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KING COUNTY, WA

WASHINGTON STATE RECORDER'S Cover Sheet (RCW 65.04)

DOCUMENT TITLE(S) (or transactions contained therein): Pre-Annexation Development Agreement
REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED: N/A <input type="checkbox"/> Additional reference #s on page _____ of document(s)
GRANTOR(S) (Last name first, then first name and initials) Puget Sound Energy, Inc., a Washington corporation City of Snoqualmie, a municipal corporation <input type="checkbox"/> Additional names on page _____ of document
GRANTEE(S) (Last name first, then first name and initials) City of Snoqualmie, a municipal corporation Puget Sound Energy, Inc., a Washington corporation <input type="checkbox"/> Additional names on page _____ of document
LEGAL DESCRIPTION (abbreviated: i.e., lot, block, plat or section, township, range) Portion of the West ½ of N.W. ¼ Section 36, T. 24 N., R. 7, W.M., King County, Washington <input type="checkbox"/> Additional legal is on page _____ of document
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER 3624079098, 3624079099, 3624079102, 3624079030, 3624079091 <input type="checkbox"/> Assessor Tax # not yet assigned

THIS PRE-ANNEXATION DEVELOPMENT ²⁰¹¹ AGREEMENT is entered into effective the ~~27th~~ day of ~~JANUARY~~, ~~2009~~, by and between the CITY OF SNOQUALMIE, a municipal corporation of the State of Washington (the "City"), and PUGET SOUND ENERGY, INC., a Washington corporation ("PSE").

RECITALS

A. The City is incorporated under the Optional Municipal Code of the State of Washington. The City has authority under chapter 35A.14 RCW to consider annexations of property within its Urban Growth Boundary. The City has authority under RCW 36.70B.170-210 to enter into agreements to control the use and development of property within its jurisdiction, and for property outside its boundaries as part of a proposed annexation pursuant to RCW 36.70B.170(1).

B. PSE is the owner of five parcels of real property comprising approximately 39.5 acres located within the City's Urban Growth Area in the Snoqualmie Hills Planning Area (the "PSE Property"). The PSE Property as identified on Exhibit 1 (PSE Property) consists of a Substation Area, associated Transmission Line Right-of-Way, and a Future Development Area, as described below.

C. On November 13, 2007, the City accepted a Notice of Intention to Commence Annexation of the PSE Property and an additional parcel number 3624079101 owned by Jonathan (Jay) Dutczak, authorizing PSE to file a Petition for Annexation. Agenda Bill (AB #07-170). PSE filed an Amended Notice of Intention to Commence Annexation on December 1, 2008, to add a tax parcel (3624079150) owned by Dutczak, that was inadvertently omitted from the original Notice of Intention. The two parcels owned by Dutczak (3624079101 and 3624079150) are collectively known as the "Dutczak Property." Exhibit 2 (Dutczak Property). On December 8, 2008, the City accepted the Amended Notice of Intention to Petition for Annexation submitted by PSE (Agenda Bill #08-211).

D. On April 23, 2009, PSE submitted a Petition for Annexation ("Petition") to the City, which included the PSE Property (except for that portion of parcel 3624079091 lying outside of the Urban Growth Boundary), together with two parcels owned by Dutczak. This area contains approximately 39.4 acres. The City has determined that the Petition is a proper and sufficient petition for annexation of this area into the City. The King County Assessor certified the Petition on July 22, 2009.

E. On October __, 2009 PSE withdrew one of the five parcels under its ownership (parcel # 3624079030) from the Petition. The four remaining PSE Properties (except for that portion of parcel 3624079091 lying outside of the Urban Growth Boundary), together with the two parcels owned by Dutczak, contains approximately 34.4 acres.

F. The Planning Commission conducted a public hearing and deliberations on a proposed Annexation Implementation Plan (AIP) and proposed pre-annexation zoning for the PSE Properties and the Dutczak Property on March 1, 2010, April 5, 2010 and May 3,

L. The **City** is considering annexation of the **Annexation Area** which is located within the **City's** Urban Growth Area, in light of the public benefits associated with the annexation of the property, including assuring an adequate supply of electrical power to the **City**. The **City's** agreement to the specific provisions of this Pre-Annexation Development Agreement are specifically based upon **PSE** being a publically-regulated utility and the fact that **PSE's** proposed wetland, wetland buffer and stream buffer disturbance is limited to that amount necessary to install and maintain the electrical utility facilities.

M. The **City** has reviewed an Expanded Environmental Checklist for the actions covered by this Pre-Annexation Development Agreement, and on February 12, 2010, issued a Mitigated Determination of Non-Significance ("**MDNS**"). Site-specific sensitive areas information was included in the information reviewed by the **City** as part of the State Environmental Policy Act documents that contained sufficient information for the **City** to evaluate compliance with the provisions of Snoqualmie Municipal Code ("**SMC**") 19.12.180(F)(4) for the proposed alteration of the sensitive area buffers for construction of the **Substation Area**, transmission lines, and associated facilities.

N. The **City** has determined that a reduced scope **AIP**, as required by Element 8 of the Snoqualmie Vicinity Comprehensive Plan, is appropriate to address only requirements for development of the **Substation Area** and transmission lines and to ensure adequate SE Douglas Street Right-of-Way for access and extension of utilities to the remainder of the **Annexation Area** beyond the **Substation Area** and to adjacent properties, and to defer additional planning normally contained in an annexation implementation plan until future development is proposed. A public hearing on the **AIP** was held by the City of Snoqualmie Planning Commission on March 1, 2010. The Planning Commission accepted public comment on the **AIP** until March 8, 2010. The Planning Commission conducted its deliberations on the **AIP** on March 1, 2010, April 5, 2010 and May 3, 2010 and recommended approval of the **AIP** to the City Council on May 3, 2010. The City Council approved the **AIP** on June 28, 2010.

O. On May 24, 2010 and June 28, 2010, the City Council held public hearings on the pre-annexation zoning ordinance, as required by RCW 35A.14.340. On June 14, 2010 the **City** held a public hearing on this Pre-Annexation Development Agreement, as required by RCW 36.70B.200. On June 28, 2010, the **City** held a public hearing on the annexation, as required by chapter 35A.14 RCW.

P. This Pre-Annexation Development Agreement is intended to be a development agreement pursuant to the authority of RCW 36.70B.170 – 210. **PSE** and the **City** intend by this Pre-Annexation Development Agreement to define the development standards and mitigations, as defined in RCW 36.70B.170(3) relating to the development of the **Substation Area** and the associated transmission lines, that will apply to the **PSE Property** upon annexation of the **Annexation Area**, including portions of the **PSE Property** that are not being annexed to the **City** at this time. This Pre-Annexation Development Agreement is not intended to authorize development or construction of any uses of the property other than the

5. DEVELOPMENT STANDARDS.

5.1 Vesting. Except as otherwise specifically provided in this Pre-Annexation Development Agreement, all provisions of the Snoqualmie Municipal Code and the Snoqualmie Ridge II Development Standards in effect as of the date of this Pre-Annexation Development Agreement shall govern development of the **Substation Area** for the substation use proposed in **Exhibit 7**, and construction of the transmission lines shown on **Exhibit 5**; provided, however, the **City** reserves the right to adopt and impose new requirements after the date of this Pre-Annexation Development Agreement that the **City** deems necessary to prevent a serious threat to public health and safety, including amendments to building, fire, and other public safety regulations. This Pre-Annexation Development Agreement does not vest development standards for the **Future Development Area on Parcel No. 3624079102**. Any other development shall be subject to further planning and potential future agreement prior to vesting and, absent some future agreement that provides to the contrary, shall only vest to those regulations that are in effect on the date a complete application is filed for development of the **Future Development Area**.

5.2 Subsequent City Approvals. Development of the **Substation Area** is subject to applicable development permits, including a Public Agency or Utility Exception (“**PAUE**”) as set forth in SMC 19.12.030C for any portion of the substation and transmission line development that proposes alteration of any wetland or stream area and their associated buffers as shown in **Exhibit 8 (Wetland & Stream Buffer Area)**. The **PAUE** requires approval by the **City’s** hearing examiner. **PSE** recognizes that this Pre-Annexation Development Agreement cannot bind a particular decision outcome from the hearing examiner, and nothing in this Pre-Annexation Development Agreement is intended to presume the outcome of the hearing examiner’s decision on the **PAUE**. If the **PAUE** is approved, the **City** agrees to approve, and **PSE** agrees to record, a Covenant and Easement to provide for ongoing vegetation maintenance over portions of the wetlands, streams, wetland buffer and stream buffer areas and within the native growth protection easement areas, as further described in Section 6.8 of this Pre-Annexation and Development Agreement (“**Covenant and Easement**”).

6. MITIGATION MEASURES.

Annexation and development of the **Annexation Area** shall be subject to the following mitigation measures for construction of the **Substation Area**, transmission lines and associated facilities.

6.1 Douglas Street Extension and Right-of-Way. Existing conditions of approval of the Snoqualmie Ridge Binding Site Improvement Plan No. 1 for the Snoqualmie Ridge Business Park and Snoqualmie Vicinity Comprehensive Plan, and Snoqualmie Vicinity Comprehensive Plan Transportation Element Policy 6.F.2.11 require the **City** to conduct a public process to review the impacts from connection of SE Douglas Street to the **Annexation Area** prior to any clearing or construction of an extension of SE Douglas Street. The parties

to construction of the **Future SE Douglas Street Extension Improvements** within parcel 3624079030.

Dedication of this Right-of-Way will be a condition of approval of any development in the **Substation Area** and shall be on forms approved by the City Attorney. Construction of the **Future SE Douglas Street Extension Improvements** to the standards specified in Sections 6.1.1 through 6.1.3 above within this Right-of-Way shall be required as a condition of future development within the **Annexation Area**. Once the alignment for the **Future SE Douglas Street Extension Improvements** through parcel 3624079030 has been determined by the City, then at the request of the owner of parcel 36240799102, that portion of the Right-of-Way dedicated by PSE within parcel 3624079102 that was provided to allow for flexibility in locating the roadway extension through parcels 3624079030 and 3624079102 that is not required to construct the **Future SE Douglas Street Extension Improvements** through parcel 3624079030, shall be re-conveyed to the owner of parcel 3624079102 (the "**Right-of-Way Exchange**"), identified on **Exhibit 10** (*Right-of-Way Exchange*). Any such future reconveyance of the right-of-way in the **Right-of-Way Exchange** shall be by deed and shall not require a vacation procedure under RCW 35.79.

6.2 Water Lines. PSE shall construct a twelve (12)-inch water line within the **SE Douglas Street Extension**, with a fire hydrant at the terminus to permit the City to flush the line, as needed, as part of the **Substation Area** construction. This water line shall also be designed with a connection that would permit extension of water south along SE 356th Avenue, should the City decide to permit extension of water outside of the City UGA to existing residents in this area. A twelve (12)-inch water line within the **Future SE Douglas Street Extension** shall be constructed at the time of future development in the **Future Development Area** in Parcel No. 3624079102 and/or development of other parcels within the subarea. At the time PSE, or its successors or assigns, proposes to develop all or any portion of the **Future Development Area** in Parcel No. 3624079102, they shall be required to extend the water line from its terminus within the **SE Douglas Street Extension** (as constructed by PSE during construction of the substation) to the eastern portion of the **Future Development Area** being developed as a condition of any future development. Alternatively, and subject to future planning and annexation as a prerequisite, a property owner easterly of the **Future Development Area** may extend water lines along SE Douglas Street to provide service to their property. If more than one owner is proposing future development at the same time, then the City will consider an appropriate pro-rata contribution to these water line extension improvements by all such parties through a mechanism such as a cost-sharing agreement or latecomer's agreement or other legal method to provide for potential reimbursement of costs associated with the extension of the water service.

6.3 Storm Water. PSE shall grant to the City a temporary drainage easement ("**Drainage Easement**") and shall construct storm water management facilities, as necessary, to address storm water from the **SE Douglas Street Extension**. The construction and location of the facilities and the area encompassed by the temporary **Drainage Easement** (the "**Drainage Easement Area**") shall be in substantial conformity with the plans shown on **Exhibit 11** (*Storm Water Management Facilities*) and shall be constructed as part of the

water permit review by City staff. Depending on the requirements of the then current storm water manual and storm water regulations in effect on the date of any such request, the request may or may not require additional storm water treatment. PSE shall be responsible for maintenance of all storm water management facilities required for construction of the substation excluding the **SE Douglas Street Extension** and **Future SE Douglas Street Extension** rights-of-way and any public trails in perpetuity and shall execute a covenant or agreement with terms acceptable to the City to establish that maintenance obligation.

6.12 Construction Access. PSE shall not be permitted to use 356th Avenue SE for **Substation Area** construction access, except for that portion located on PSE-owned property. PSE shall be required to post a bond or other surety with the City, in an amount and form provided for by City regulations, or as reasonably acceptable to the City Attorney, to cover the costs to repair any damage to existing City streets caused by vehicles and equipment used by PSE to construct the **Substation Area**.

7. TERM.

This Pre-Annexation Development Agreement shall remain in full force and effect until terminated by mutual agreement of the parties, or after the expiration of ten (10) years, whichever shall first occur.

8. TERMINATION.

This Pre-Annexation Development Agreement shall terminate upon any one of the following events:

8.1 Expiration of the term described in Section 7 above;

8.2 Denial of the annexation by the Boundary Review Board or any court of competent jurisdiction, after any appeals have been exhausted; or

8.3 Completion of the obligations related to construction of the substation and dedication of the **SE Douglas Street Right-of-Way**, provided that the obligations regarding the **Future Development Area** in Parcel No. 3624079102 and the obligations regarding the **Covenant and Easement** and the ongoing storm water facility maintenance obligations shall survive termination.

9. GENERAL PROVISIONS.

9.1 Enforcement. Venue and jurisdiction to enforce all obligations under this Pre-Annexation Development Agreement shall lie in the King County Superior Court. The obligations of the parties hereunder do not have an adequate remedy by way of an action for damages and may be enforced by an action for specific performance. The City may condition its approvals of development of the PSE property upon performance of the obligations under this Pre-Annexation Development Agreement.

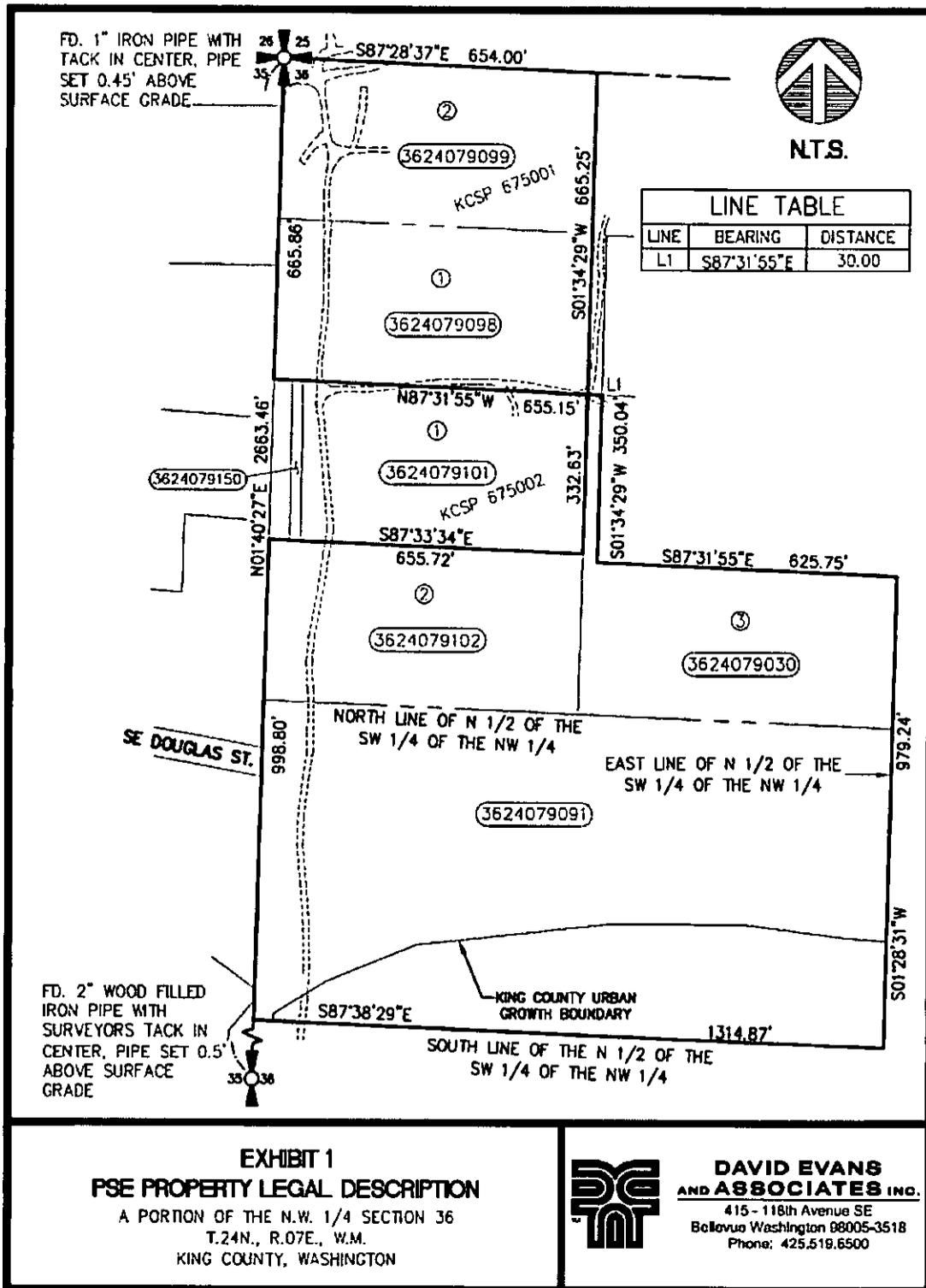


EXHIBIT 1
PSE PROPERTY LEGAL DESCRIPTION
 A PORTION OF THE N.W. 1/4 SECTION 36
 T.24N., R.07E., W.M.
 KING COUNTY, WASHINGTON



DAVID EVANS AND ASSOCIATES INC.
 415 - 118th Avenue SE
 Bellevue Washington 98005-3518
 Phone: 425.519.6500

**EXHIBIT 3
ANNEXATION AREA LEGAL DESCRIPTION**

THOSE PORTIONS OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 24 NORTH, RANGE 7 EAST, W.M., KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

LOT 2 KING COUNTY SHORT PLAT 675002 AS FILED UNDER RECORDING NO. 7510100717;

TOGETHER WITH:

THAT PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION LYING NORTHERLY OF THE 2008 KING COUNTY URBAN GROWTH BOUNDARY AS DEFINED BY KING COUNTY ORDINANCE NO. 16263, AND AS SHOWN ON RECORD OF SURVEY FILED JULY 21, 2010, UNDER RECORDING NO. 20100721900002, RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION, A 1" IRON PIPE WITH A TACK IN PLUG FOUND IN PLACE, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION, A 2" IRON PIPE WITH TACK AND PLUG FOUND IN PLACE BEARS SOUTH 01°40'27" WEST 2,663.46 FEET DISTANT;
THENCE SOUTH 01°40'27" WEST ALONG THE WEST LINE OF SAID SECTION A DISTANCE OF 1,331.73 FEET TO THE NORTH LINE OF SAID SOUTHWEST QUARTER AND THE POINT OF BEGINNING;
THENCE SOUTH 87°35'13" EAST ALONG SAID NORTH LINE A DISTANCE OF 1,312.58 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER;
THENCE SOUTH 01°28'31" WEST ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER A DISTANCE OF 442.35 FEET TO THE 2008 KING COUNTY URBAN GROWTH BOUNDARY LINE AS DEFINED BY KING COUNTY ORDINANCE NO. 16263, AND AS SHOWN ON RECORD OF SURVEY FILED JULY 21, 2010, UNDER RECORDING NO. 20100721900002, RECORDS OF KING COUNTY, WASHINGTON; THENCE WESTERLY ALONG SAID URBAN GROWTH BOUNDARY THE FOLLOWING COURSES;
NORTH 85°34'05" WEST A DISTANCE OF 90.18 FEET;
THENCE NORTH 82°50'28" WEST A DISTANCE OF 208.74 FEET;
THENCE NORTH 89°57'59" WEST A DISTANCE OF 284.88 FEET;
THENCE SOUTH 84°01'25" WEST A DISTANCE OF 164.91 FEET;
THENCE SOUTH 83°41'34" WEST A DISTANCE OF 234.43 FEET;
THENCE SOUTH 67°46'56" WEST A DISTANCE OF 205.15 FEET;
THENCE SOUTH 58°26'30" WEST A DISTANCE OF 128.55 FEET;
THENCE SOUTH 00°48'17" EAST A DISTANCE OF 15.19 TO THE SOUTH LINE OF SAID NORTH HALF;
THENCE NORTH 87°38'29" WEST ALONG SAID SOUTH LINE A DISTANCE OF 41.35 FEET TO THE SOUTHWEST CORNER OF SAID NORTH HALF;
THENCE NORTH 01°40'27" EAST ALONG SAID WEST LINE A DISTANCE OF 665.86 FEET TO THE POINT OF BEGINNING.

CONTAINING 845,919 SQUARE FEET OR 19.42 ACRES MORE OR LESS.

SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 18°17'38" A DISTANCE OF 45.21 FEET;
THENCE SOUTH 89°54'29" WEST A DISTANCE OF 330.38 FEET;
THENCE NORTH 00°01'43" WEST A DISTANCE OF 21.57 FEET TO SAID URBAN GROWTH BOUNDARY;
THENCE NORTH 84°01'25" EAST ALONG SAID URBAN GROWTH BOUNDARY A DISTANCE OF 78.46 FEET;
THENCE SOUTH 89°57'59" EAST ALONG SAID URBAN GROWTH BOUNDARY A DISTANCE OF 230.31 FEET;
THENCE NORTH 00°00'00" WEST A DISTANCE OF 24.09 FEET TO A NON-RADIAL INTERSECTION WITH AN ARC OF A CURVE CONCAVE TO THE NORTHWEST FROM WHICH ITS CENTER BEARS NORTH 36°01'55" WEST 85.00 FEET DISTANT;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 36°01'55" A DISTANCE OF 53.45 FEET;
THENCE NORTH 90°00'00" WEST A DISTANCE OF 377.77 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 85.00 FEET;
THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°56'05" A DISTANCE OF 134.90 FEET;
THENCE NORTH 01°03'24" EAST A DISTANCE OF 155.31 FEET;
THENCE SOUTH 90°00'00" WEST A DISTANCE OF 1.27 FEET TO A POINT 220.00 FEET EASTERLY OF THE EASTERLY MARGIN OF SAID BONNEVILLE POWER ADMINISTRATION RIGHT OF WAY;
THENCE NORTH 00°52'30" EAST ALONG A LINE PARALLEL WITH AND 220.00 FEET EASTERLY OF SAID EASTERLY MARGIN A DISTANCE OF 529.24 FEET TO THE NORTH LINE OF LOT 2 SAID SHORT PLAT NUMBER 675002; THENCE NORTH 87°33'34" WEST ALONG THE NORTH LINE OF SAID LOT 2 A DISTANCE OF 220.08 FEET TO SAID EASTERLY MARGIN; THENCE NORTH 00°52'30" EAST ALONG SAID EASTERLY MARGIN A DISTANCE OF 332.93 FEET TO THE SOUTH LINE OF LOT 1 SAID SHORT PLAT NUMBER 675001; THENCE SOUTH 87°31'55" EAST ALONG THE SOUTH LINE OF SAID LOT 1 A DISTANCE OF 220.09 FEET TO A POINT PARALLEL WITH AND 220.00 FEET EASTERLY OF SAID EASTERLY MARGIN; THENCE NORTH 00°52'30" EAST ALONG A LINE PARALLEL WITH AND 220.00 FEET EASTERLY OF SAID EASTERLY MARGIN A DISTANCE OF 511.56 FEET; THENCE NORTH 09°21'50" EAST ALONG SAID PARALLEL LINE A DISTANCE OF 155.13 FEET TO THE NORTH LINE OF SAID SECTION; THENCE NORTH 87°28'37" WEST ALONG THE NORTH LINE OF SAID SECTION A DISTANCE OF 445.01 FEET TO THE NORTHWEST CORNER OF SAID SECTION AND THE POINT OF BEGINNING;

CONTAINING 829,124 SQUARE FEET OR 19.03 ACRES MORE OR LESS.

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 18°18'06" A DISTANCE OF 233.98 FEET;
THENCE SOUTH 35°38'42" EAST ALONG A RADIAL LINE A DISTANCE OF 12.50 FEET TO A NON-RADIAL INTERSECTION WITH AN ARC OF A CURVE CONCAVE TO THE SOUTHEAST FROM WHICH ITS CENTER BEARS SOUTH 35°38'19" EAST 718.12 FEET DISTANT;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°43'21" A DISTANCE OF 121.86 FEET TO A NON-TANGENT ARC OF A CURVE CONCAVE TO THE SOUTHEAST FROM WHICH ITS CENTER BEARS SOUTH 44°59'39" EAST 730.00 FEET DISTANT;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 00°20'54" A DISTANCE OF 4.44 FEET;
THENCE SOUTH 44°39'27" WEST A DISTANCE OF 157.94 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 280.00 FEET;
THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 06°48'38" A DISTANCE OF 33.28 FEET;
THENCE NORTH 38°31'55" WEST ALONG A RADIAL LINE A DISTANCE OF 10.00 FEET TO AN INTERSECTION WITH AN ARC OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 270.00 FEET, THE PREVIOUS COURSE BEING ITS RADIAL LINE;
THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49°01'50" A DISTANCE OF 231.05 FEET;
THENCE NORTH 79°30'06" WEST A DISTANCE OF 10.85 FEET TO SAID WEST LINE AND THE POINT OF BEGINNING.

CONTAINING 43,634 SQUARE FEET OR 1.00 ACRE MORE OR LESS.

impacts to vegetation that was altered or removed elsewhere in the **Vegetation Maintenance Area**. The replacement plantings (type, size, amount, and location) shall be subject to **City** review and approval, consistent with the description in **Exhibit H**. PSE shall be responsible for maintaining and replacing any such replacement planting for a period of ten (10) years after the date the initial replacement plantings are installed. In addition, PSE shall be responsible for replacing any trees lost due to blow down in the **Native Growth Protection Area** at a ratio of 3:1 for a period of ten (10) years after the date trees or other vegetation is removed from the **Vegetation Maintenance Area** adjacent to the **Native Growth Protection Area**.

SECTION V.

GENERAL PROVISIONS

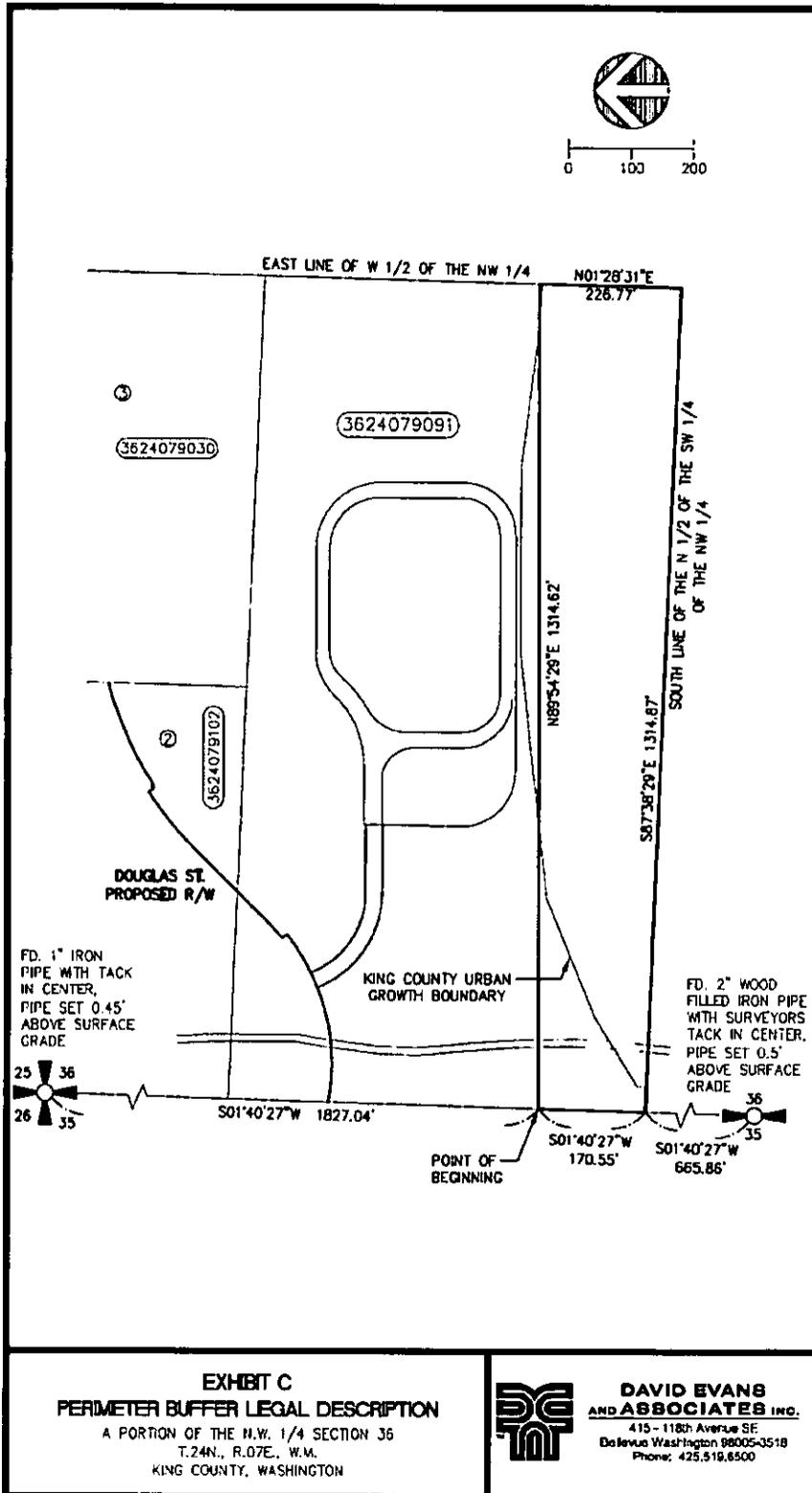
13. **Definitions.** As used herein, the term “**Covenant and Easement Areas**” shall mean, collectively, the **Wetland and Stream Buffer Area**, the **Vegetation Maintenance Area**, and the **Native Growth Protection Area**, including any such area as may hereafter be acquired and extended over that portion of the **Dutczak Property** located within the **Transmission Line Corridor**.

14. **General Provisions of Covenant.** In the event of a conflict between the provisions of this **Covenant and Easement** and conditions imposed with the decision on the **PAUE** and/or other project permits and approvals for the **Mount Si Substation** and associated transmission lines, (including, without limitation, any conditions that may be imposed by the **County** for those portions of the **Transmission Line Corridor** located within unincorporated **King County**), the conditions of the **PAUE** and/or other project permits and approvals shall control, provided, such conditions do not diminish PSE’s ability to comply with legal requirements for vegetation management to protect its facilities.

15. **Right of Entry by City.** The **City**, its successors and assigns, shall have the right without prior institution of any suit or proceeding at law, at such time as may be necessary or appropriate to the **City’s** purposes, to enter upon and across the **PSE Property** (not including the **Substation** area) for ingress and egress to and from the **Covenant and Easement Areas** owned by PSE, for the purpose of monitoring and enforcing proper operation and maintenance of the **Covenant and Easement Areas**, for all purposes, including maintenance of water quality, control of surface water and erosion, maintenance of slope stability, visual and aural buffering, protection of plant and animal habitat, replanting and restocking of plants or animal habitat, and any other actions deemed necessary by the **City** to preserve and protect the **Covenant and Easement Areas**. While the **City** has permission to enter the **PSE Property** for the above purposes, this shall not constitute an obligation or special duty on the **City’s** part to perform any or all of the above actions. By acceptance of the covenants and easements granted herein for the purposes described, the **City** does not accept or assume any liability for acts or omissions of PSE or its invitees, licensees or other third parties within the **PSE Property** or any **Covenant and Easement Areas**.

16. **Binding Effect.** The covenants and easements declared and granted herein shall run with the land, shall be binding on all present and future owners and occupiers of the **PSE Property**, and shall be enforceable on behalf of the public by the **City** of Snoqualmie.

17. **Action to Enforce Easement.** The **City** may bring action at law or in equity in a court of competent jurisdiction to enforce the terms of this **Covenant and Easement**, to enjoin any actual or threatened violation by temporary or permanent injunction, to recover damages to which it may be entitled for violation of the terms of this **Covenant and Easement**; and to require the restoration of



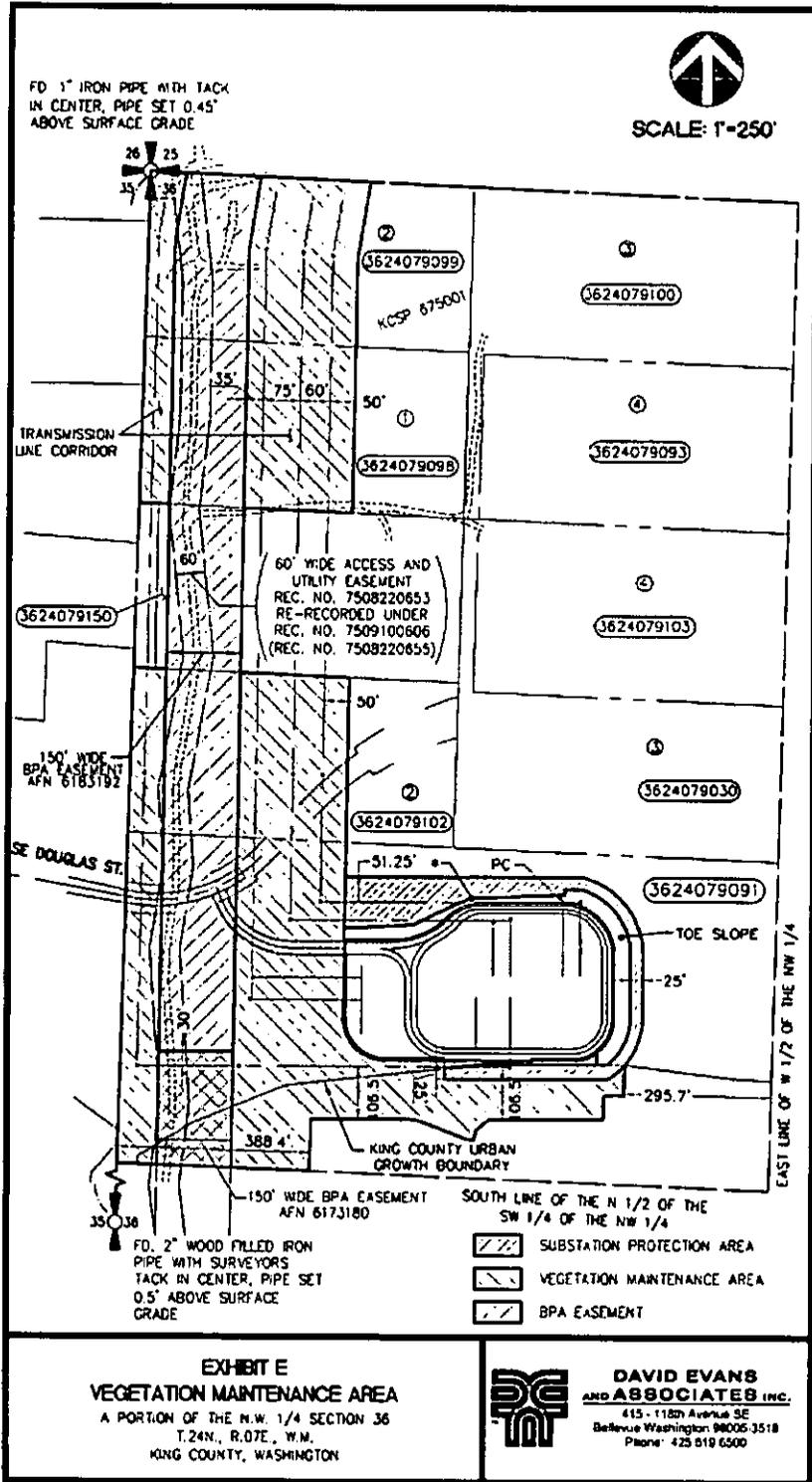


EXHIBIT H

Vegetation Maintenance Activities and Mitigation

Description of Allowed Vegetation Maintenance Activities and Mitigation

A. Native Growth Protection Area (see Covenant and Easement Exhibit F)

The **Native Growth Protection Area** is an area for the preservation of existing and any supplemental native vegetation, both for slope protection and to provide Perimeter Buffer function for properties located to the south outside of the City UGA. Consistent with the terms of this **Covenant and Easement**, no vegetation shall be removed from this area. The buffer and slope protection functions in this area shall be enhanced by planting in the “gaps” near the top of the slope in the northernmost portion of this area, at locations and with plant species that shall be reviewed and approved by the City prior to planting. Prior to any replacement plantings in this area, PSE shall meet with the City and the City’s arborist in the field to identify the locations and appropriate mix and size of plant species that should be planted to fill in the gaps in the **Native Growth Protection Area**. The choice of plant species and the requirements for soil amendment, staking, and any other maintenance requirements shall be as determined by the City’s arborist during the field verification. Any trees in this area that are lost due to blow down or slope failure within ten (10) years from the date this **Covenant and Easement** is recorded shall be replaced in this area at a 3:1 ratio from the list of species and size of trees included in the native species list specified in section C.5 below. PSE shall be responsible for maintenance and replacing any plants that do not survive the initial planting in this area for a period of three (3) years from the date of planting.

B. Business Park Perimeter Buffer (see figure attached to this Exhibit H)

The **Business Park Perimeter Buffer** is an existing buffer area established by a Covenant and Easement for Perimeter Buffer and Trail dated April 28, 1998 (King County Recording Number 9804292471) directly west and northwest of the annexation area. The purpose of this buffer area is to provide screening of the Business Park uses and structures from the adjacent rural area. To mitigate for screening impacts from removal of vegetation in the **Vegetation Maintenance Areas** where new transmission lines will be constructed, PSE shall plant additional trees and shrubs in the **Business Park Perimeter Buffer** in the “gaps” within the entire length of the buffer at locations and with plant species that shall be reviewed and approved by the City prior to planting. Prior to any replacement plantings in this area, PSE shall meet with the City and the City’s arborist in the field to identify the locations and appropriate mix and size of plant species that should be planted to fill in the gaps in the **Business Park Perimeter Buffer**. The choice of plant species and the requirements for soil amendment, staking, and any other maintenance requirements shall be as determined by the City’s arborist during the field verification. PSE shall be responsible for maintenance and replacing any plants that do not survive the initial planting in this area for a period of three (3) years from the date of planting.

C. Vegetation Maintenance Area (see Covenant and Easement Exhibit E and figure attached to this Exhibit H)

The **Vegetation Maintenance Area** reflects the area where vegetation must be removed and

**EXHIBIT H-4
NATIVE GROWTH PROTECTION AREA LEGAL DESCRIPTION**

THAT PORTION OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 24 NORTH, RANGE 7 EAST, W.M., KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION, A 1" IRON PIPE WITH A TACK IN PLUG FOUND IN PLACE, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION, A 2" IRON PIPE WITH TACK AND PLUG FOUND IN PLACE BEARS SOUTH 01°40'27" WEST, 2,663.46 FEET DISTANT; THENCE SOUTH 01°40'27" WEST ALONG SAID WEST LINE OF SAID SECTION, A DISTANCE OF 1997.59 FEET TO THE SOUTH LINE OF SAID NORTH HALF:

THENCE SOUTH 87°38'29" EAST ALONG SAID SOUTH LINE A DISTANCE OF 388.43 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 87°38'29" EAST ALONG SAID SOUTH LINE A DISTANCE OF 926.44 FEET TO THE EAST LINE OF SAID SOUTHWEST QUARTER;

THENCE NORTH 01°28'31" EAST ALONG SAID EAST LINE A DISTANCE OF 222.30 FEET TO THE 2008 KING COUNTY URBAN GROWTH BOUNDARY LINE AS DEFINED BY KING COUNTY ORDINANCE NO. 16263, AND AS SHOWN ON RECORD OF SURVEY FILED JULY 21, 2010, UNDER RECORDING NO.

20100721900002, RECORDS OF KING COUNTY, WASHINGTON;

THENCE ALONG SAID URBAN GROWTH BOUNDARY NORTH 85°34'05" WEST A DISTANCE OF 90.18 FEET;

THENCE CONTINUING ALONG SAID URBAN GROWTH BOUNDARY NORTH 82°50'28" WEST A DISTANCE OF 206.62 FEET;

THENCE SOUTH 01°28'31" WEST A DISTANCE OF 63.95 FEET;

THENCE NORTH 76°51'19" WEST A DISTANCE OF 14.45 FEET;

THENCE SOUTH 85°09'23" WEST A DISTANCE OF 27.51 FEET;

THENCE SOUTH 00°00'14" EAST A DISTANCE OF 47.30 FEET;

THENCE SOUTH 89°53'51" WEST A DISTANCE OF 229.44 FEET;

THENCE SOUTH 61°34'02" WEST A DISTANCE OF 7.76 FEET;

THENCE SOUTH 51°37'49" WEST A DISTANCE OF 27.53 FEET;

THENCE SOUTH 14°24'11" WEST A DISTANCE OF 21.17 FEET;

THENCE NORTH 84°16'43" WEST A DISTANCE OF 14.51 FEET;

THENCE NORTH 70°24'11" WEST A DISTANCE OF 19.98 FEET;

THENCE NORTH 67°55'15" WEST A DISTANCE OF 54.50 FEET;

THENCE NORTH 71°13'34" WEST A DISTANCE OF 29.84 FEET;

THENCE NORTH 73°55'17" WEST A DISTANCE OF 9.99 FEET;

THENCE SOUTH 89°53'51" WEST A DISTANCE OF 205.50 FEET;

THENCE SOUTH 01°40'27" WEST A DISTANCE OF 105.54 FEET TO SAID SOUTH LINE AND THE POINT OF BEGINNING.

CONTAINING 142.286 SQUARE FEET OR 3.27 ACRES MORE OR LESS.