

SKAGIT RIVER HYDROELECTRIC PROJECT (FERC PROJECT NO. 553)

OFF-LICENSE AGREEMENT BY AND BETWEEN THE SAUK-SUIATTLE INDIAN TRIBE AND THE CITY OF SEATTLE

TABLE OF CONTENTS

Description	Page No.
Recitals.....	2
Article 1: Definitions	3
Article 2: Settlement Agreement Purpose.....	5
Article 3: Release of Claims	5
Article 4: Compensation to the Tribe.....	6
Article 5: Tribe Support for New License.....	9
Article 6: General Governmental Dispute Resolution Process.....	9
Article 7: Additional Covenants by Parties.....	9
Article 8: Representations and Warranties	10
Article 9: Effective Date and Termination	11
Article 10: Limited Waiver of Immunity; Disputes	12
Article 11: Consent Judgment.....	13
Article 12: Remedies.....	14
Article 13: Miscellaneous	14

List of Exhibits

Exhibit A	OLA Section 4.2 Legal Descriptions.
Exhibit B	OLA Section 4.2 Properties Map.
Exhibit C	ESA Lands – Sauk and Suiattle River Watersheds.
Exhibit D	Seattle City Council Ordinance No. _____.
Exhibit E	Sauk-Suiattle Indian Tribe Resolution No. 02/12/2026.

This Off-License Agreement (“OLA” or “Agreement”) is dated _____ and is by and between the Sauk-Suiattle Indian Tribe (“Tribe”) as a sovereign nation with unique rights and interests in the Skagit River watershed, and the City of Seattle, a Washington municipal corporation acting through its City Light department (“Seattle”). The Tribe and Seattle are each referred to individually herein as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS,

- A. The Sauk-Suiattle Indian Tribe whose ancestral homeland is in the Skagit River watershed was among the tribes that signed the 1855 Treaty of Point Elliott relinquishing title lands described in the Treaty in return for certain rights and this allowed settlement by citizens in the territory.
- B. Seattle is the Licensee for the Skagit River Hydroelectric Project, Federal Energy Regulatory Commission (“FERC”) Project No. 553 (“Project”).
- C. The Project is located on the Skagit River in Whatcom, Skagit, and Snohomish counties in Washington State.
- D. The current FERC Project License, issued by FERC on May 16, 1995, was based upon an Offer of Settlement dated April 29, 1991, which included numerous settlement agreements (between Seattle and the Tribe and various other licensing participants) that addressed operation and maintenance of the Project during the current FERC Project License.
- E. Seattle and the Tribe are cooperatively entering into this Agreement as part of the overall settlement process leading to issuance by FERC of a New License for the Project.
- F. On April 28, 2023, Seattle filed a Final License Application with FERC seeking a New License for the continued operation and maintenance of the Project (“New License”). The FERC Project License issued in 1995 expired on April 30, 2025. Seattle is currently operating the Project on an annual license.
- G. Seattle and the Tribe are signatories to the “Settlement Agreement for the Relicensing of the Skagit River Hydroelectric Project” (“Relicensing Settlement Agreement”) executed concurrently with this Agreement and made and entered into pursuant to FERC Rule 602, 18 Code of Federal Regulations (CFR) § 385.602.
- H. The Relicensing Settlement Agreement will request that FERC adopt certain protection, mitigation, and enhancement measures into the New License that will govern the continued operation of the Project. The Parties intend that this Agreement, although a separate agreement, is part of an overall comprehensive resolution of all issues pertaining to the relicensing of the Project. Seattle and the Tribe acknowledge that the Relicensing Settlement Agreement and this Agreement be construed independently of each other, except insofar as this Agreement provides to the contrary.
- I. Seattle acknowledges that the Tribe, as a sovereign tribal nation, has unique rights and interests, and those interests and rights have been impacted by construction, maintenance, operation and existence of the Project.
- J. Sauk-Suiattle Indian Tribe acknowledges that this Agreement is the result of good faith government-to-government discussions and that the terms provided herein provide security and certainty to both Parties in preserving their respective rights and interests.

In reliance upon the representations, warranties, covenants, and agreements of each of the Parties as set forth herein, the Parties agree that:

ARTICLE 1
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified in this Article 1 unless the context clearly requires otherwise:

- 1.1 “Agreement” has the meaning set forth in the introductory paragraph hereof.
- 1.2 “Applicable Law” means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of the United States, the Tribe, any foreign country or any domestic or foreign state, county, city or other political subdivision or of any Governmental Authority.
- 1.3 “Claims” means any and all rights, demands, actions, causes of action, suits, judgments, liabilities, obligations, losses, damages, penalties, compensation, costs, attorneys’ fees, or any other expense whatsoever, of whatever kind or nature, incurred by the Tribe (including, but not limited to, the Tribe’s Treaty Rights) or its members, in law, equity or otherwise, without any limitation as to amount pertaining to the construction, maintenance, operation, and/or existence of the Project that may have occurred in the past or may occur after execution through the term of this Agreement. Notwithstanding, “Claims” shall not be construed to include the following rights, demands, etc.:
 - 1.3.1 Arising after the execution of this Agreement that are not based upon any alleged impact to the Tribe, the Tribe’s Treaty Rights, or its members.
 - 1.3.2 Pertaining to the Project arising upon or after expiration or termination of this Agreement.
 - 1.3.3 Arising after execution of this Agreement from a catastrophic event associated with the Project (such as sudden structural failure of a Project dam or event of similar magnitude).
- 1.4 “Current License” means the license issued in 1995 by FERC to City of Seattle for the continued operation and maintenance of the Project pursuant to Section 15 of the Federal Power Act (FPA), 16 United States Code (U.S.C.) § 808, including any subsequent annual licenses prior to the New License.
- 1.5 “District Court” means the U.S. District Court for the Western District of Washington.
- 1.6 “Effective Date” unless provided for otherwise herein, shall mean the date that is sixty (60) days after the date upon which FERC’s Order issuing a New License becomes a Final Order. If any Party to the FERC proceeding seeks administrative and/or judicial review of the order issuing a New License, the Effective Date shall be sixty (60) days after the completion of the administrative and/or judicial review that will result in the FERC Order issuing the New License becoming a Final Order.

- 1.7 “FERC” means the Federal Energy Regulatory Commission.
- 1.8 “FPA” means the Federal Power Act, 16 U.S.C. §§ 791a *et seq.*
- 1.9 “Final Order” means a FERC Order for which there is no further opportunity or right for administrative or judicial review of such order.
- 1.10 “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, 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; or labor disputes or strikes which are reasonably beyond the control of the Party seeking excuse from performance.
- 1.11 “Governmental Authority” means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, the Tribe, county, city or other political subdivision or similar governing entity.
- 1.12 “New License” means the license (including subsequent annual licenses, if any) issued by FERC to Seattle for the continued operation and maintenance of the Project pursuant to Section 15 of the FPA, 16 U.S.C. § 808, replacing the 1995 license.
- 1.13 “Notice” means a written communication that meets the requirements of Section 13.6.
- 1.14 “Parties” or “Party” means the signatories to this Agreement.
- 1.15 “Person” means any natural person, corporation, general partnership, limited partnership, proprietorship, limited liability company, other business organization, trust, union association, or Governmental Authority.
- 1.16 “Project” means the Skagit River Hydroelectric Project, FERC No. 553.
- 1.17 “Project Boundary” means the boundary for the Project as defined in the New License.
- 1.18 “Project Works” is defined by the Federal Power Act, 16 U.S.C. § 796(12).
- 1.19 “Proposed License Articles” means the proposed license articles set forth in Appendix 1 of the Relicensing Settlement Agreement that the Parties will request FERC include, without material modification, in the New License.
- 1.20 “Relicensing Settlement Agreement” means the comprehensive Settlement Agreement for the Relicensing of the Skagit River Hydroelectric Project (FERC Project No. 553) dated _____.

- 1.21 “Seattle” means the City of Seattle, a Washington municipal corporation, including its City Light department.
- 1.22 “Term of the Agreement” is defined in Section 13.15.
- 1.23 “Tribe” means the Sauk-Suiattle Indian Tribe.
- 1.24 “Tribe’s Treaty Rights” means the Tribe’s rights (including, but not limited to, any habitat rights based upon the right to take fish) reserved by the Tribe of the Treaty of Point Elliott, Jan. 22, 1855, 12 Stat. 927, ratified Mar. 8, 1859, proclaimed Apr. 11, 1859.

ARTICLE 2

SETTLEMENT AGREEMENT PURPOSE

The purpose of this Agreement is, upon the Effective Date of this Agreement and except as specified herein, to fully, finally, and irrevocably settle the Claims by the Tribe against Seattle arising from or related to the operation of the Project.

ARTICLE 3

RELEASE OF CLAIMS

- 3.1 Release of Claims. Except for those obligations and rights created by and arising out of this Agreement, in consideration of the compensation for settlement of Claims stated in Section 4.1, the Tribe waives, releases and discharges Seattle and its elected and appointed officials, officers, directors, employees, agents, and attorneys from the Claims, as defined in Section 1.3. The Parties intend that this release and discharge is contingent upon payment of the compensation required by Section 4.1.
- 3.2 Indemnification. The Tribe agrees to indemnify and hold harmless Seattle and its elected and appointed officials, officers, directors, employees, agents, and attorneys from any Claims asserted against Seattle regarding the Project. However, this section shall not be construed to apply or extend to any exercise of regulatory authority by the United States or any agency or department thereof.
- 3.3 Tucker Act and other Breach of Trust Claims against the United States. The Tribe waives, releases and covenants not to challenge the issuance of the New License, the execution of federal trust responsibilities or any other element of federal performance under the Indian Tucker Act (28 U.S.C. § 1505) associated with the issuance or existence of the New License pursuant to the FPA or any other federal law that imposes a specific and unambiguous duty upon the United States.
- 3.4 Reservation of Rights. By the releases provided in Section 3.1 and 3.3, the Tribe is releasing and discharging Seattle and its elected and appointed officials, officers, directors, employees, agents, and attorneys from the Claims. The Tribe reserves all Claims that it may have against any other individual, organization or corporation or their respective heirs, legal representatives, successors, or assigns (except as expressly provided in this

Agreement), and any right the Tribe has to proceed against such Parties, pertaining to the subject matter of this Agreement.

ARTICLE 4

COMPENSATION TO THE TRIBE

4.1 Settlement of Claims. In consideration of the Tribe’s release of Claims, Seattle will provide the following compensation to the Tribe:

4.1.1 The Tribe’s Relief Programs. Within ninety (90) days after the date of execution of the Relicensing Settlement Agreement by the Tribe and Seattle, Seattle shall pay the Tribe five hundred thousand dollars (\$500,000) (2025). The purpose of the payment within this subsection is to support the Tribe’s fisherman’s and women’s relief funds.

4.1.2 New Administration Building. To support the Tribe’s design and construction of a new 10,000 square-foot Administration Building, Seattle shall pay the Tribe a total of ten million dollars (\$10,000,000) (2025) through three payments according to the following schedule:

- a. within ninety (90) days after the date of execution of the Relicensing Settlement Agreement by the Tribe and Seattle, Seattle shall pay the Tribe three million five hundred dollars (\$3,500,000) (2025);
- b. within one year after the date of execution of the Relicensing Settlement Agreement by the Tribe and Seattle, Seattle shall pay the Tribe three million five hundred dollars (\$3,500,000) (2025); and
- c. within two years after the date of execution of the Relicensing Settlement Agreement by the Tribe and Seattle, Seattle shall pay the Tribe three million five hundred dollars (\$3,000,000) (2025).

4.1.3 Compensation upon New License Issuance. Within six (6) months after the Effective Date, Seattle shall pay the Tribe six million dollars (\$6,000,000) (2025). The purpose of the payments within this subsection is to support a) land acquisition by the Tribe in the Sauk River watershed for essential governmental services, habitat acquisition, cultural purposes, and member housing, b) upgrades by the Tribe to the Tribe’s reservation septic system, and c) development and implementation of an energy efficiency program and measures by the Tribe within the Tribe’s reservation.

4.1.4 Salmon Hatchery Operations. In recognition that the Tribe’s establishment of a salmon hatchery within the Skagit River watershed will further the perpetuation of salmon to the benefit of tribal and nontribal citizens alike who depend upon such species and furthers the Parties’ mutual goals of environmental stewardship, Seattle shall make five (5) annual payments of two hundred thousand dollars (\$200,000) (2025), with the first annual payment within ninety (90) days after the date of execution of the Relicensing Settlement Agreement by the Tribe and Seattle. The purpose of the payments within this subsection is to support initial construction,

staffing, and operation (including supplies) of a salmon hatchery owned by the Tribe situated on the Sauk River.

4.1.5 Annual Payments. Upon the Effective Date, Seattle shall provide an annual payment to the Tribe that shall not exceed one million one hundred thousand dollars (\$1,100,000) (2025). The purpose of the annual payments within this subsection is to support (i) the Tribe’s continued operation of a salmon hatchery on tribal land bordering the Sauk River; (ii) the operation and maintenance of tribal buildings, including the new Administration Building; (iii) the Tribe’s acquisition of sports equipment and furnishings for the Tribe’s recreation center; or (iv) the Tribe’s implementation of scholarships and job programs for Tribal members as described in Section 7.2. The first payment shall be made six (6) months after the Effective Date. Thereafter, the annual payment shall be made within one year of the previous annual payment. The annual payments shall continue through the term of the New License and any subsequent FERC annual licenses or until the Agreement terminates, whichever is earlier.

4.2 Land Transfers.

4.2.1 Within one year of the Effective Date, Seattle will transfer to the Tribe by quit claim deed the properties legally described in Exhibit A and graphically depicted in Exhibit B (“Properties”), subject to the Parties executing a mutually acceptable property transfer agreement and Seattle completing any required regulatory review (including, if necessary, the State Environmental Policy Act, Chapter 43.21C Revised Code of Washington), standard Seattle deed covenants, and obtaining regulatory approvals. In the event that such review and approvals require more than one year for any of the Properties, such Properties will be transferred upon completion of such environmental review and after obtaining final regulatory approvals.

- a. Upon execution of the Agreement, Seattle shall promptly (i) provide the Tribe with the title history and all existing documentation concerning property conditions (including any potential contamination or other liabilities); (ii) commence such environmental review; (iii) begin seeking any necessary regulatory approvals, including subdivision or creation of legal lots for transfer; and (iv) pursue such final approvals with due diligence. All transfers are subject to the Tribe’s approval following review of the title history and other property information.
- b. For each property described in Exhibit A and graphically depicted in Exhibit B, the transfers of such properties are expressly conditioned on the approval of any applicable subdivision or legal lot determination necessary for transfer, and subject to completing any necessary environmental review or federal, state and/or Seattle regulatory approval process.

- c. For each property described in Exhibit A and graphically depicted in Exhibit B, such transfer shall be subject to standard City deed covenants, and encumbrances, covenants, restrictions, and easements, if any, of record.
- d. Seattle’s obligations to transfer land under this subsection are subject to and conditioned upon the Seattle City Council authorizing the transfer of such land by ordinance, which shall not occur until after completion of environmental review and obtaining all final regulatory approvals.
- e. Reservations. For all property transfers, Seattle shall reserve from the property transfer Project works and lands within the Project Boundary. This includes, powerlines, service and access roads, all easements and rights of way, and restoration projects within the Project Boundary.
- f. Costs. For all property transfers, Seattle shall bear the costs of surveys, closing, real estate excise tax, recording fees, and any required regulatory review. The Tribe shall be responsible for all other costs associated with the property transfers.

4.2.2 Within one hundred and eighty (180) days after the date of execution of the Relicensing Settlement Agreement by Seattle and the Tribe, Seattle and the Tribe shall meet and confer to identify two additional Seattle City Light owned properties located in the Sauk River and Suiattle River watersheds that are being managed as Endangered Species Act fish and wildlife mitigation lands (graphically depicted in Exhibit C) of which Seattle will transfer to the Tribe. Seattle shall transfer the two identified properties to the Tribe by quit claim deed subject to, without limitation, the conditions and process described in Section 4.2.1. When identifying the two additional properties, the Parties shall consider the joint interests of the Parties in addressing the Tribe’s interests while providing for efficient and cost-effective management of land and interests of other Treaty Tribes in the Skagit River watershed.

4.3 Sole and Exclusive Means of Compensation. This Agreement provides the sole and exclusive means by which Seattle shall provide compensation to the Tribe or its members for the Claims. For the duration of the New License and any subsequent annual licenses, the Tribe agrees, warrants, and covenants that it shall not seek in any forum any additional consideration or compensation for the Claims from Seattle other than that consideration and compensation to the Tribe that is expressly provided in this Agreement.

4.4 Opportunity to Cure. Before initiating any dispute resolution proceeding pursuant to Section 10.2, pertaining to the timeliness or adequacy of payments provided by Seattle pursuant to Article 4, the Tribe shall provide Seattle with written Notice of the alleged deficiency, specifying the Claim of breach and the basis of such Claim. Seattle shall have a reasonable opportunity, not to exceed sixty (60) days, to cure such deficiency. If, within sixty (60) days after the service of Notice, Seattle in good faith disputes in writing that a deficiency has occurred, Seattle may seek resolution of such dispute pursuant to the terms of Section 10.2.

- 4.5 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).
- 4.6 The Payments in this Agreement shall not be conditioned upon yearly accounting by the Tribe or restrictions on the Tribe’s use of compensation.

ARTICLE 5
TRIBE SUPPORT FOR NEW LICENSE

- 5.1 Tribe Support. Within thirty (30) days of the date of execution of the Relicensing Settlement Agreement by all FERC Relicensing Settlement Agreement Parties, the Tribe agrees to file a letter notifying FERC of the Tribe’s full support for: (i) FERC’s incorporation, without modification, of the Proposed License Articles into the New License; and (ii) FERC’s issuance of a New License. The Tribe will cooperate fully with Seattle to obtain a New License that is consistent with the Relicensing Settlement Agreement for the Project. The Tribe agrees that, so long as this Agreement remains in effect, it will refrain from taking any position publicly or privately that indicates Seattle’s application for a New License should be denied, modified, or that the Proposed License Articles are deficient.
- 5.2 Implementation. Consistent with the Relicensing Settlement Agreement, the Tribe will cooperate fully with Seattle in the implementation of the Relicensing Settlement Agreement and New License.
- 5.3 Future Project Power Production Enhancement Measures. The Tribe further agrees to support Seattle in its pursuit of regulatory approval to implement measures to enhance power production at the Project, as determined by Seattle. These measures may include but are not limited to a minimum flow generation unit at Gorge Dam and a pump back generating unit at Ross Dam.

ARTICLE 6
GENERAL GOVERNMENTAL DISPUTE RESOLUTION PROCESS

- 6.1 Liaisons. Seattle and the Tribe agree to appoint regularly, as a part of their respective governmental administrations, Tribal-Seattle liaisons who are to serve as the initial point of contact between the Parties when either wishes to consult on matters of concern related to the implementation of this Agreement.
- 6.2 Annual Meetings. The Parties agree to meet at least annually to identify and discuss matters of concern related to this Agreement. The primary purpose of such meetings will be to address concerns before they rise to the level of a dispute.

ARTICLE 7
ADDITIONAL COVENANTS BY PARTIES

- 7.1 Reservation Energy Efficiency Program. In collaboration with the utility that services the Tribe’s reservation, Seattle will make its energy efficiency program advisors available to

the Tribe to support the development and implementation of an energy efficiency program and measures within the Tribe’s reservation.

7.2 Employment and Opportunities. Seattle and the Tribe shall coordinate to provide opportunities for Tribal members to obtain employment at Seattle City Light and to pursue careers in renewable energy fields, and Seattle shall make good faith best efforts to provide training and employment opportunities for Tribal members. The Parties acknowledge and agree that the commitments of Seattle under this section must be implemented consistent with any and all applicable federal, state, or local law, collective bargaining agreements, and City-wide employment policies, and Seattle is not required to violate such laws, agreements or policies in order to implement this Agreement. In furtherance of those purposes, within one (1) year after execution of this Agreement, Seattle and the Tribe shall develop and agree to a career development plan, which will be periodically updated as appropriate and include at a minimum the following measures:

7.2.1 At least annual career event and information distribution to educate Tribal members on jobs at Seattle City Light, including role, job description, potential career pathway, and requisite education and training.

7.2.2 Support the development of a Sauk-Suiattle Indian Tribe trades apprenticeship program including sharing curriculum and identifying subject matter experts to teach in the program.

ARTICLE 8 **REPRESENTATIONS AND WARRANTIES**

The Parties hereby represent and warrant as follows:

8.1 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 Seattle City Council and the Mayor of Seattle. 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 the 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. A copy of that ordinance is attached as Exhibit D to this Agreement.

8.2 Authority of the Tribe. The Tribe has full power to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery by the Tribe of this Agreement, and the performance by the Tribe of its obligations hereunder, have been duly and validly authorized by the Tribal Council and no other tribal action on the part of the Tribe is necessary. Tribal Council approval and authorization of this Agreement shall be conclusively evidenced by a written resolution of the Tribal Council that is certified by its Tribal Council Recording Secretary. This Agreement constitutes legal, valid, and binding obligations of the Tribe, enforceable

against the Tribe in accordance with the Constitution and Bylaws of the Sauk-Suiattle Indian Tribe. A copy of that resolution is attached as Exhibit E to this Agreement.

ARTICLE 9

EFFECTIVE DATE AND TERMINATION

- 9.1 Effective Date. This Agreement and the contractual obligations of the Parties shall be effective upon the Effective Date. Until the Effective Date, there shall be no liability or obligation on the part of any Party (or any of their respective elected and appointed officials, officers, directors, employees, agents, and attorneys), except as expressly provided in Article 5, Article 8, and Article 9.
- 9.2 Effect of Any Failure of FERC to Issue a New License to Seattle. This Agreement shall have no effect in the event that FERC declines or fails to issue Seattle a New License, and such determination becomes a Final Order.
- 9.3 Effect of Application for Surrender or Notice of Intent to Decommission Prior to Effective Date.
- 9.3.1 If, prior to the Effective Date, Seattle files an Application for Surrender of License pursuant to 18 C.F.R. § 6.1 with FERC or files an irrevocable notification with FERC that it declines to accept the New License and will decommission the Project and cease generation, the Effective Date shall be stayed. In such event, the Parties shall meet in good faith on a government-to-government basis to consider whether Seattle should provide compensation to the Tribe pending FERC’s consideration of the Application for Surrender.
- 9.3.2 If, following Seattle’s timely filing of an Application for Surrender or an irrevocable notification of intent to decommission pursuant to Section 9.3.1 above: (i) Seattle withdraws the Application for Surrender or notification described in Section 9.3.1 above, or (ii) FERC denies or rejects the Application for Surrender or notification described in Section 9.3.1 above, the Effective Date and all obligations under this Agreement shall commence upon the Effective Date.
- 9.4 Termination.
- 9.4.1 Termination by Mutual Consent. This Agreement may be terminated at any time by mutual written consent of Seattle and the Tribe.
- 9.4.2 Surrender and Decommissioning. This Agreement may be terminated by Seattle, in its sole discretion, if, subsequent to the Effective Date of this Agreement, Seattle obtains from FERC a Final Order for Surrender and Decommissioning of the Project and FERC’s regional engineer verifies that the Project facilities have been decommissioned in accordance with the Surrender Order.
- 9.4.3 Force Majeure. This Agreement may be terminated by Seattle, in its sole discretion, if subsequent to the Effective Date of this Agreement, a *Force Majeure* permanently

prevents the continued operation of, and requires decommissioning of, the Project’s Gorge Development, Diablo Development, or Ross Development.

9.4.4 FERC Relicensing Settlement Agreement. This Agreement may be terminated by either Party, in its sole discretion, if FERC issues a Final Order that includes a Material Modification (as defined by the Relicensing Settlement Agreement) and results in (1) either Party withdrawing from the Relicensing Settlement Agreement or (2) the termination of the Relicensing Settlement Agreement.

9.4.5 Parties’ Actions upon Termination. Upon termination, this Agreement shall become null and void, and there shall be no liability or obligation on the part of any Party (or any of their respective elected and appointed officials, officers, directors, employees, agents and attorneys). Specifically, Seattle shall be under no obligation to continue the compensation specified within Section 4.1.3 or Article 5 in the event of termination.

ARTICLE 10

LIMITED WAIVER OF IMMUNITY; DISPUTES

10.1 Limited Waiver of Immunity.

10.1.1 Acknowledgement. The Tribe acknowledges and agrees that in entering into this Agreement, it may incur obligations to Seattle, and Seattle’s successors and assigns, and may become liable to these Parties for specific performance of the Tribe’s obligations under this Agreement. The Tribe further acknowledges that Seattle would not enter into this Agreement with the Tribe if the Tribe could defeat enforcement against it of the contractual rights granted to Seattle by claiming sovereign immunity from any action brought against the Tribe by Seattle arising from this Agreement. The Tribe shall formalize the acknowledgement of these obligations through written resolution by the Tribal Council. A copy of that resolution is attached as Exhibit E to this Agreement.

10.1.2 Limited Waiver of Immunity. Nothing in this Agreement shall be deemed to be a waiver of the Tribe’s sovereign immunity except as expressly provided in this Article 10. The Tribe hereby expressly waives any Claim or assertion of sovereign immunity from suit in District Court by Seattle and Seattle’s successors and assigns under this Agreement to interpret or enforce the Consent Judgment pursuant to Article 11.

10.2 Dispute Resolution between the Tribe and Seattle.

10.2.1 Consultation. As a condition precedent to commencing any action to interpret or enforce the Consent Judgment described in Article 11 by the Tribe or Seattle against the other relating to this Agreement, the subject matter hereof, any activities undertaken pursuant to this Agreement or with respect to the operation, maintenance, or management of the Project, other than those obligations created by the Relicensing Settlement Agreement or the New License, the complaining Party

shall first attempt to resolve the dispute through a government-to-government consultation with the other Party pursuant to Article 6 and dispute resolution through this Section 10.2.

10.2.2 Mediation. If the government-to-government consultation under Article 6 does not resolve the dispute within sixty (60) days, the complaining Party shall then submit the Claim or controversy to mandatory mediation for a period of sixty (60) days following the appointment of a mediator. The Tribe and Seattle agree to cooperate and operate in good faith to appoint the mediator and to attempt to resolve all matters in dispute with the assistance of the mediator. The Party requesting the appointment of a mediator shall cover the costs of the mediator unless there is an agreement among the disputing Parties to share costs. The 60-day period may be extended for a mutually agreed upon amount of time upon the request of either Party. In the event that resolution cannot be reached within the sixty (60) day negotiating period or a negotiating period otherwise agreed to by the Parties, then either Party may seek remedy for alleged violations as described in Article 12.

Mediation is not mandatory where:

- (a) The complaining Party certifies in good faith that:
 - (i) The other Party refused to engage in timely mediation prior to commencement of an action pursuant to Article 11;
 - (ii) Preliminary or temporary injunctive relief is necessary; or
 - (iii) A limitations period or a similar period affecting substantial rights of a Party would have run if an action pursuant to Article 11 were not commenced; or
- (b) A court finds that dismissal of an action pursuant to Article 11 for failure to comply with mandatory mediation would result in substantial prejudice to one of the Parties.

ARTICLE 11 **CONSENT JUDGMENT**

11.1 Consent Judgment. Within thirty (30) days after the Effective Date, the Tribe will file an action with the U.S. District Court for the Western District of Washington (“District Court”) encompassing the Claims in this Agreement. Simultaneously, the Parties will file a Motion for Entry of Consent Judgment, which seeks a final judgment based on the terms of settlement reached in this Agreement and seeks the District Court’s continuing jurisdiction to enforce the terms of this Agreement, other than Article 6 and Article 7. Article 6 and Article 7 shall not be judicially enforceable.

11.2 Consultation if No U.S. District Court Jurisdiction. In the event that the U.S. District Court declines for any reason to enter the Consent Judgment, then the Tribe and Seattle shall meet

in good faith on a government-to-government basis to ensure the enforceability of this Agreement.

ARTICLE 12 **REMEDIES**

No Party shall seek relief in any forum for breach of this Agreement unless and until the requirements of Section 10.2.2 have been met. If dispute resolution is not successful, either Party may seek enforcement of the terms of this Agreement by invoking the District Court’s continuing jurisdiction to enforce the terms of this Agreement.

ARTICLE 13 **MISCELLANEOUS**

- 13.1 No Changes to Existing Contracts. This Agreement is separate from and independent of other contracts and agreements among the Parties and does not change any rights or obligations under previously executed contracts or agreements between the Parties except as provided herein.
- 13.2 Further Assurances. Subject to the terms and conditions of this Agreement, Seattle and the Tribe shall each use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper and advisable under Applicable Law to consummate and make effective this Agreement. From time to time after the date hereof, whether prior to or after the Effective Date, and without further consideration, Seattle and the Tribe shall, each at its own expense, execute and deliver such documents, and provide such information, to the other as such Party may reasonably request in order to accomplish, consummate, and perform their respective obligations under this Agreement.
- 13.3 Jurisdiction. Seattle does not consent to tribal jurisdiction related to enforcement of this Agreement and Seattle’s entry into the Agreement shall not be deemed to give rise to a consensual relationship that would establish the Tribe’s jurisdiction over Seattle’s activities.
- 13.4 Agreement Rights Attached to the Land. It is understood and agreed that this Agreement shall be binding upon the successors and assigns of Seattle as an owner and licensee of the Project and attach to the land and shall be binding upon the successors in interest of Seattle. It is understood and agreed that the rights, duties, and obligations set forth in this Agreement shall run with the Project ownership and FERC license. In the event the Project is sold, transferred, or conveyed by Seattle, then the obligations of Seattle to the Tribe shall cease and terminate as to such facilities and become an obligation of the successor in interest of Seattle as to the respective facilities herein described.
- 13.5 Successors and Assigns. This Agreement shall apply to, and be binding on, and inure to the benefit of the Parties and their successors and assigns. The assigning Party shall provide Notice to the other Party at least sixty (60) days prior to the proposed effective date of a transfer or assignment.

- 13.6 Means of Notification. Unless otherwise provided herein, any notice, demand or request provided for in this Agreement by either Party shall be in writing and shall either be delivered in person or by email to the contact person’s email listed below with telephonic confirmation. 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. Pacific Time (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.

To the Sauk-Suiattle Indian Tribe:

Nino Maltos II
Chairman, Sauk-Suiattle Tribal Council
5318 Chief Brown Lane
Darrington, WA 98241
chairman@sauk-suiattle.com

With a copy to:

Jack Fiander
General Counsel, Sauk-Suiattle Indian Tribe
Office of Legal Counsel
5318 Chief Brown Lane
Darrington, WA 98241

To City of Seattle:

General Manager/Chief Executive Officer
Seattle City Light
Phone: 206-684-3500
Email:

With a copy to:

Stephen Karbowski
Assistant City Attorney
Seattle City Attorney’s Office
Phone: 206-684-8245
Email: stephen.karbowski@seattle.gov

Notification of changes in the contact person must be made in writing and delivered to the other contact person.

- 13.6.1 Effective Time. Notice given pursuant to this Section 13.6 shall be effective upon actual receipt by the receiving Party.

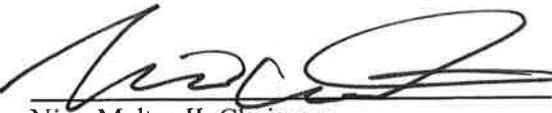
- 13.7 No Consequential, Incidental, Indirect, Exemplary, or Punitive Damages. The Tribe and Seattle desire to minimize, to the extent possible, the potential for future disagreements between them with respect to the Project from matters arising under this Agreement. The Tribe and Seattle also recognize the magnitude of the potential consequential, incidental, indirect, exemplary, or punitive damages that might arise from this Agreement and desire to eliminate the risks each might face were such categories of damages included as Remedies available under Article 12. For these reasons, the Tribe and Seattle agree to the limitations as provided below:
- 13.7.1 Contracts. The Tribe and Seattle agree that for any Claim arising from a theory based on contract law, in no event shall either the Tribe or Seattle be liable to each other hereunder for any consequential, punitive, exemplary, incidental, or indirect losses or damages under or in respect of this Agreement.
- 13.7.2 Torts. The Tribe and Seattle agree that for any Claim arising from a theory based on tort law, in no event shall either the Tribe or Seattle be liable to each other hereunder for any consequential, punitive, exemplary, incidental, or indirect losses or damages under or in respect of this Agreement.
- 13.8 Severability. If under any present or future law any provision of this Agreement is held to be illegal, invalid, or unenforceable and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby: (i) such provision will be fully severable; (ii) this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part thereof; and (iii) the remaining provisions of this Agreement shall remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement.
- 13.9 Waivers. Except as otherwise provided herein, no provision of this Agreement may be waived except in writing. No failure by any Party to exercise, and no delay in exercising, short of the statutory period, any right, power, or remedy under this Agreement shall operate as a waiver thereof. 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.
- 13.10 No Third-Party Beneficiaries. None of the promises, rights, or obligations contained in this Agreement shall inure to the benefit of any Person or entity not a Party to this Agreement; and no action may be commenced or prosecuted against any Party by any third party claiming to be a third-party beneficiary of this Agreement or the transactions contemplated hereby.
- 13.11 No Reliance. Each Party acknowledges that in entering into this Agreement, it has not relied on any statement, representation, or promise of the other Party or any other Person or entity, except as expressly stated in this Agreement.

- 13.12 Headings. The headings used for the sections herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement.
- 13.13 Interpretations. In this Agreement, unless a clear contrary intention appears: (i) the singular number includes the plural number and vice versa; (ii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity; (iii) reference to any agreement (including this Agreement), document or instrument means such agreement, document, or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (iv) reference to any Article, Section, Schedule, or Exhibit means such Article, Section, Schedule, or Exhibit to this Agreement, and references in any Article, Section, Schedule, Exhibit, or definition to any clause means such clause of such Article, Section, Schedule, Exhibit, or definition; (v) “hereunder,” “hereof,” “hereto,” “herein” and words of similar import are references to this Agreement as a whole and not to any particular section or other provision unless specifically stated; (vi) relative to the determination of any period of time “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including;” (vii) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (viii) reference to any law (including statutes and ordinances) means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder.
- 13.14 Entire Agreement. This Agreement (and its Exhibits) between Seattle and the Tribe constitutes the complete and entire expression of agreement between the Parties and supersedes all prior and contemporaneous offers, promises, representations, negotiations, discussions, and communications, whether written or oral, which may have been made in connection with the subject matter of this Agreement. Any such representations or Claims are hereby disclaimed. This Agreement may be signed in counterparts.
- 13.15 Term. This Agreement shall commence on the Effective Date and shall continue through the term of the New License, which will be defined conclusively in the Order issuing the New License, including any subsequent annual licenses.
- 13.16 License Term. The Parties have negotiated the provisions of the Relicensing Settlement Agreement and this Agreement, including the financial calculations, under the assumption that FERC will issue a New License with a fifty-year (50-year) term. Accordingly, Seattle may actively advocate for a 50-year New License, and the Tribe would not be opposed to a 50-year New License 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. Notwithstanding any provision of this Agreement or the Relicensing Settlement Agreement, Seattle may seek rehearing and/or judicial review of any FERC order granting a New License term of less than 50 years.

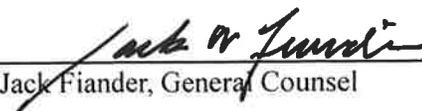
- 13.17 Governing Law. This Agreement shall be governed by, and construed, interpreted and enforced in accordance with the substantive law of contracts of the State of Washington (without reference to any principles of conflicts of laws). The scope and effect of the Limited Waiver of Immunity pursuant to Section 10.1.2 and the Tribe's Treaty Rights shall be governed by, construed, and interpreted in accordance with federal law. Interpretations of the FPA or other federal law will be governed by federal law when implementation of this Agreement requires interpretation of such applicable federal laws. Interpretations of Seattle's enabling authorities shall be governed by, construed, and interpreted in accordance with the laws of the State of Washington.
- 13.18 Non-Admission. This Agreement shall not constitute an admission or evidence of any fact, wrongdoing, misconduct, or liability on the part of Seattle and its elected and appointed officials, officers, directors, employees, agents, and attorneys.
- 13.19 Water Rights. Nothing in this Agreement is intended to, or shall be construed to, modify or alter either Seattle's or the Tribe's water rights. Notwithstanding, in the event that such water rights are determined through a legislative or adjudicative process, the Tribe agrees to forebear any right to assert a Claim or otherwise take a position on those rights in a manner inconsistent with the flow regime established by FERC in the New License during the term of this Agreement.
- 13.20 No Effect on the Parties' Participation in FERC Proceedings. Except as pertaining to the Claims released by the Tribe pursuant to Article 3 and support by the Tribe in Article 5, nothing in this Agreement is intended or shall be construed to limit or otherwise restrict the Parties' participation in any FERC proceedings so long as such participation is consistent with the Relicensing Settlement Agreement.

IN WITNESS WHEREOF, having read and intending to be bound by the provisions of this Agreement, the Parties have executed this Agreement as of the date first above written.

SAUK-SUIATTLE INDIAN TRIBE

By:  Date: 2/12/2026
Nino Maltos II, Chairman

Approved as to Form and Legality

By:  Date: 2-12-2026
Jack Fiander, General Counsel

CITY OF SEATTLE

By: _____ Date: _____
General Manager/Chief Executive Officer

Print
Name: _____

Approved as to Form and Legality

By: _____ Date: _____
Seattle City Attorney

Print
Name: _____

EXHIBIT A

OLA SECTION 4.2 LEGAL DESCRIPTIONS

EXHIBIT A

OLA SECTION 4.2 LEGAL DESCRIPTIONS

1. Parcel 32092400200300

The land referred to is situated in the County of Snohomish, City of Darrington, State of Washington, and is described as follows:

The Northwest quarter of the Northwest quarter of Section 24, Township 32 North, Range 9 East, W.M., in Snohomish County, Washington;

Except the West 196 feet thereof;

AND EXCEPT the South 440 feet thereof.

Situate in the County of Snohomish, State of Washington.

ABBREVIATED LEGAL

Portion of the Northwest quarter of Section 24, Township 32 North, Range 9 East, W.M., in Snohomish County, Washington.

Tax Account No. 320924-002-003-00

2. Parcel 32100700100300

Government Lots 2, 3, 5, and 6 in Section 7, Township 32 North, Range 10 East, W.M., records of Snohomish County, Washington;

Together with that portion of Government Lot 4 in said section, lying North of the Sauk River as existed on April 25, 1974.

Excepting therefrom those portions of Government Lot 2 in Section 7, Township 32 North, Range 10 East of W.M., described as follows:

The North half of the Northwest quarter of the Northeast quarter of said Government Lot 2;

The South half of the Northwest quarter of the Northeast quarter of said Government Lot 2;

The West half of the Northeast quarter of the of the Northeast quarter of said Government Lot 2;

The Northwest quarter of the Southwest quarter of the Northeast quarter of said Government Lot 2;

The North half of the Northeast quarter of the Northwest quarter of said Government Lot 2;

The South half of the Northeast quarter of the Northwest quarter of said Government Lot 2;

The North half of the Southeast quarter of the Northwest quarter of said Government Lot 2;

The Southwest quarter of the Southeast quarter of the Northwest quarter of said Government Lot 2;

The East half of the Southwest quarter of the Northwest quarter of said Government Lot 2;

The Northeast quarter of the Northwest quarter of the Southwest quarter of said Government Lot 2;

Situate in the County of Snohomish, State of Washington.

3. Parcel 32100700200500

The North half of the Northwest quarter of the Northeast quarter of Government Lot 2 of Section 7, Township 32 North, Range 10 East, W.M., in Snohomish County, Washington;

TOGETHER WITH the South half of the Northwest quarter of the Northeast quarter of said Government Lot 2;

TOGETHER WITH the West half of the Northeast quarter of the Northeast quarter of said Government Lot 2;

TOGETHER WITH the Northwest quarter of the Southwest quarter of the Northeast quarter of said Government Lot 2;

TOGETHER WITH the North half of the Northeast quarter of the Northwest quarter of said Government Lot 2;

TOGETHER WITH the South half of the Northeast quarter of the Northwest quarter of said Government Lot 2;

TOGETHER WITH the north half of the Southeast quarter of the Northwest quarter of said Government Lot 2;

TOGETHER WITH the Southwest quarter of the Southeast quarter of the Northwest quarter of said Government Lot 2;

TOGETHER WITH the East half of the Southwest quarter of the Northwest quarter of said Government Lot 2;

AND TOGETHER WITH the Northeast quarter of the Northwest quarter of the Southwest quarter of said Government Lot 2, as pursuant to Affidavit of Short Subdivision Exemption, as recorded under Recording No. 200209260675, records of Snohomish County, Washington.

SITUATE in the County of Snohomish, State of Washington.

ABBREVIATED LEGAL

Portion of Government Lot 2 of Section 7, Township 32 North, Range 10 East, W.M., Snohomish County, Washington

Tax Account No. 321007-002-005-00

EXHIBIT B

OLA SECTION 4.2 LEGAL PROPERTIES MAP

EXHIBIT B

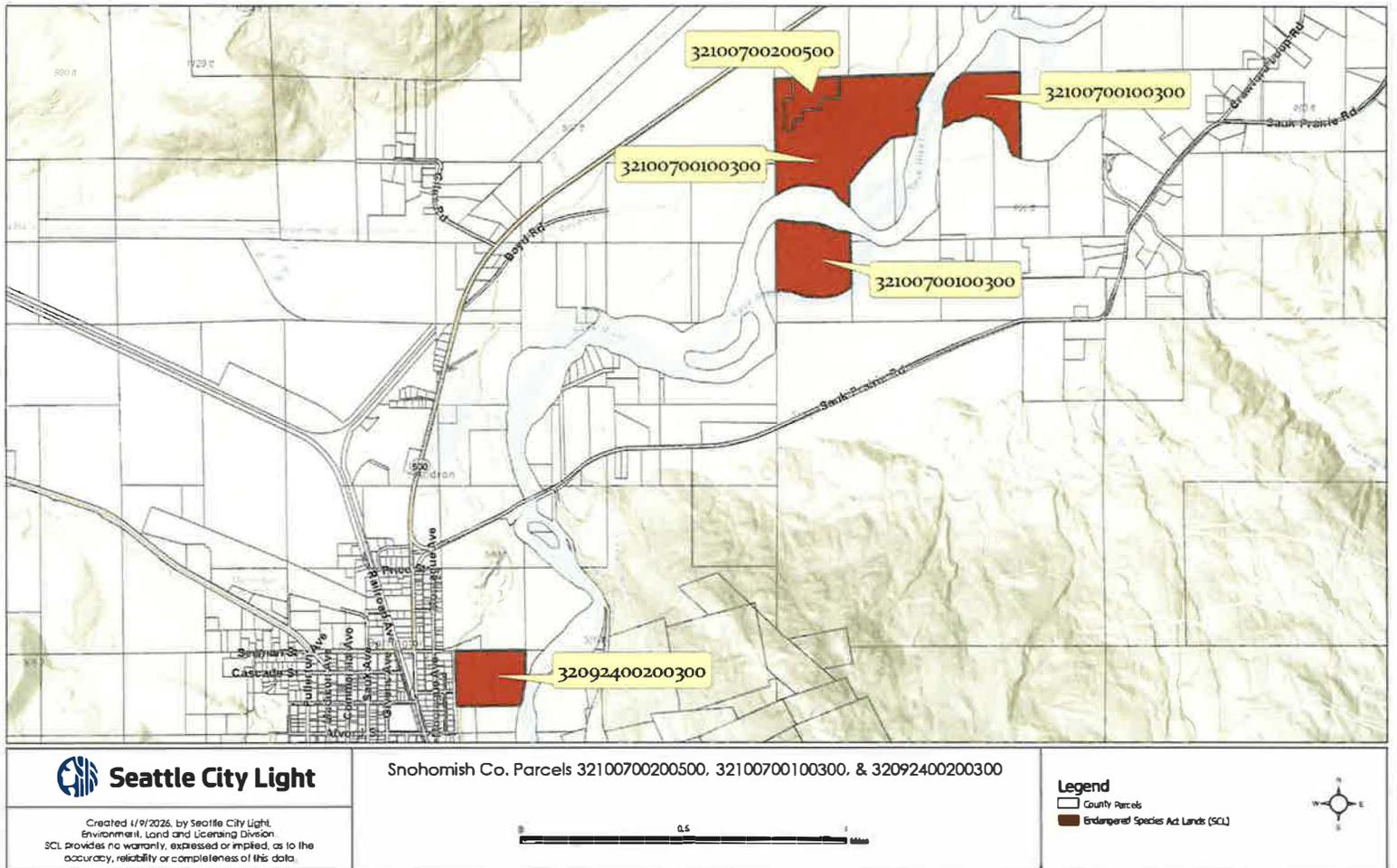
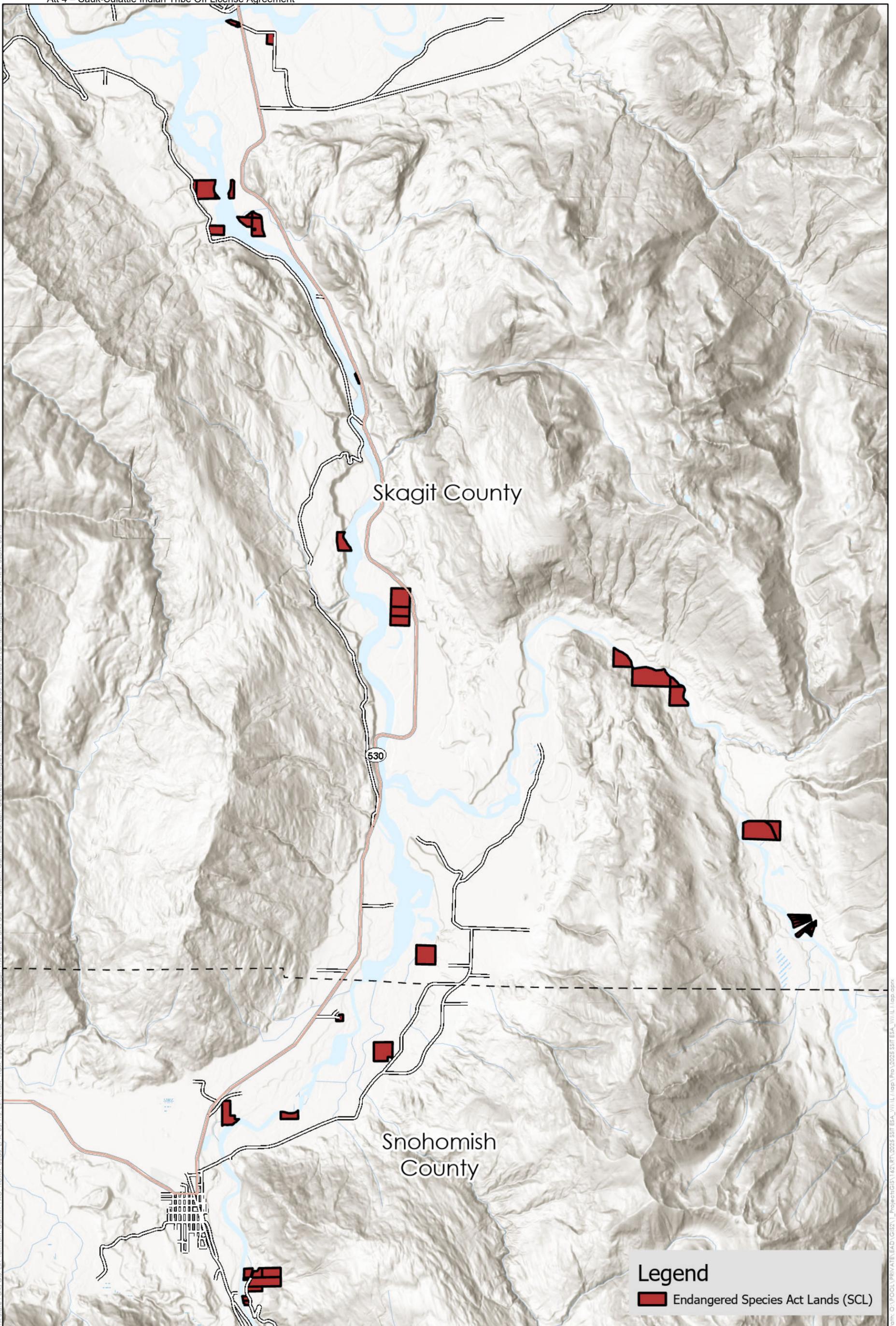


EXHIBIT C

ESA LANDS – SAUK AND SUIATTLE RIVER WATERSHEDS

EXHIBIT C

Att 4 – Sauk-Suiattle Indian Tribe Off License Agreement



State Parks GIS, Esri, TomTom, Garmin, FAO, NOAA, USGS, BPA, USFWS, EPA, NASA, NGA, USGS, FEI, IA, County of Skagit, State Parks GIS, Esri, TomTom, Garmin, SafeSoftware, Inc., LEITINATA, USGS, Bureau of Land Management, EPA, NPS, USDA, USFS

Form: ON:\POOL\PRIVATE\EA\DC\2025\1_Proposed\GIS\1_45\A\RT\2025\331\ESA_W\1\1\Map_Sauk



Created 1/9/2026, by Seattle City Light,
Environment, Land and Licensing Business Unit.
SCL provides no warranty, expressed or implied, as to the
accuracy, reliability or completeness of this data.

ESA Lands - Sauk River Watershed

(excluding Parcels 32100700200500,
32100700100300, and 32092400200300)



EXHIBIT D

SEATTLE CITY COUNCIL ORDINANCE

[Placeholder]

EXHIBIT E

SAUK-SUIATTLE INDIAN TRIBE
RESOLUTION NO. 02/12/2026



Tribal Council

**5318 Chief Brown Lane
Darrington, Washington 98241-9420**

**(360) 436-0131
Fax (360) 436-1511**

RESOLUTION #: 02/12/2026

Seattle Settlement Agreement

BE IT RESOLVED BY THE TRIBAL COUNCIL OF THE SAUK SUIATTLE INDIAN TRIBE IN THE STATE OF WASHINGTON

WHEREAS, the Sauk-Suiattle Tribal Council (the "Tribal Council") is the governing body of the Sauk-Suiattle Indian Tribe (the "Tribe") of authority of the Constitution and By-Laws as approved by the Secretary of the Interior on September 17, 1975 and in accordance with the Indian Reorganization Act of June 18, 1934; and

WHEREAS, the Tribal Council has the power and responsibility to provide for the welfare and treaty rights of the Sauk-Suiattle Indian Tribe and to negotiate with federal state and local governments; and

WHEREAS, the Sauk-Suiattle Indian Tribe have negotiated terms and conditions under which Seattle will be allowed to continue hydropower generation at its dams within the ceded territory of the Sauk-Suiattle Indian tribe which include fish passage, increased habitat and compensation; now

THEREFORE BE IT RESOLVED that the Tribal Council approves the Settlement Agreement and "off-license" agreement between the Sauk-Suiattle Indian Tribe and the city of Seattle on the terms set forth therein; and

BE IT FURTHER RESOLVED, The Tribe has full power to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery by the Tribe of this Agreement, and the performance by the Tribe of its obligations hereunder, have been duly and validly authorized by the Tribal Council and no other tribal action on the part of the Tribe is necessary. The Tribe acknowledges and agrees that in entering into this Agreement, it may incur obligations to Seattle, and Seattle's successors and assigns, and may become liable to these parties for specific performance of the Tribe's obligations under this Agreement. The Tribe further acknowledges that Seattle would not enter into this Agreement with the Tribe if the Tribe could defeat enforcement against it of the contractual rights granted to Seattle by claiming sovereign immunity from any action brought against the Tribe by Seattle arising from this Agreement; and

BE IT FURTHER RESOLVED, that nothing in this Agreement shall be deemed to be a waiver of the Tribe's sovereign immunity except as expressly provided in the agreements. The Tribe hereby expressly waives any Claim or assertion of sovereign immunity from suit in District Court by Seattle and Seattle's successors and assigns under this Agreement to interpret or enforce the Consent Judgment pursuant to Article 11.

BE IT FINALLY RESOLVED, that the Sauk-Suiattle Tribal Council authorizes the Tribal Council Chairman to sign all documents on behalf of the Sauk-Suiattle Tribe and in his absence, the Vice-Chairperson of the Sauk-Suiattle Tribal Council is authorized to sign all documents.

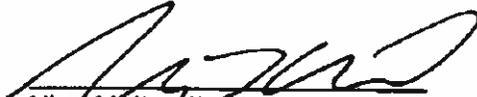
CERTIFICATION

The above resolution was duly approved by the Sauk-Suiattle Tribal Council at a (type) meeting held on February 6, 2026 at which time a quorum was present by a vote of: 6 For; 0 Against; 1 Abstain: 0 Absent.

CERTIFICATION

The above resolution was duly approved by the Sauk-Suiattle Tribal Council at a regular meeting held on February 6, 2026, at which time a quorum was present by a vote of:

6 For; 0 Against; 1 Abstain: 0 Absent.


Nina Maltos, Chairman

ATTEST:


Natalie Misanes, Secretary