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Skagit County Auditor  
6/13/2013 Page

\$83.00  
1 of 12 2:28PM

**WHEN RECORDED, RETURN TO:**  
Cascade Natural Gas Corporation  
8113 West Grandridge Blvd.  
Kennewick, WA 99336

### **NATURAL GAS SERVICE LINE AGREEMENT**

CONSENTOR: **SWINOMISH INDIAN TRIBAL COMMUNITY**  
CONSENTEE: **CASCADE NATURAL GAS CORPORATION**  
SHORT LEGAL: Ptn of Tract 122-T1003, located in Section 36, Twp34N, Rng2E,  
W.M. **P20869**

#### **1. SERVICE LINE AGREEMENT.**

1.1. The Parties to this Service Line Agreement for Natural Gas Pipeline (hereinafter "Agreement") are **THE 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) (hereinafter "the Tribe"), owner of Trust lands located within the exterior boundaries of the Swinomish Indian Reservation, acting in accordance with Part 169, Title 25 Code of Federal Regulations, and **CASCADE NATURAL GAS CORPORATION**, a corporation ("Cascade"), collectively referred to hereinafter as "Parties."

For and in consideration of the benefits to the Tribe of the availability of natural gas service in the Tribal lands described herein, the promises, covenants and agreements contained herein, and other valuable consideration in hand paid, the Parties agree as follows:

Cascade, for the purposes hereinafter set forth, and subject to and conditioned upon the terms hereinafter set forth, is authorized to construct, operate, inspect, alter, improve, maintain, replace and repair a natural gas pipeline for the sole purpose of providing and transmitting natural gas, together with necessary valves, fittings and protective apparatus for the transportation of gas on, over, under and through the Service Line Agreement Area, described below, situated within the exterior boundaries of the Swinomish Indian Reservation, Skagit County, Washington, together with the right of ingress and egress over and across such adjacent lands for Cascade's employees, agents and contractors with vehicles, supplies and equipment for purposes necessary or incidental to the exercise and enjoyment of the rights and Service Line Agreement herein granted; *provided*, however,

that in making use of lands of the Tribe which are not within the Service Line Agreement Area, Cascade shall make every effort to use as little land as feasible and to minimize the disruption of the Tribe's use thereof.

Cascade and/or its contractor shall have the right to use the Temporary Construction Area only to survey, construct, and install a pipeline solely for the purpose of distribution of natural gas, the plans for which are attached as Exhibit B. Cascade shall have no rights to use the Temporary Construction Area for any other purpose and all such rights shall terminate upon installation of the natural gas pipeline. Cascade and/or its contractor shall have the right of access to the Temporary Construction Area over and across the Tribe's property to enable Cascade to exercise its rights hereunder.

## **1.2. Legal Descriptions.**

**1.2.1. Service Line Agreement Area.** The Service Line Agreement Area is shown in Exhibit B and is described as follows:

A STRIP OF LAND TEN (10) FEET IN WIDTH HAVING FIVE (5) FEET ON EACH SIDE OF THE CENTER LINE OF GRANTEE FACILITIES AS CONSTRUCTED, TO BE CONSTRUCTED, EXTENDED OR RELOCATED WITHIN THE PROPERTY DESCRIBED IN EXHIBIT A AND SHOWN IN EXHIBIT B.

Exhibit B may be superseded at a later date with an as-built.

**1.2.2. Temporary Construction Area.** The Temporary Construction Area is described as follows:

A STRIP OF LAND TWENTY (20) FEET IN WIDTH HAVING TEN (10) FEET ON EACH SIDE OF THE CENTER LINE OF GRANTEE FACILITIES TO BE CONSTRUCTED WITHIN THE PROPERTY DESCRIBED IN EXHIBIT A AND SHOWN IN EXHIBIT B.

**1.3** This Service Line Agreement over the lands herein described is given to Cascade for the sole and specific purpose of allowing it to construct, operate, inspect, alter, improve, maintain, replace and repair a natural gas pipeline for the sole purpose of providing and transmitting natural gas and is for no other facility or purpose.

**1.4** Cascade's rights under this Service Line Agreement are subject to any prior valid existing right or adverse claim. Cascade's rights under this Agreement are subject to existing authorized uses of the Property (including existing use for a Tribal or Bureau of Indian Affairs roadway and for the installation, operation and transmission of utility services by the Tribe and/or by third parties authorized by the Tribe, including Tribal utilities, water, sewer, electric, television, telephone, fiber optic and data); provided,



201306130063

however, such existing authorized uses do not interfere with Cascade's pipeline operation and maintenance as authorized by this Agreement.

## **2. EFFECTIVE DATE AND TERM.**

2.1 This Agreement shall take effect upon the date of approval of this Agreement by both of the parties.

2.2 This Agreement shall remain in effect for the duration of the gas pipeline facility's service, unless and until this Agreement is terminated in accordance with Paragraph 19.

**3. TRIBE'S USE OF PROPERTY.** The Tribe reserves the right to use the Service Line Agreement Area and Temporary Construction Area for any purpose not inconsistent with the rights herein granted and Cascade agrees not to interfere with the use of the Service Line Agreement Area and Temporary Construction Area for any purpose not inconsistent with the primary purpose for which the rights under this Service Line Agreement were granted.

## **4. CLEARING AND OTHER RESOURCE DISTURBANCE.**

Cascade and/or its contractor shall 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 Agreement Area and Temporary Construction Area to the extent compatible with the purpose of the Service Line Agreement; and dispose of all vegetative and other material cut, uprooted or otherwise accumulated during construction and maintenance of the project. Cascade and/or its contractor 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 (except that Cascade shall have no obligation to identify such trees or give the Tribe such prior notice when trees are cut, trimmed, removed or otherwise disposed of in response to emergency conditions). Cascade and/or its contractor shall obtain any necessary approvals from the Tribe prior to removing any trees.

**5. EXISTING UTILITIES.** Cascade will seek to locate all existing utilities prior to, and avoid any damage to existing utilities during, use of the rights granted under this Agreement. Cascade will cooperate with utility owners and/or operators to arrange for the prompt repair of any such damage, and shall promptly reimburse the utility owner and/or operator for the cost of such repair.

Cascade shall comply with RCW 19.122 "Underground Utilities" (or any future successor of or replacement for RCW 19.122), in connection with this Agreement and any activity undertaken or pipeline installed pursuant to this Agreement. Such compliance shall be in addition to, and not a replacement for or excuse from, compliance with any otherwise applicable existing or future Tribal law or requirement of this Agreement.



**6. WORKMANLIKE MANNER.** Cascade and its employees, agents and contractors (including subcontractors) shall exercise the rights conveyed by this Service Line Agreement in a workmanlike manner.

**7. PERMITS.** Before beginning any activity on the Service Line Agreement Area and Temporary Construction Area, Cascade, its employees, agents, and contractors (including subcontractors) shall obtain all necessary permits, including all necessary Tribal, Federal or State permits, in connection with the occupancy and use of the Service Line Agreement Area and Temporary Construction Area, including any survey, construction, operation, inspection, alteration, improvement, maintenance, replacement, or repair activity in the Service Line Agreement Area and Temporary Construction Area. Cascade, its employees, agents and contractors (including subcontractors) shall comply with any and all conditions of said permits and shall conform all activity and work to applicable site plans associated with approved permits.

**8. CHANGE IN FACILITY.** Prior to Cascade and/or any Cascade contractor undertaking any activity that results in any change to an approved location or existing facility or in approved site plans under Tribal permits, Cascade shall physically stake out on the ground (or shall inspect and accept such staking as may be undertaken by or on behalf of the Tribe) the intended location of the line and any facility. In the event that, after execution of this Agreement, Cascade seeks to make any changes in the location, size and extent of the pipeline and/or any related structures or equipment, then Cascade must provide the Tribe with a plan showing all such requested changes and must negotiate an amended Agreement with the Tribe; provided, however, that should changes become necessary after initiating construction as a result of encountering conditions in the field that were not foreseen and that could not reasonably have been foreseen, Cascade and/or its contractor shall provide to the Tribe a plan showing all such changes requested and must obtain the consent of Tribe to such changes before undertaking further construction or other work resulting in such changes. Cascade shall promptly negotiate an amended Agreement with the Tribe to reflect such changes.

**9. COMPLIANCE WITH LAW.** Cascade, its employees, agents, and contractors (including subcontractors) shall comply with all applicable Tribal, Federal and State laws when taking action pursuant to this Agreement that occurs upon or affects the Service Line Agreement Area and Temporary Construction Area, including but not limited to the Swinomish Tribal Employment Rights Ordinance, STC Title 14, Chapter 1, the Swinomish Tribal Employment Rights Ordinance Tax, STC Title 17, Chapter 5, and the Utility Business Activity Tax, STC Title 17, Chapter 2.

**10. SITE RESTORATION.** Cascade agrees to restore the Service Line Agreement Area and Temporary Construction Area as nearly as is possible to its original condition upon the completion of survey, construction, inspection, alteration, improvement, maintenance, replacement and repair activity in the Service Line Agreement Area and Temporary Construction Area to the extent compatible with the purpose for which the Service Line Agreement was entered into, to dispose of all vegetative and other material cut, uprooted,



or otherwise accumulated during such activity, and to repair such roads and other improvements as may be destroyed or damaged by such activity. Cascade agrees to restore the Service Line Agreement Area and Temporary Construction Area as nearly as is possible to its original condition upon termination or revocation of this Service Line Agreement for any reason, including removal of the pipeline together with associated valves, fittings, protective apparatus and other items so far as is reasonably possible. Failing to comply with this stipulation, Cascade agrees to bear all expenses and costs incurred by the Tribe in accomplishing said restoration.

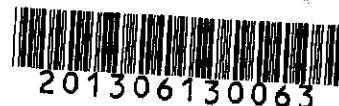
**11. SOIL CONSERVATION.** Cascade shall take soil and resource conservation and protection measures, including weed control, on the Service Line Agreement Area in accordance with a plan approved by the Tribe.

**12. FIRE CONTROL.** Cascade will do everything reasonably within its power to prevent and suppress fires on or near the Service Line Agreement Area.

**13. CULTURAL RESOURCES.** Cascade agrees that during the term of this Agreement, if any previously unidentified cultural resources are discovered within the Service Line Agreement Area and Temporary Construction Area then any activity that disturbs or threatens to disturb such cultural resources shall be halted immediately and the Tribe shall be contacted immediately.

**14. RESPONSIBILITY FOR EXPENSES & DAMAGES.** Cascade shall pay promptly all compensation for damages caused to the Tribe (including any Tribal authority, enterprise, or other Tribal subdivision or entity) and any authorized users of the Service Line Agreement Area and Temporary Construction Area for loss of life, personal injury and property damage to the extent caused by the wrongful actions or failures to act of or attributable to Cascade or its employees, agents, contractors (including subcontractors), and their respective employees and agents in the use of the Service Line Agreement Area and Temporary Construction Area, provided, however, that nothing herein shall require Cascade to pay compensation for damages attributable to the negligence or intentional acts of the Tribe.

**15. INDEMNIFICATION.** Cascade agrees to indemnify, defend and hold harmless the United States, the Tribe, and the occupants and authorized users of the Service Line Agreement Area and Temporary Construction Area against any liability for loss of life, personal injury and property damage to the extent caused by the use of the Service Line Agreement Area and Temporary Construction Area by Cascade, its employees, agents, contractors (including subcontractors), and their respective employees and agents, provided, however, that nothing herein shall require Cascade to indemnify, defend, and hold the Tribe and authorized users of the Service Line Agreement Area and Temporary Construction Area harmless for any such liability attributable to the negligence or intentional acts of the Tribe.



Skagit County Auditor

6/13/2013 Page

5 of

12 2:28PM

\$83.00

**16. TRANSFER, ASSIGNMENT, AND CONVEYANCE TO THIRD PARTIES.**

The rights granted herein shall not be transferred or assigned without the prior written approval of the Tribe.

**17. ABANDONMENT.** If after this Agreement is executed by the Parties the Service Line Agreement Area is not used for two (2) consecutive years without approval by the Tribe, this Agreement and the rights herein granted shall terminate, in which event all rights hereunder and all improvements remaining in the Service Line Agreement Area and not required to be removed shall revert to or otherwise become the property of the Tribe without necessity for further action by the Tribe or the United States.

**18. MODIFICATIONS AND AMENDMENTS.** Any modifications or amendments to this Agreement must be approved in writing by the Tribe and Cascade.

**19. TERMINATION.** The Service Line Agreement granted herein may be terminated in whole or in part upon thirty (30) days written notice from the Tribe or the Secretary of the United States Department of the Interior for Cascade's failure to comply with any material term or condition of this Agreement or applicable Federal regulations, provided that this Agreement shall not be terminated if Cascade's failure is cured within thirty days of notice of such failure.

**20. TRIBAL SOVEREIGNTY.** This Agreement shall in no manner diminish, affect or limit any aspect of the Tribe's jurisdiction, dominion or control, whether civil, criminal, regulatory, adjudicatory, licensing, taxation or otherwise, over the Service Line Agreement Area and Temporary Construction Area, or over anyone or anything thereon or therein, or any activities taking place on, over or under the Service Line Agreement Area and Temporary Construction Area, without regard to whether the person or entity being regulated is a Tribal member, other Native American or non-Indian person or entity, or State or local governmental authority. This provision is an essential and indivisible part of this Agreement; should this provision, at the request of Cascade or its employees, agents, or contractors (including subcontractors), or any person or entity acting in concert with Cascade, be struck down, ruled unenforceable, or ineffective, or in any manner limited, this Agreement shall be void and the rights granted by this Agreement shall terminate immediately.

**21. SUCCESSORS.** This Agreement shall be binding upon and inure to the benefit of successors of both parties.

**22. NOTICES AND COMMUNICATIONS.** Cascade shall at all times keep the Tribe informed of its address. The Tribe shall at all times keep Cascade informed of its address. Currently, notices to Cascade shall be addressed to: Cascade Natural Gas, Attn: Right of Way Project Manager, 222 Fairview Avenue North, Seattle, Washington 98109 and notices to the Tribe shall be addressed to: Swinomish Indian Tribal Community, Attn: Legal Department, 11404 Moorage Way, LaConner, Washington 98257. Notices mailed to a party's most recently given address shall be deemed to have been received by the addressee five (5) days after the mailing thereof with postage prepaid.



### **23. COMPLETE AGREEMENT AND CONSTRUCTION.**

This Agreement contains the complete statement of the understanding of the Parties with respect to the subject matter of this Agreement. There are no other representations, agreements, or understandings, oral or written, by the Parties relating to the subject matter of this Agreement that are not fully expressed in this Agreement. Each Party acknowledges and represents to the other Party that it is executing this Agreement solely in reliance upon its own judgment and knowledge and that it is not executing this Agreement based upon the representation or covenant of the other Party, or anyone acting on such Party's behalf, except as expressly stated herein.

This Agreement has been freely and fairly negotiated by the Parties hereto, each of whom has had the full opportunity to obtain legal review and advice and to modify the draftsmanship hereof, and, therefore, the terms of this Agreement shall be construed and interpreted without any presumption or other rule requiring constructional interpretation against the Party causing the drafting of the Agreement.



201306130063

Skagit County Auditor

6/13/2013 Page

7 of

12

\$83.00  
2:28PM

**SWINOMISH INDIAN TRIBAL COMMUNITY:**

BY: Brian Cladoosby  
Name: Brian Cladoosby  
Title: Chairman  
Date: 4-30-13

**CASCADE NATURAL GAS:**

BY: Chanda Marek  
Name: Chanda Marek  
Title: Region Director - NW Region  
Date: 5-22-13



201306130063

Skagit County Auditor  
6/13/2013 Page

8 of 12 2:28PM

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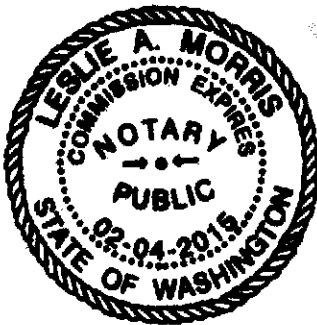
ACKNOWLEDGMENT

STATE OF WASHINGTON

SS.

COUNTY OF \_\_\_\_\_

BEFORE ME, a Notary Public, in and for said County and State, on this 22nd day of may, 2013, personally appeared Chanda marek, and who acknowledged that s/he is and was at the time of signing the same Regional Manager of Cascade Natural Gas; and s/he personally acknowledged to me that s/he executed the foregoing as his/her free and voluntary act of Cascade Natural Gas for the uses and purposes set forth in the foregoing.



Leslie A. Morris  
(Signature of Notary)

Leslie A Morris  
(Legibly Print or Stamp Name of Notary)  
Notary public in and for the State of  
Washington, residing at Lynden  
My appointment expires 2.4.2015



Skagit County Auditor  
6/13/2013 Page

9 of 12 2:28PM

\$83.00

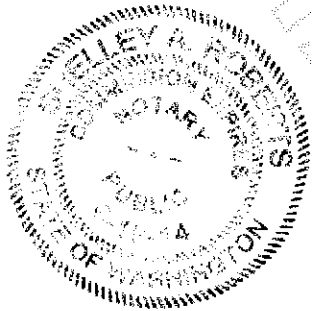
## ACKNOWLEDGMENT

STATE OF WASHINGTON

SS.

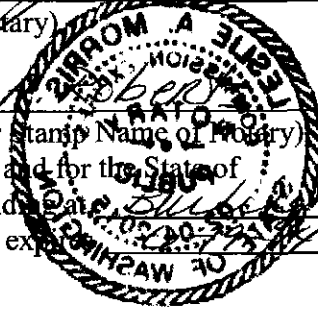
COUNTY OF SKAGIT

BEFORE ME, a Notary Public, in and for said County and State, on this 30<sup>th</sup> day of April, 2013, personally appeared Brian Cladoosby, and who acknowledged that ~~she~~ is and was at the time of signing the Chairman of Swinomish Tribe; and ~~she~~ personally acknowledged to me that ~~she~~ executed the foregoing as his ~~her~~ free and voluntary act of the Swinomish Indian Tribal Community for the uses and purposes set forth in the foregoing.



Shelley A. Roberts  
(Signature of Notary)

Shelley A. Roberts  
(Legibly Print or Stamp Name of Notary)  
Notary public in and for the State of  
Washington, residing at 1000 1st St SW, Everett, WA 98201  
My appointment expires 12-31-14



201306130063

Skagit County Auditor

\$83.00

6/13/2013 Page

10 of

12 2:28PM

EXHIBIT A

**PROPERTY DESCRIPTION of TRACT 122-T1003:**

*Lots 7, 8, and 9 of section 36, Township 34 North, Range 2 East, Willamette Meridian,  
Skagit County, Washington, containing 89.80 acres, more or less.  
Situate in the County of Skagit, State of Washington.*



201306130063

Skagit County Auditor

\$83.00

6/13/2013 Page

11 of

12

2:28PM

# EXHIBIT B

