

SKAGIT RIVER HYDROELECTRIC PROJECT (FERC PROJECT NO. 553)

**OFF-LICENSE AGREEMENT BETWEEN THE CITY OF SEATTLE
AND THE USDA FOREST SERVICE**

This Off-License Agreement (“OLA” or “Agreement”) is made and entered into this _____ day of _____ 2026, by and between the City of Seattle, a Washington municipal corporation acting through its City Light department (“Seattle”) and the U.S. Department of Agriculture Forest Service (“USFS” or “Forest Service”) under the Granger-Thye Act of 1950, the Agricultural Market Transition Act, and other appropriate authorities. Seattle and the Forest Service individually may be referred to as “Party” or collectively as “Parties.”

RECITALS

WHEREAS,

- A. Seattle owns and operates the Skagit River Hydroelectric Project, Federal Energy Regulatory Commission (“FERC”) Project No. 553 (“Project”) and is the Licensee for the Project. The proposed FERC Project Boundary will encompass federal lands (as listed in Final License Application Exhibit A) administered by the Forest Service within the Mount Baker-Snoqualmie and Okanogan-Wenatchee National Forests (“National Forests”).

The Project is located on the Skagit River in Whatcom, Skagit, and Snohomish counties in Washington State and both upstream of and within the Skagit Wild and Scenic River System and the Illabot Creek Wild and Scenic River.

Seattle has a current FERC Project License issued in 1995 (“1995 License”) based on a series of settlement agreements negotiated by Seattle, state and federal resource agencies, Indian Tribes and an environmental non-profit organization, which expired on April 30, 2025. USFS is a signatory party to the 1995 License Comprehensive Settlement Agreement. On April 28, 2023, Seattle filed a Final License Application with FERC seeking a New License for the Project (“New License”).

- B. Seattle and USFS are signatories to the new comprehensive FERC Relicensing Settlement Agreement (“Relicensing Settlement Agreement”) for the Project. The Relicensing Settlement Agreement is being executed concurrently with this Agreement. The other signatories to the Relicensing Settlement Agreement are the National Marine Fisheries Service, the National Park Service, the U.S. Fish and Wildlife Service, the Bureau of Indian Affairs, the Washington State Department of Ecology, the Washington Department of Fish and Wildlife, the Sauk-Suiattle Indian Tribe, the Swinomish Indian Tribal Community, the Upper Skagit Indian Tribe, and Skagit County.
- C. Seattle and USFS are entering into this Agreement as part of the overall settlement process leading to issuance by FERC of a New License for the Project. For purposes of this OLA, “New License” means the New License to be issued by FERC to Seattle for the continued operation and maintenance of the Project pursuant to Section 15 of the Federal Power Act (“FPA”), 16 United States Code (USC) § 808 replacing the 1995 License.

- D. Seattle and USFS intend that FERC’s issuance of a New License that incorporates – without Material Modification – the Proposed License Articles and Management Plans, as set forth in the Relicensing Settlement Agreement, together with USFS’s and Seattle’s agreement to and execution of this OLA, resolve all issues between Seattle and the USFS pertaining to FERC’s issuance of a New License for the Project (including but not limited to the FPA Section 4(e) conditions).

TERMS OF AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. General Provisions:

1.1 Incorporation of Recitals

The Recitals stated above are hereby incorporated into and made a part of this Agreement.

1.2 Effective Date

This OLA shall become effective upon the Effective Date of a New License for the Project issued by FERC (the “Effective Date”), unless the New License is stayed by FERC or by the United States Court of Appeals. In the event of a stay, the Effective Date will become the date the stay of the New License is lifted. The OLA shall have no force or effect in the event that FERC declines or fails to issue Seattle a New License, and such determination becomes a Final Order.

1.3 Term of the OLA

The term of this OLA commences on the Effective Date and continues through the term of the New License, including any subsequent annual license(s) unless terminated as provided in Section 7 herein.

2. Purpose of the OLA:

2.1 Purpose

The Parties acknowledge and agree that Seattle and USFS have entered into this OLA to resolve all issues between Seattle and USFS regarding the relicensing of the Project that are not addressed through the Relicensing Settlement Agreement and to memorialize the Parties’ joint commitments (as specified in Section 3) to mitigate or enhance Project-related coordination impacts within the National Forest System (“NFS”) and Skagit River Wild and Scenic River System. As used in this OLA, the “Skagit Wild and Scenic River System” means the waters and land designated as Wild and Scenic under 16 USC § 1271 *et seq.* (as amended), for the Skagit River and its tributaries, the Sauk, Suiattle, and Cascade rivers, and the Illabot Creek Wild and Scenic River.

The Parties agree that this OLA is fair and reasonable and in the public interest. The Parties agree that Seattle’s performance of its obligations under the OLA and the Relicensing Settlement Agreement is intended to be consistent with and fulfill Seattle’s statutory and regulatory obligations to USFS relating to the relicensing of the Project.

2.2 No Precedent for Other Proceedings

This OLA is made upon the express understanding that it constitutes part of a negotiated resolution of issues between the Parties relating to operation of the Project under the New License for the full term of the New License. Accordingly, this OLA shall not be offered against Seattle or USFS as argument, admission, or precedent in any mediation, arbitration, litigation, or other administrative or legal proceeding that does not involve or relate to the New License or the operation of the Project.

2.3 Future Relicensing or License Amendments

Nothing in this OLA is intended or shall be construed to affect or restrict Seattle or USFS’s participation in or comments about the provisions of any future license amendment or relicensing of the Project subsequent to the current relicensing.

2.4 Partnership

This OLA reflects the Parties’ spirit of partnership and interest in actively and successfully balancing public hydropower production and conservation or enhancement of natural, cultural, and social resources on NFS land and the Skagit Wild and Scenic River System. This OLA is intended to create collaborative commitments for coordination, conservation actions, and associated funding, and to allow the Parties to accomplish more efficient coordination and cooperation as well as adaptive resource management outcomes over the term of the New License.

3. **The Parties’ Joint Commitments:**

3.1 Capital Improvements for Recreation Facilities Within the Skagit Wild and Scenic River System

Within one year of the Effective Date of the New License, Seattle shall establish a Recreation Capital Improvements Fund in the amount of one million dollars (\$1,000,000) (2025 dollars, adjusted as prescribed in Section 9.18). Through the term of the New License, USFS shall use this fund to enhance, rehabilitate, or replace recreation facilities within the Skagit Wild and Scenic River System and along Highway 20, east of Ross Lake to, and including, Washington Pass. USFS may prioritize where the funds from the Recreation Capital Improvements Fund shall be applied so long as the funds are used for capital improvements for new or existing facilities located within the Skagit Wild and Scenic River System.

The \$1,000,000 is a funding obligation, not a set aside fund, and is not dependent upon an annual funding contribution requirement. Seattle shall allocate in its budget \$1,000,000

(2025) that shall be spent over time by USFS, and account for any expenditure from the budget and additions to reflect adjustments prescribed in Section 9.18.

Funding shall be through a Collection Agreement or other instrument consistent with USFS regulations in effect at the time the capital improvement project is proposed.

In order to qualify for payment from the fund, prior to commencing the capital improvement project, USFS shall provide Seattle with a capital improvement plan and budget. Upon approval of the plan and budget by Seattle, and said approval shall not be unreasonably withheld, Seattle shall pay or make available to USFS sufficient funds to complete the capital improvement.

3.2 Operation and Maintenance of Recreation Facilities Within the Skagit Wild and Scenic River System and Highway 20 East of Ross Lake

Seattle shall provide the following financial support for USFS's operations and maintenance of recreation facilities within the Skagit Wild and Scenic River System and along Highway 20, east of Ross Lake to, and including, Washington Pass, according to the following schedule:

Schedule - License Year	Annual Payment Amount (2025)
License Years 1-10	\$ 61,000
License Years 11-20	\$ 65,000
License Years 21-30	\$ 69,000
License Years 31-40	\$ 73,000
License Years 41-50	\$ 78,000
Annual License(s)	License Year 50 Amount

License Year 1 shall commence on October 1 following the issuance of the New License.

This operation and maintenance (O&M) funding shall be adjusted annually as prescribed in Section 9.18. Seattle shall make the first payment by September 30 following the issuance of the New License and make subsequent advanced payments by September 30 annually thereafter through the term of the New License and any annual license(s).

Through the term of the New License, USFS shall use the O&M funding to operate and maintain recreation facilities within the Skagit Wild and Scenic River System. USFS has sole discretion to prioritize where funds will be spent so long as the payments are used for O&M of new or existing USFS facilities located within the Skagit Wild and Scenic River System.

3.3 Skagit Wild and Scenic River System Recreation Management and Enhancement Measures

By September 30 following the issuance of the New License and annually thereafter through the term of the New License and any annual license(s), Seattle shall provide USFS

one hundred and twenty-five thousand dollars (\$125,000) (2025) to support measures to manage and enhance recreation in the Skagit Wild and Scenic River System Corridor (SWSR Corridor) during the following license year or as otherwise agreed by the Parties.

USFS shall use this funding, in its sole discretion, for law enforcement in the SWSR Corridor, employment of a USFS Skagit River Restoration Coordinator, implementation of the Skagit River Stewards Program, and/or other measures to manage or enhance recreation in the SWSR Corridor.

3.4 Wild and Scenic River Interpretative Signage

3.4.1 Updates and Replacement of Interpretative Signage

Within one year of the Effective Date of the New License, Seattle shall establish a Wild and Scenic River Interpretative Signage Fund in the amount of one hundred and thirty-five thousand dollars (\$135,000) (2025). Funding shall be through a Collection Agreement or other instrument consistent with USFS regulations on a project-by-project basis. Through the term of the New License, USFS shall use this fund to update and replace interpretative signage within the Skagit Wild and Scenic River System. USFS will coordinate the signage to the extent possible to build on the aesthetic and themes used in new signage developed by and in consultation with North Cascades National Park and by Seattle within the Project Boundary. USFS may prioritize where the funds from the Wild and Scenic River Interpretative Signage Fund will be applied so long as the funds are used for signage located within the Skagit Wild and Scenic River System. USFS shall include Seattle's logos on the signs when requested at Seattle's discretion.

3.4.2 Maintenance and Subsequent Replacement

Seattle shall pay USFS sixty-seven thousand five hundred dollars (\$67,500) (2025, to be adjusted annually as prescribed in Section 9.18.), once every ten (10) years to support USFS's maintenance and subsequent replacement of interpretative signage within the Skagit Wild and Scenic River System. Seattle shall make the first payment within one (1) year of the Effective Date of the New License and make subsequent payments every ten (10) years thereafter through the term of the New License and any annual license(s) (by way of example, if the license is issued in June 2027, Seattle shall make a first payment by June 2028, second payment by June 2038, and every ten years thereafter). USFS shall use these payments to enhance, maintain, rehabilitate, or replace signage within the Skagit Wild and Scenic River System. USFS has sole discretion to prioritize signage projects to which these annual payments will be applied so long as the payments are used for maintenance and replacement of signage within the Skagit Wild and Scenic River System.

3.5 Recreation Guide

Within one year of New License issuance, Seattle shall pay USFS a one-time amount of one hundred and fifty thousand dollars (\$150,000) (2025) to develop a Wild and Scenic River Recreation Guide. The Forest Service shall use this payment to develop a guide to river-based recreation opportunities and dispersed campsites within the Skagit Wild and Scenic River System from Gorge Powerhouse to the confluence with the Sauk River, including opportunities on the Cascade, Sauk, and Suiattle rivers. USFS shall provide Seattle the opportunity to review the guide and provide edits specifically regarding any language mentioning the City of Seattle or Seattle City Light and its role managing the river, prior to publication. At a minimum, the brochure will recognize Seattle as a funder of the publication and include its logo at Seattle’s discretion.

3.6 Jackita Ridge Bridge Replacement

Within two years of New License issuance, Seattle shall provide a one-time not-to-exceed payment to USFS in the amount of eight hundred and ten thousand dollars (\$810,000) (2025) to replace the Jackita Ridge bridge. USFS shall use this payment solely to replace the Jackita Ridge bridge and for no other purpose. USFS shall submit a report to Seattle at the completion of bridge construction.

If USFS determines that the Jackita Ridge bridge must be replaced prior to the deadline for Seattle’s payment to USFS under this Section 3.6, USFS shall replace the bridge at its own expense and submit a report to Seattle with the costs incurred for bridge construction. Upon the deadline for Seattle’s payment to USFS under this Section 3.6, Seattle shall provide a payment in the amount of the bridge construction up to \$810,000 (2025) into the Recreation Capital Improvements Fund under Section 3.1.

3.7 Adaptive Management Flexible Funding

Seattle shall provide the following financial support for USFS’s adaptive management of the National Forests downstream of the Project or the Skagit Wild and Scenic River System and along Highway 20, east of Ross Lake to, and including, Washington Pass to address changed or unforeseen conditions. Seattle shall provide payments to support such adaptive management according to the following schedule:

Schedule	One Time Payment (2025)
License Year 10	\$ 100,000
License Year 20	\$ 340,000
License Year 30	\$ 1,000,000
License Year 40	\$ 340,000
License Year 51, 52, etc. (for each year of annual license, if any)	\$ 34,000

This adaptive management flexible funding shall be adjusted annually as prescribed in Section 9.18. Seattle shall make the first payment within ten (10) years of the Effective

Date of the New License and make subsequent payments every ten (10) years thereafter through the term of the New License and once per year pro rata after the term of the New License for each annual license(s). By way of example, if the New License is issued in June 2027 with a 50-year term, Seattle shall make a first payment by June 2037, second payment by June 2047, third payment by June 2057, with final payment by June 2067; and if FERC issues an annual license in 2077, 10 percent (\$34,000) in each annual license year.

Through the term of the New License, USFS shall use the adaptive management funding to rehabilitate, maintain, or enhance recreation.

The Forest Service may prioritize where the funds from the Adaptive Management Flexible Fund will be applied so long as the funds are used for future capital improvements to new and existing facilities, and on-going O&M within the National Forests downstream of the Project and/or Skagit Wild and Scenic River System.

4. Forest Service Annual Report:

On or before October 31 of each year following the Effective Date of the New License, and any subsequent annual license(s), the USFS shall provide Seattle with an annual report. The annual report shall describe in detail USFS work completed and include an itemized breakdown of funds expended the previous federal fiscal year for the USFS commitments and work performed described in Section 3 above. The report shall also include an annual expenditure plan for the use of the funding provided by Seattle pursuant to Section 3.

5. Final Agreement:

Except for the Relicensing Settlement Agreement for the Project, this OLA is the full and final agreement between the Parties pertaining to the relicensing of the Project and obligations to mitigate and enhance Project-related coordination impacts within the NFS and Skagit River Wild and Scenic River System. This OLA supersedes and replaces any contractual obligation between the Parties related to Project impacts under the current License within the National Forests or Skagit Wild and Scenic River System. This OLA cannot be changed except by mutual agreement of the Parties pursuant to Section 9.15. Any and all claims or demands relating to this OLA shall be governed by Section 8.

6. Representations and Warranties:

The Parties hereby represent and warrant as follows:

6.1 Authority of Seattle

Seattle has full power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery by Seattle of this Agreement, and the performance by Seattle of its obligations hereunder have been duly and validly authorized by the City of Seattle's Mayor and Seattle City Council pursuant to Ordinance # _____. This Agreement has been duly and validly executed and delivered by Seattle and constitutes legal, valid, and binding obligations of Seattle, enforceable against Seattle in accordance with its terms. The Mayor

and Seattle City Council's approval and authorization of this Agreement shall be conclusively evidenced by an effective ordinance of the Seattle City Council.

6.2 Authority of the USFS

Subject to Sections 9.13, 9.14, and any other applicable provisions of this OLA, USFS has full power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby.

7. **Termination of the OLA:**

7.1 Termination

7.1.1 This OLA may be terminated at any time by mutual written consent of Seattle and the USFS.

7.1.2 This OLA may be terminated by either Party, in its sole discretion, only if (1) concurrently or subsequently to the Effective Date of this OLA FERC imposes a Material Modification as defined in the Relicensing Settlement Agreement in the New License or through a license amendment, and (2) for that reason, a Party then terminates the Relicensing Settlement Agreement pursuant to the terms of the Relicensing Settlement Agreement. Prior to termination under this Section 7.1.2, the Parties shall commence as defined in Section 8, below.

7.2 Parties' Actions Upon Termination

Upon termination, this OLA shall become null and void and there shall be no liability or obligation on the part of either Party or any of its respective elected officials, officers, directors, commissioners, employees, agents, or other representatives or affiliates. In the event that at the time of termination Seattle has provided funds (either by direct payment or by making funds available) under this OLA for a particular project and the Forest Service has initiated the project, the Parties shall complete the funding and actions the funding is intended to cover and no return of funding or other abrogation of funding obligations shall be pursued. In the event of a termination, the Parties shall meet, confer, and agree on a set of actions to minimize any adverse impacts or other undesirable effects of the termination.

8. **Dispute Resolution:**

8.1 In the event of any dispute between the Parties concerning the interpretation or implementation of any aspect of this OLA, or prior to termination of the OLA under Section 7.1.2, the Parties agree to engage in good faith negotiations for a period of at least sixty (60) days in an effort to resolve the dispute. Notification of the dispute must be in writing to the other Party, and the 60-day negotiating period shall begin upon notification as described in Section 9.5. During the 60-day period, either Party may request the services of a professional mediator to assist. The Party requesting such services shall cover the costs unless there is an agreement among the Parties

to share costs. The 60-day time period may be extended or reduced by mutual agreement of the Parties.

- 8.2 In the event that resolution cannot be reached within the 60-day negotiating period or a longer negotiating time period otherwise agreed to by the Parties, then either Party may seek a remedy for alleged violations as described in Section 9.4.

9. Miscellaneous:

9.1 Non-Severable Terms of OLA

The terms of this OLA are not severable. This OLA is made in the understanding that each term is in consideration and support of every other term, and each term is a necessary part of the entire OLA. However, if a tribunal of competent jurisdiction rules that any provision in this OLA is invalid, this OLA is deemed modified to conform to such ruling, unless Seattle or the USFS objects. If Seattle or the USFS objects, the other agrees to meet and confer regarding the continued viability of this OLA. If agreement cannot be reached on the impact of the Court's ruling, either Party may terminate this OLA.

9.2 Seattle's Recourse for USFS Substantial Noncompliance

If, based on the annual report provided by the USFS under Section 4 or visual inspection, Seattle believes that USFS has not substantially complied with its obligations to implement or perform one or more of the Seattle-funded actions identified in this OLA, the Parties shall follow Section 8. Seattle shall provide timely notice of the believed noncompliance to USFS, which shall describe the OLA activity, including but not limited to photo, video, or other image documentation as appropriate, and an adequate description of the specific way(s) in which Seattle considers USFS to be out of compliance. USFS shall have sixty (60) days to respond to Seattle's notice.

Substantial noncompliance means that USFS has failed to undertake one or more of the Seattle-funded actions of this OLA for the year of annual reporting.

- 9.2.1 If USFS disputes whether it is in substantial noncompliance, Seattle shall still make timely payments for the subsequent year.

- 9.2.2 If USFS agrees with Seattle that USFS is in substantial noncompliance, Seattle shall continue to make timely payments if USFS represents in writing that it shall: (1) address, where possible, past noncompliance, and (2) achieve future substantial compliance with the sections of the OLA where USFS has failed to comply.

- 9.2.3 Where USFS does not take action under Section 9.2.1 or does not achieve substantial compliance under Section 9.2.2, Seattle may withhold future payment if Seattle meets the following conditions:

- 9.2.3.1 Seattle provides USFS a reasonable period of time to remedy the substantial noncompliance, using previously provided funds,

once it has given notice to USFS that it believes USFS is in substantial noncompliance;

9.2.3.2 Seattle does not unreasonably withhold payments;

9.2.3.3 The amount withheld by Seattle is commensurate with the degree of noncompliance.

9.2.4 Seattle shall resume full payment for any substantial noncompliance action(s) to USFS within sixty (60) days of USFS achieving substantial compliance.

9.2.5 By withholding payment under this section, Seattle shall not be deemed in substantial nonperformance of this OLA.

9.2.6 USFS pausing, delaying, or otherwise being unable to complete agreed-upon action(s) under this OLA due to lack of funding or other legal restriction shall not be deemed substantial noncompliance.

9.3 USFS Recourse for Seattle Substantial Noncompliance

If USFS believes that Seattle has not substantially complied with its obligations identified in this OLA, the Parties shall follow Section 8. USFS shall provide timely notice of the believed noncompliance to Seattle, which shall include an adequate description and documentation of the specific way(s) in which USFS considers Seattle to be out of compliance. Seattle shall have sixty (60) days to respond to USFS's notice.

9.4 Remedies for Substantial Noncompliance

No Party shall seek relief in any forum for substantial noncompliance with this OLA unless and until the requirements of Section 8 – Dispute Resolution and Sections 9.2 and 9.3 have been met. If dispute resolution is not successful, either Party may seek enforcement of the terms of this OLA in a forum of competent jurisdiction, and must seek enforcement within two (2) years of the completion of dispute resolution. The Parties reserve all remedies for substantial nonperformance of this OLA under applicable federal law. Nothing in this section is intended to limit a Party's right to initiate dispute resolution pursuant to Section 8 of this OLA or limit the type of relief that a Party may seek through the dispute resolution process.

9.5 Notice

Unless otherwise provided herein, all notices given by either Party to the other in connection herewith shall be in writing and shall either be delivered in person or by email to the contact person's email listed below. Notice delivered in person shall be deemed to have been properly given and received on the date delivered, so long as delivered during normal business hours. Notice delivered by email is complete on transmission when made prior to 5:00 p.m. PT on a business day. Notice delivered by email transmitted on a Saturday, Sunday, holiday, or after 5:00 p.m. PT on any other day shall be deemed

complete at 9:00 a.m. PT on the first business day thereafter. Notification of changes in the contact person must be made in writing and delivered to all other contact persons.

For Seattle:

Chris Townsend
 Director
 Natural Resources and Hydro Licensing
 Seattle City Light
 Email: Chris.Townsend@seattle.gov

For USFS:

Erin Uloth (or Current Forest Supervisor)
 Forest Supervisor
 Mt. Baker-Snoqualmie National Forest
 1000 SE Everett Mall Way, Suite 410
 Everett, WA 98208
 Email: Erin.uloth@usda.gov

9.6 Material Modification

The Parties do not intend for the measures in the OLA to be incorporated into the New License; however, if FERC does include obligations in this OLA in the New License, that inclusion shall not be a Material Modification as defined in the Relicensing Settlement Agreement.

9.7 No Third-Party Beneficiaries

Without limiting the applicability of rights granted to the public pursuant to applicable law, this OLA shall not create any right or interest in the public, or any member thereof, as a third-party beneficiary hereof, and shall not authorize any entity other than Seattle and the USFS to maintain a suit at law or equity pursuant to this OLA. The duties, obligations, and responsibilities of Seattle and the USFS with respect to third parties shall remain only as imposed under applicable law.

9.8 Expenses

Unless otherwise provided by this OLA, each Party shall use its own resources in asserting its rights and performing its obligations under this OLA, and no Party shall be required to reimburse the other Party for any expense or cost incurred hereunder.

9.9 Successors and Assigns

This OLA shall apply to, be binding on, and inure to the benefit of Seattle and the USFS and their successors and assigns, unless otherwise specified in this OLA.

9.10 Change in Ownership of Project

No change in ownership of the Project or transfer of the New License by Seattle shall in any way modify or otherwise affect the USFS's interests, rights, benefits, responsibilities, or obligations under this OLA as to the new owner of the Project.

9.11 Notice of Delay or Inability to Substantially Perform – Force Majeure

No Party shall be in substantial nonperformance of its obligations or liable to the other Party for substantial nonperformance of this OLA as a result of a failure to substantially perform if said performance is made impracticable due to an event of *Force Majeure*. The term “*Force Majeure*” means any cause reasonably beyond the Party’s control, whether unforeseen, foreseen, foreseeable, or unforeseeable, including but not limited to: acts of God, fire, war, insurrection, civil disturbance, epidemic, pandemic, or explosion; adverse weather conditions that could not be reasonably anticipated causing unusual delay in transportation and/or field work activities; restraint by court order or order of public authority; inability to obtain, after exercise of reasonable diligence and timely submittal of all applicable applications, any necessary authorizations, approvals, permits, or licenses due to action or inaction of any governmental agency or authority; inability to obtain due to shortage, after exercise of reasonable diligence, materials, supplies, contractors, workers, or other necessities of an obligation; governmental shutdown, lack of available appropriated funds, or related reasons; or labor disputes or strikes which are reasonably beyond the control of the Party seeking excuse from performance. The Party whose performance is affected by *Force Majeure* shall notify the other Party as soon as reasonably practicable. This notice shall include: (1) a description of the event causing the delay or anticipated delay; (2) an estimate of the anticipated length of the delay; (3) a description of the measures taken or to be taken to avoid or minimize the delay; and (4) a proposed timetable for the implementation of the measures or performance of the obligation. The Parties will engage in dispute resolution or otherwise cooperatively develop reasonable adjustments and responses to the *Force Majeure* circumstances that are acceptable to both Parties. The entity whose substantial performance is affected by the *Force Majeure* shall make all reasonable efforts to promptly resume performance of the obligation. It shall provide verbal and written Notice when it resumes performance of the obligation.

9.12 Waiver

The failure of Seattle or the USFS to insist, on any occasion, upon strict performance of any provision of this OLA shall not be considered a waiver of any obligation, right, or duty of, or imposed upon, such entity.

9.13 Governing Law

The OLA shall be governed, construed, and enforced in accordance with federal law and regulation. Nothing in this OLA constitutes a waiver of the sovereign immunity of the United States or Seattle.

9.14 Availability of Funds

Nothing in this OLA shall be interpreted as, or constitute, a commitment or requirement that the USFS obligate or pay funds in violation of the Anti-Deficiency Act, 31 USC § 1341 and other applicable law. Nothing in this OLA is intended to or shall be construed to commit a federal official to expend federal funds not appropriated by Congress.

9.15 Amendment of the OLA Upon Agreement of the Parties

This OLA may be amended at any time from the Effective Date through the term of the New License and any subsequent annual license(s), by written agreement of Seattle and the USFS, including any successors.

9.16 Section Titles for Convenience Only

The titles for the sections of this OLA are used only for convenience of reference and organization, and shall not be used to modify, explain, or interpret any of the provisions of this OLA or the intentions of Seattle and the USFS. This OLA has been jointly drafted by Seattle and the USFS and therefore shall be construed according to its plain meaning and not for or against any Party.

9.17 License Term

The Parties have negotiated the provisions of the Relicensing Settlement Agreement and this OLA, including the financial calculations, under the assumption that FERC will issue a New License with a fifty-year (50-year) term. In the event that the New License includes a shorter term, the Parties agree to meet and confer about adjustments to payment schedules and each Party's obligations. Seattle may seek rehearing and/or judicial review of any FERC order granting a New License term of less than 50 years.

9.18 Monetary Indexing and Adjustments

All dollar amounts in this Agreement are stated as of the year 2025 and shall be adjusted according to Proposed License Article OPS LA-04 (Annual CPI Adjustment).

9.19 Entire Agreement

This OLA contains the complete and exclusive agreement of Seattle and USFS. This OLA supersedes all discussions, negotiations, representations, warranties, commitments, offers, contracts, agreements in principle, and other writings made prior to the Effective Date of this OLA, with respect to the terms of this OLA.

9.20 Signatory Authority

Each signatory to this OLA certifies that they are authorized to execute this OLA and to legally bind the entity they represent, and that such entity shall be fully bound by the terms hereof upon such signature without any further act, approval, or authorization by such entity.

IN WITNESS THEREOF,

Seattle and USFS, through their duly authorized representatives, have caused this OLA to be executed as of the date set forth in this OLA.

CITY OF SEATTLE

Date: _____

By: _____

Name: _____

Title: _____

USDA FOREST SERVICE

Date: _____

By: **JACQUELINE BUCHANAN**  Digitally signed by JACQUELINE BUCHANAN
Date: 2026.02.05 14:38:03 -08'00'

Name: Jacqueline Buchanan

Title: Regional Forester