utility systems owned and/or operated by CNG only and solely for the purpose of distribution and sale of natural gas. Such systems may include, but are not limited to:

a. **Above ground facilities.** Regulator station, metering equipment and attachments and any and all other facilities or appurtenances necessary or convenient to any or all of the foregoing solely for the purpose of transmission, distribution and sale of natural gas; and.

b. **Underground facilities.** Conduits, natural gas lines, for natural gas, meters, attachments and any and all other facilities or appurtenances necessary or convenient to any or all of the foregoing solely for the purpose of transmission, distribution and sale of natural gas.

Following the initial construction of all or a portion of its systems, CNG may, from time to time, construct such additional facilities as it may require for such systems solely for the purpose of transmission, distribution and sale of natural gas. CNG shall have the right of access to the Service Line Extension Area over and across the

Property to enable CNG to exercise its rights hereunder. CNG shall compensate the Tribe for any damage to the Property caused by the exercise of such right of access by CNG.

2. **Service Line Extension Area Clearing and Maintenance.** CNG shall have the right to cut, remove and dispose of any and all brush, trees or other vegetation in the Service Line Extension Area. CNG shall, prior to the exercise of such right, identify such trees and make a reasonable effort to give the Tribe prior notice that such trees will be cut, trimmed, removed or disposed of. CNG shall also have the right to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of brush, trees or other vegetation in the Service Line Extension Area.

3. **The Tribe's Use of Service Line Extension Area.** The Tribe reserves the right to use the Service Line Extension Area for any purpose not inconsistent with the rights herein granted and CNG agrees to not interfere with the use of the Service Line Extension Area by or under the authority of the Tribe for any purpose not inconsistent with the primary purpose for which the Service Line Extension is granted provided, however, the Tribe shall not construct or maintain any buildings, structures or other objects on the Service Line Extension Area. The Tribe's use of the Service Line Extension Area may include, but is not limited to, use for the installation, operation and transmission of utility services by the Tribe or third parties, including electricity, television, telephone, and data.

4. CNG shall construct and maintain the service line extension in a workmanlike manner, shall obtain all necessary permits, including Tribal permits, in connection with the construction, operation and maintenance of the service line extension (including any clearing or maintenance described in paragraph 2 of this Agreement) and shall comply with all applicable Federal, Tribal and State laws.

5. CNG shall pay promptly all damages and compensation determined by a court of competent jurisdiction to be due the Tribe and any authorized users of the Service Line Extension Area on account of the survey, construction and maintenance of the service line extension.

6. CNG agrees to indemnify, defend and hold harmless the Tribe and authorized users of the Service Line Extension Area against any liability for loss of life, personal injury and property damage arising from the construction, maintenance, occupancy or use of the service line extension by CNG, its contractors, subcontractors and their respective employees and agents: Provided, however, that nothing herein shall require CNG to indemnify, defend, and hold the Tribe and authorized users harmless for any such liability attributable to the negligence of the Tribe or the negligence of others not specifically named in this paragraph.

7. CNG agrees to restore the Service Line Extension area as nearly as is possible to its original condition upon the completion of construction to the extent compatible with the purpose for which the Service Line Extension was granted, to dispose of all vegetative and other material cut, uprooted, or otherwise accumulated during the construction and maintenance of the Service Line Extension, and to repair such roads and other improvements as may be destroyed or injured by construction work.

8. CNG agrees that upon termination of the Natural Gas Service Line Extension Agreement, CNG shall remove all of its above-ground equipment, shall cap its natural gas lines, and shall purge all natural gas from all lines that will no longer be used for transmission of natural gas.

9. **Abandonment.** The rights herein granted shall continue until such time as CNG ceases to use the Service line extension area for a period of two (2) successive years, in which event, this Service Line Extension Agreement shall terminate and all rights hereunder, and any improvements remaining in the Service Line Extension Area, shall revert to or otherwise become the property of the Tribe; provided, however, that no abandonment shall be deemed to have occurred by reason of CNG's failure to initially install its systems on the Service Line Extension Area within any period of time from the date hereof.

10. This Service Line Agreement shall in no manner diminish, effect or limit any aspect of the Tribe's jurisdiction, dominion or control, whether civil, criminal, regulatory, adjudicatory, licensing, taxation or otherwise, over the real property on which the Service Line Extension is located, or anyone or anything thereon or therein, or any activities taking place thereon, including but not limited to any person, property, or activity. The Tribe specifically reserves its right to enact and enforce its laws with respect to all activity taking place or property located on, over or under the Service Line Extension Area herein granted, and to otherwise assert the full measure of its jurisdiction over the Service Line Extension Area without regard to whether the entity being regulated is a Tribal member, other Native American or non-Indian. This provision is an essential and indivisible part of this Service Line Extension Agreement, any severability clause in this agreement to the contrary notwithstanding; should this provision, at the request of the CNG, any agent, officer, official or employee of CNG, or any person or entity acting in concert with CNG, be struck



down, ruled unenforceable or ineffective, or in any manner limited, this agreement shall be void and the Service Line Extension Agreement granted by this agreement shall immediately cease.

11. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of successors and assigns of both parties.

DATED this 27th day of September, 2007.

SWINOMISH INDIAN TRIBAL COMMUNITY

BY: Barbara James

Title: Vice-Chair

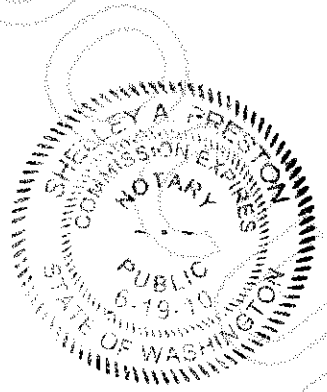
ACKNOWLEDGMENT

STATE OF WASHINGTON)
)
COUNTY OF SKAGIT)

BEFORE ME, a Notary Public, in and for said County and State, on this 27th day of September 2007, personally appeared Barbara James, and who acknowledged that she is and was at the time of signing the Vice Chairwoman of the Swinomish Tribal Senate; and she personally acknowledged to me that she executed the foregoing Natural Gas Service Line Agreement as her free and voluntary act of such Tribe for the uses and purposes set forth in the Agreement.

Sherley A. Preston
Notary Public

My commission expires:
June 19, 2010.



SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAR 07 2008

Amount Paid
By Skagit Co. Treasurers
By Sp Deputy

200803070067
Skagit County Auditor

CASCADE NATURAL GAS

By

[Signature]
DANIEL E. MEREDITH
SR. DIR. SAFETY & ENGR

ACKNOWLEDGMENT

STATE OF WASHINGTON)

COUNTY OF)

BEFORE ME, a Notary Public, in and for said County and State, on this 1st day of OCTOBER, 2007, personally appeared DANIEL E. MEREDITH, and who acknowledged that s/he is and was at the time of signing the same SR. DIR. SAFETY - ENGINEERING Cascade Natural Gas; and s/he personally acknowledged to me that s/he executed the foregoing Natural Gas Service Line Agreement as his/her free and voluntary act of such corporation for the uses and purposes set forth in that Agreement.

[Signature]

Notary Public

My commission expires:

Dec 23, 2008

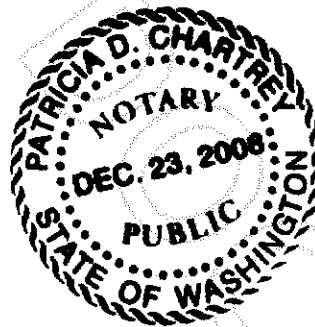


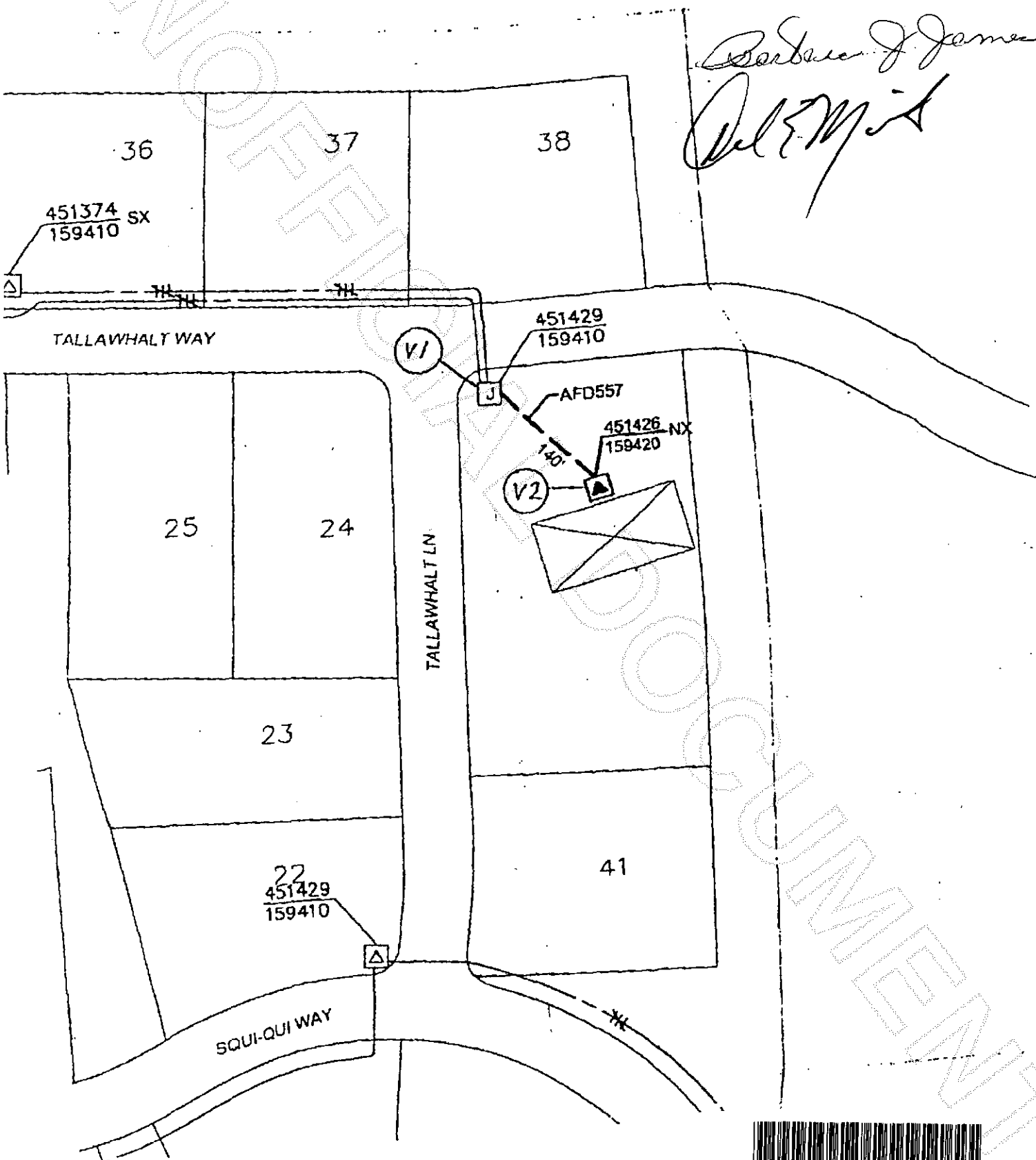
EXHIBIT A

T-511 P.002/002 F-837

+3604242020

1-05-2007 06:40 From-PSE MTVOFC

Barbara J. James
Del E. M. J.



200803070067
Skagit County Auditor