

NATURAL RESOURCE ENHANCEMENT AGREEMENT

Between

The Puyallup Tribe of Indians

and

The Cascade Water Alliance

August 6, 2008

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**NATURAL RESOURCE ENHANCEMENT AGREEMENT BETWEEN THE
PUYALLUP TRIBE OF INDIANS
AND
THE CASCADE WATER ALLIANCE**

This Natural Resource Enhancement Agreement ("Agreement") is entered into by and between the Puyallup Tribe of Indians ("Tribe") and the Cascade Water Alliance ("Cascade"). The Tribe and Cascade are collectively referred to herein as the "Parties."

I. RECITALS

WHEREAS, Cascade joined with Puget Sound Energy ("PSE") in pursuing Water Right Application Nos. S2-29934 and S2-29920, Storage Application No. R2-29935, and Water Right Change Application No. CS2-160822CL (collectively, the "Municipal Water Right"). Cascade plans to acquire the Municipal Water Right from PSE for the purpose of developing a Municipal Water Supply Project to meet the demands of Cascade's service area;

WHEREAS, in June 2003, the Washington State Department of Ecology ("Ecology") issued a Report of Examination ("ROE") approving Water Right Application Nos. S2-29934 and S2-29920, and Storage Application No. R2-29935;

WHEREAS, the ROE was appealed to the Washington State Pollution Control Hearings Board ("PCHB") by various parties, including the Tribe;

WHEREAS, in January 2004, PSE ceased operation of the White River Hydroelectric Project;

WHEREAS, in August of 2004 the PCHB remanded the ROE back to Ecology for further consideration;

WHEREAS, in February 2008 Cascade and PSE completed negotiations upon the terms and conditions under which Cascade would purchase the Municipal Water Right, the Lake Tapps Reservoir and associated facilities;

WHEREAS, Cascade intends to enter into the three party White River Management Agreement with the Puyallup Tribe and the Muckleshoot Tribe ("WRM Agreement"). The WRM Agreement, among other things, adopts an agreed flow regime for diversions of water from the White River and Lake Tapps Reservoir and provides for restoration, protection and enhancement of fishery resources, fishery habitat and water quality in the lower White River, and in the Puyallup River (below its confluence with the White River);

WHEREAS, the Parties desire to enter into this separate, but related, two-party Agreement whereby Cascade would fund and the Tribe would implement, monitor and support certain ongoing capital projects intended to restore, protect and enhance fishery resources, fishery habitat and water quality in the lower White River and in the Puyallup River (below its confluence with the White River); and

WHEREAS, the Parties desire to avoid the expense, inconvenience and uncertainty of litigation and wish settle claims between them, as provided in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and representations set out herein and in recognition of the other good and valuable consideration provided to the Parties by their contemporaneous execution of the WRM Agreement, the Parties agree as follows:

II. TERMS AND CONDITIONS

A. Defined Terms

1. "Benefit the White River" means: (1) the maintenance of the minimum flows ("MFs") established under the WRM Agreement; and (2) the enhancement of water quality; the preservation, maintenance, and enhancement of fisheries habitat; and the maintenance, monitoring, research, and enhancement of fisheries stock in the White River and the Puyallup River (below its confluence with the White River).
2. "Effective Date" means the date of execution hereof by the last party to execute this Agreement.
3. "Lake Tapps Reservoir" means the waters and the real property underlying said waters, and said real property as described in the recorded Deed No. 1686523 executed on June 22, 1954 by Grantor, Puget Sound Power & Light Company for the benefit of Grantee, the Lake Tapps Development Co., Inc., and recorded at Pages 485-495 of Volume 1063, Office of County Auditor for Pierce County, Washington ("the 1954 Deed").
4. "Municipal Water Right" for the purposes of this Agreement means any permit (or subsequent certificate) issued under Water Right Applications No. S2-29920 (surface water permit to divert up to 2,000 cfs not to exceed 72,400 acre feet per year (af/y)) and No. S2-29934 (secondary permit to divert water from the Lake Tapps Reservoir for the Water Supply Project up to a maximum instantaneous rate of 150 cfs, with an average annual rate of 100 cfs, and a maximum annual quantity of 72,400 af/y), and Storage Application No. R2-29935 (reservoir permit to store in the Lake Tapps Reservoir up to 2,000 cfs of water, not to exceed 72,400 af/y) and any Change of Use Permit issued under Application No. CS2-160822CL (change of use application to add additional uses for continuing recreation, reservoir maintenance, and water quality in the Lake Tapps Reservoir) all with regard to PSE's existing (but not operational) hydropower claim.
5. "Municipal Water Supply Project" means the proposed municipal water supply project, to be owned and operated by Cascade, that when constructed, will use the Lake Tapps Reservoir as a source of municipal water.
6. "Operations" means work conducted by employees of the Tribe, or consultants acting on behalf of the Tribe, which includes, but is not limited to, activities

related to the Projects; the monitoring of flows in the White River and the monitoring of water quality in the White River and the Lake Tapps Reservoir; the monitoring and study of fish and fish habitat in the White River and Lower Puyallup River systems; and other work directly and indirectly related to the monitoring, maintenance, research, restoration, protection, and enhancement of fish and fish habitat in the White River.

7. "Operations Account" means the separate investment account established by the Tribe to be drawn upon for expenses related to Operations.
8. "Past Costs" means past litigation and settlement fees and costs incurred by the Tribe that are associated with the litigation in the PCHB related to the ROE, and subsequent settlement discussions.
9. "Project" or "Projects" means capital projects, including the acquisition of real property, intended to restore, protect and/or enhance fishery resources, fish habitat and water quality in the lower White River, and in the Puyallup River (below its confluence with the White River) that Benefit the White River.
10. "Projects Account" means the separate investment account established by the Tribe to be drawn upon for expenses related to Projects.
11. "White River Management Agreement" or "WRM Agreement" means the associated contractual agreement entered into by the Tribe, Cascade and the Muckleshoot Tribe.

B. Past Costs to the Tribe

1. Within thirty (30) days of the Effective Date of this Agreement, Cascade shall make a direct lump sum payment to the Tribe in the amount of \$1.5 million dollars for the purpose of reimbursing the Tribe for its Past Costs.
2. The Tribe shall deposit Cascade's payment for Past Costs into the Tribe's general fund and the Tribe shall use these funds at its sole discretion for any lawful purpose.

C. Payment to Fund Projects

1. Projects Payment. Within forty-five (45) days following the date that the contingencies in Section II.K. are met, Cascade shall make a direct lump sum cash payment to the Tribe in the amount of six million dollars (\$6,000,000) ("Projects Payment").
2. Projects Account. The Tribe shall deposit the Projects Payment into the Projects Account.

3. Limitation on Use of Funds. Subsequent to the Effective date, the Tribe shall use the funds and earnings in the Projects Account: (1) to reimburse the Tribe for funds expended by the Tribe (including the Tribe's use of Past Costs), prior to the Effective Date, which funds are used by the Tribe to pay for Projects and other activities that Benefit the White River in accordance with the procedures adopted according to Section II.C.4; and (2) to pay for Projects and other activities that Benefit the White River in accordance with the procedures adopted according to Section II.C.4, which funds are expended after the Effective Date of this Agreement.
4. Tribal Resolution. The Tribal Council will adopt, as a matter of Tribal law, by Tribal Council Resolution, procedures for: (1) developing, evaluating and approving proposed Projects; (2) disbursing and tracking funds from the Projects Account for approved Projects; and (3) reporting on the progress of approved Projects.
5. Notice of Approved Projects. Within thirty (30) days of the approval of proposed Projects pursuant to the Tribal Council Resolution provided for in Section II.C.4. above, the Tribe shall provide to Cascade notice of the specific Project or Projects so that Cascade may decide whether to pursue acknowledgement of the Project or Projects pursuant to Section II.I. The Tribe's notice shall include a description of the proposed Project and brief summary of the Project's benefits to fishery resources and fishery habitat.

D. Payment to Fund Operations

1. Operations Payment. Within forty-five (45) days of the date that the contingencies in Section II.K. are met, Cascade shall make a direct lump sum payment to the Tribe for Operations in the amount of seven million dollars (\$7,000,000) ("Operations Payment").
2. Operations Account. The Tribe shall deposit the Operations Payment into the Operations Account.
3. Limitation on Use of Funds. Subsequent to the Effective date, the Tribe shall use the funds and earnings in the Operations Account: (1) to reimburse the Tribe for funds expended by the Tribe (including the Tribe's use of Past Costs), prior to the Effective Date, which funds are used by the Tribe to pay for Operations in accordance with the procedures adopted according to Section II.D.4; and (2) to pay for Operations in accordance with the procedures adopted according to Section II.D.4, which funds are expended after the Effective Date of this Agreement.
4. Tribal Resolution. The Tribal Council will adopt, as a matter of Tribal law, by Tribal Council Resolution, procedures for use of funds in the Operations Account to support: (1) activities associated with approved Projects; (2) activities that Benefit the White River; and (3) activities related to Operations.

E. Management of Projects Account and Operations Account

The Tribe, in its discretion, may invest the funds in the Projects Account and/or the Operations Account provided that such investments shall be approved by the Tribal Council. All interest, dividends and other distributions and payments in connections with the investment of the Projects Account and the Operations Account shall accrue to the benefit of the respective account.

F. Audits

Either Party may, at its own expense, retain a certified public accounting firm ("firm"), acceptable to the other Party, to perform periodic financial audits of the Projects Account and/or the Operations Account; provided, however, that for the purpose of this audit the firm selected shall have access only to records pertaining to activities funded by the respective Account.

G. Annual Reports, Workplans and Meetings

1. On an annual basis, the Tribe will provide to Cascade:
 - a. a Proposed Workplan which includes the following information for the upcoming year:
 - (1) Projects that the Tribe anticipates developing with funds from the Projects Account, including a general description of each Project, the expected benefits each Project will provide to the fishery resource, and the estimated dollar amount the Tribe anticipates spending on each Project; and
 - (2) activities that the Tribe anticipates funding with money from the Operations Account, including a general description of the categories and the nature of the work and the estimated dollar amount the Tribe anticipates spending for each category of work;
 - b. an Annual Report detailing the total amount of funding expended from both the Projects Account and from the Operations Account during the previous year, the remaining unexpended balance in each account, and the benefits realized, and to be realized, from the Projects and Operations.
2. Each year, the Parties may meet, at the request of either party, to discuss the Proposed Workplan and/or Annual Report provided to Cascade for that year, including any concerns that either party may have regarding whether the proposed use of funds from either the Projects Account or the Operations Account is, or was, in any way inconsistent with the terms of this Agreement.
3. It is the Parties' expectation and intent that their respective staff shall engage in informal regular and ongoing oral and written communication to facilitate the implementation of this Agreement, as well as the WRM Agreement.

H. Third Party Funds

The Projects Account may accept funding from third parties. The Parties will cooperate in seeking to obtain such third-party funds. However, the availability or receipt of such additional funds shall not diminish Cascade's obligations under this Agreement.

I. Recognition of Cascade's Contribution to White River Fishery and Habitat Enhancements

Cascade may wish to receive acknowledgement of its contribution to the Projects funded under this Agreement that result in the enhancement of the fishery and fish habitat of the White River. Prior to seeking such acknowledgement, which may include, among other things, signage on Projects containing prominent reference to Cascade, Cascade shall provide the proposed language to the Tribe for review and approval. The Tribe shall not object to such acknowledgment to the extent that it is reasonable and consistent with this Agreement.

J. Renewal of Agreement

1. It is the intent of the Parties that Cascade's obligation to support the Tribe's activities to Benefit the White River, including Cascade's obligation to support the operation and maintenance of the previously constructed Projects, will continue until such time Cascade ceases diversions from the White River and from Lake Tapps Reservoir.
2. The Parties shall, no later than December 31, 2046, meet to initiate good faith negotiations for the purpose of discussing and determining the terms and conditions for a subsequent agreement to be entered into between the Parties. It is the Parties' expectation that this proposed subsequent agreement shall be consistent with the overall objectives of this Agreement and shall include terms and conditions similar to this Agreement. It is also expected that the passage of time may well require the Parties to consider such new terms and conditions that may be necessary to address conditions that are different from those the Parties seek to address in this Agreement.
3. In the event that the Parties are unable to enter into a subsequent agreement by January 1, 2051, this Agreement shall terminate and the limitations imposed by this Agreement or the ability of the Parties to assert their respective rights and entitlements shall no longer be in effect.
4. Whether or not Cascade continues to divert water from the White River beyond January 1, 2051, any funds remaining in the Projects Account and/or Operations Account at the termination of this Agreement on December 31, 2050 shall remain available for the Tribe's use until exhausted.

K. Contingency

The Parties acknowledge that the funding provided under this Agreement shall be contingent upon the following events:

1. The Parties shall have entered into this Agreement; and
2. PSE and Cascade shall have entered into an agreement, on terms and conditions to their mutual satisfaction, providing for the disposition of the Municipal Water Right and certain assets formerly owned and operated as the White River Hydroelectric Project; and
3. PSE and/or Cascade shall have secured the approval of such agreement by the Washington Utilities and Transportation Commission; and
4. PSE and/or Cascade shall have received from Ecology a Municipal Water Right that is acceptable to Cascade and the Tribe and any and all appeals, associated with Ecology's issuance of the Municipal Water Right have not resulted in modifications to the Municipal Water Right that are unacceptable to Cascade and the Tribe.

L. Tribe's Support of Municipal Water Right

1. So long as this Agreement continues to be fully implemented and Cascade is in compliance with the WRM Agreement, the Tribe agrees to support the Municipal Water Right as follows. The Tribe shall:
 - a. withdraw or not file any appeal of the Municipal Water Right, provided that the Municipal Water Right (and the flows provided therein) is consistent with the WRM Agreement;
 - b. affirmatively support the Municipal Water Right by letter or otherwise at the request of Cascade and to the extent requested by Cascade; provided that the Tribe's reasonable costs of such support by letter or otherwise shall be fully reimbursed by Cascade;
 - c. file an amicus curiae brief in support of the Municipal Water Right if it is appealed by other parties if so requested by Cascade; provided that the Tribe's reasonable costs to prepare and file an amicus curiae brief shall be fully reimbursed by Cascade; and,
 - d. intervene and support the Municipal Water Right if it is appealed by other parties if so requested by Cascade; provided that the Tribe's reasonable costs of such intervention shall be fully reimbursed by Cascade.

2. To the extent that Cascade reimburses the Tribe for its activities under this section, the Tribe will coordinate its activities with Cascade and Cascade will be provided an opportunity to review the written materials prepared by the Tribe.
3. The Tribe is free to pursue any course of action it chooses with regard to a Municipal Water Right provided that such activities do not conflict with the Tribe's obligations under this section. Activities by the Tribe, not requested by Cascade, shall be undertaken at the Tribe's sole expense.

M. Tribe's Release of Claims

1. On the Effective Date of this Agreement or the Effective Date of the WRM Agreement, whichever is later, (as defined therein)(the Past Claim Date), the Tribe shall release any and all claims that it may have against Cascade for loss, harm, cost, damage, expense or liability that arise from Cascade's ownership, use, operation and maintenance of the White River Hydroelectric Project that occurred on or before the Past Claim Date.

2. On the date that the contingencies set out in Section K of this Agreement are satisfied the Tribe shall release any and all claims that it may have against Cascade, for any loss, harm, cost, damage, expense or liability that arise subsequent to the Past Claim Date from Cascades' diversion of water from, implementation of ramping rates in, or discharge of water into the White River in the amounts and under the conditions provided for in this Agreement and the WRM Agreement. This paragraph does not apply to, that is it does not release, claims based on impact caused to the fishery resource or habitat by the manner in which facilities are constructed or operated.

3. Once the releases provided for in Sections 1. and 2. above come into force and effect, they shall continue to remain in force and effect so long as Cascade is in compliance with this Agreement and the WRM Agreement.

N. Dispute Resolution

1. Any dispute or claim arising between the Parties regarding the interpretation, implementation, or enforcement of this Agreement or its performance or nonperformance, including either Party's alleged failure to comply with any provision of this Agreement ("Dispute"), shall be settled by the procedures set out in this Section II.N. of this Agreement and not by court action except as provided in this Section.
2. Statement of Positions. In the event of a Dispute, a Party shall first promptly provide the other Party with a general written statement of its claim(s) and position(s). This statement need not be complete and will not limit the claims of a Party in any further procedure. If the Parties cannot informally resolve the Dispute within 14 days of receipt by the non-complaining Party of the complaining Party's written statements, the complaining Party may proceed as set forth in Sections II.N.3 and II.N.4 below.

3. Mediation Procedure. If the Parties cannot resolve a Dispute pursuant to Sections II.N.2, either Party may commence mediation by notice of selection of a third party, neutral mediator and proposed time(s) and date(s) for the mediation. If the other Party does not propose an alternative mediator within fifteen (15) days of such notice, then the mediation shall occur before the first person proposed. If the Parties do not agree on a mediator, then the selection of the mediator shall be determined by Judicial Arbitration and Mediation Services (“JAMS”) or a comparable organization who shall select a qualified mediator with experience in the subject matter of the Dispute. The mediation shall take place in Pierce County, Washington, and the mediator's fees shall be equally shared by the Parties. If the mediation resolves the Dispute, the resolution shall be memorialized in writing. If the Parties cannot resolve the Dispute through mediation, either Party may terminate mediation. Upon termination of mediation, either Party may submit the Dispute to binding arbitration under Section II.N.4. Notwithstanding the foregoing, the Parties may by written agreement waive mediation of any Dispute and proceed to binding arbitration.

4. Binding Arbitration. If the Parties do not resolve the Dispute pursuant to Sections II.N.2 and II.N.3 above, the Dispute shall be resolved by binding arbitration in Pierce County, Washington, as follows:
 - a. AAA Rules Apply. The arbitration shall be under the then existing Commercial Arbitration Rules of the AAA or a like successor organization.

 - b. Arbitrators. The Parties shall attempt to agree on a single arbitrator. If they cannot so agree, then the selection of the arbitrator shall be determined by Judicial Arbitration and Mediation Services (“JAMS”) or a comparable organization who shall select a qualified arbitrator with experience in the subject matter of the dispute. After the appointment of the arbitrator, and before any hearings or conferences with the arbitrator, the arbitrator shall take an oath of impartiality, and the Parties may communicate directly with the arbitrator only by using the same procedures as would be proper for the Parties or their representatives to communicate with a superior court judge relating to litigation pending in a superior court. The arbitrator's fees shall be jointly shared by the Parties. Any attempt by a Party to assert a position solely for the purpose of causing delay, increasing costs or vexing the other Party shall be subject to Rule 11 sanctions and responsible for paying all costs and fees incurred by the other Party as a result, direct or indirect, of that Party's efforts undertaken in violation of Rule 11.

 - c. Discovery. The Parties shall be permitted to obtain discovery from each other of documents and other tangible evidence at a time reasonably prior to the arbitration hearing. No more than two depositions shall be permitted per Party.

- d. Governing Rules and Awards. To the extent applicable, the Washington Arbitration Act, Chapter 7.04A RCW, as amended at the time of the arbitration, shall govern any judicial proceedings, resolve any issue of arbitration, and procedurally govern arbitration under or related to this Agreement. The arbitrators shall resolve any Dispute in accordance with this Agreement, including the applicable law designated by the Parties in Section II.N.6. Unless the Parties agree, the arbitration shall not be subject to summary disposition. The Parties agree that the arbitrator shall have authority, without resort to any court, to award any remedy, order or relief, including without limitation awards, orders granting preliminary and permanent affirmative, mandatory, prohibitory injunctive, or specific performance relief relating to any obligation under this Agreement, compensatory damages (but expressly excluding punitive or exemplary damages), and sanctions for abuse or frustration of the arbitration process to the same extent that a state court with personal and subject matter jurisdiction could award, order or issue or any other specific performance of any obligation. The Parties agree that the obligation to arbitrate under this Agreement and any award, order or judgment of the arbitrators under this Agreement shall be final and may be specifically enforced in the Superior Court of the State of Washington for Pierce County. Each Party shall bear its own attorney, expert and other fees and costs associated with the arbitration, except that the prevailing party in any action brought to enforce this arbitration clause shall be entitled to recovery of its reasonable attorney's fees from the other Party.
5. Puyallup Tribe Limited Waiver of Sovereign Immunity. The Puyallup Tribe voluntarily grants Cascade a limited waiver of its sovereign immunity, and that of its officers and employees acting for the Puyallup Tribe in their official capacities, and consents to binding and mandatory arbitration for the limited purpose of claims by Cascade regarding the interpretation, implementation, and enforcement of this Agreement, the enforcement of the obligation to arbitrate, and the enforcement of any award, order or judgment of the arbitrator(s) in any arbitration authorized by this Section II.N. The Puyallup Tribe consents to suit by Cascade for the purpose of judicial enforcement of an arbitration award in accordance with this Section II.N. in a suit brought in the United States District Court, in the Superior Court of the State of Washington for Pierce County. The Puyallup Tribe agrees that it will not raise sovereign immunity as a defense in any judicial action brought by Cascade to enforce an arbitration award in accordance with this Section II.N. This limited waiver shall expire upon the expiration or termination of this Agreement pursuant to Section II.X. The limited waiver of sovereign immunity granted to Cascade herein shall not extend to any monetary award or judgment, other than for mediator or arbitrator fees, and costs, and attorney fees expressly authorized in this Section.
6. Governing Law. The Parties agree that this Agreement and all questions concerning the performance of this Agreement shall be interpreted, construed and

enforced in all respects in accordance with applicable laws of the State of Washington, without reference to rules relating to choice of law.

7. No Jurisdiction in Tribal Court. This Agreement and actions taken pursuant to this Agreement shall not be interpreted under any circumstances as consent by Cascade to jurisdiction in a Tribal Court over any claims or disputes arising under this Agreement. The Puyallup Tribe expressly waives any right they may have to require Cascade to exhaust its remedies in a Tribal Court before bringing an enforcement action pursuant to Section II.N.4. of this Agreement. The Puyallup Tribe agrees that they will not prosecute, maintain, or institute any action, suit, administrative action or proceeding of any kind or nature against Cascade in a Tribal Court for any matter within the scope of this Agreement.

O. Good Faith; Commitment to Support Agreement

1. The Parties covenant and agree to act in good faith and to support the terms and validity of this Agreement.
2. Cascade shall, during the term of this Agreement, support and defend the validity of the Agreement and shall not seek, either directly or indirectly, to invalidate the Agreement or undermine or modify its terms and conditions through administrative, legislative, judicial or other means.

P. Reservation of Rights

Each Party reserves all of its rights and interests except as explicitly addressed by the terms of this Agreement. In particular, but without limitation, except as explicitly spelled out in the Agreement, the Agreement does not in any way define, affect, limit or modify the inherent or treaty-reserved fishing, hunting, gathering or water rights of the Puyallup Tribe and does not in any way define, limit or modify the inherent sovereign rights, or rights reserved by treaty or provided by executive order, statute or common law of the Puyallup Tribe.

Q. Successors and Assigns

1. This Agreement shall be binding upon and inure to the benefit of the Parties' respective successors and assigns.
2. The Parties agree that Cascade may, with the written permission of the Puyallup Tribe, assign or transfer its respective rights and obligations under the Agreement to a third party; provided that the assignee or transferee assumes in writing all of the obligations under this Agreement.
3. The Parties finally agree that any attempt by Cascade to transfer or assign this Agreement (or any amendment to this Agreement) in violation of this II.Q. is void. A change of corporate form by Cascade shall not be considered an assignment for the purposes of this Section II.Q; provided, that Cascade gives the Tribe reasonable prior notice of such change and the reasons for it; and provided

further that the new entity is obligated by law or by written Agreement to assume all of the rights and obligations of this Agreement. Notwithstanding the dispute resolution provisions of this Agreement, the Tribe may seek judicial relief with respect to any proposed change in Cascade's corporate form.

R. Construction and Interpretation

1. The headings, titles, and captions contained in this Agreement are merely for reference and do not define, limit, extend, or describe the scope of this Agreement or any provision herein.
2. Neither this Agreement nor any provision herein shall be construed against any Party due to the fact that said Agreement or any provision herein was drafted by said Party.

S. Modification

This Agreement may only be modified by written agreement of the Parties duly approved by resolution or ordinance of the Puyallup Tribe and Cascade.

T. Severability

If any provisions of this Agreement are determined to be unenforceable or invalid by a court of law, then this Agreement shall thereafter be modified to implement the intent of the Parties to the maximum extent allowable under law.

U. No Third Party Beneficiaries

No third party is intended to, or shall have any rights under this Agreement. The Parties to this Agreement are the only ones with any right to enforce its terms.

V. Equal Participation in Drafting

The Parties have participated equally in drafting this Agreement and have been represented by legal counsel. No Party shall be deemed to have more responsibility than any other for any ambiguous language.

W. Notice

All notices under this Agreement shall be in writing and shall be directed to the Parties at the following addresses (which are subject to change upon notice to the other Party). All notices under this Agreement shall be deemed to have been made when personally served on the Party's designee, or on the third business day after notice is sent by first class mail, or an equivalent method of transmittal. A Party may change its designee by providing notice of the change in writing to the other Party. The Parties' initial designees are:

Puyallup Tribe: Herman Dillon Sr., Chairperson
Puyallup Tribal Council
Puyallup Tribe of Indians
3009 E. Portland Ave.
Tacoma, WA 98404

with a copy to: John Howard Bell, Director
Law Office of the Puyallup Tribe of Indians
3009 E. Portland Ave.
Tacoma, WA 98404

with a copy to: Richard A. Du Bey
Short Cressman & Burgess PLLC
999 Third Avenue, Suite 3000
Seattle WA 98104

Cascade: Ed Oberg, Chief Executive Officer
Cascade Water Alliance
11400 SE 8th Street, Suite 440
Bellevue, WA 98004

with a copy to: Michael Gagliardo, Director of Planning
Cascade Water Alliance
11400 SE 8th Street, Suite 440
Bellevue, WA 98004

with a copy to: Michael P. Ruark, General Counsel
Inslee Best Doezie & Ryder
777 - 108th Avenue NE, Suite 1900
P.O. Box C-90016
Bellevue, WA 98009-9016

X. Term of the Agreement

This agreement shall be effective from the Effective Date and continue until December 31, 2050.

Y. Non-waiver

Waiver of any provision herein shall not be deemed a waiver of any other provision herein, nor shall waiver of any breach of this Agreement be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

Z. Power of the Parties

Each party by executing this Agreement warrants that it duly approved this Agreement and has the power to enter into the Agreement and to enforce its terms.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of this 6th day of August, 2008.

Tribe:

Cascade:

Puyallup Tribe of Indians

Cascade Water Alliance

By: Henry John
Title: Vice-Chair Council
Dated: 8-6-08
Time: 11:45
Place: MacRie Shoot Res

By: Jayd Wann
Title: Chair
Dated: 08-06-08
Time: 11:40 AM
Place: Auburn, wa

PUYALLUP TRIBE OF INDIANS ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 6TH day of AUGUST, 2008, personally appeared before me ~~Herman Dillon Sr.~~ ^{VICE} to me known to be the Chairperson of the Puyallup Tribe of Indians, and HENRY JOHN ^{ys} acknowledged this instrument to be the free and voluntary act and deed of the Puyallup Tribe of Indians for uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written



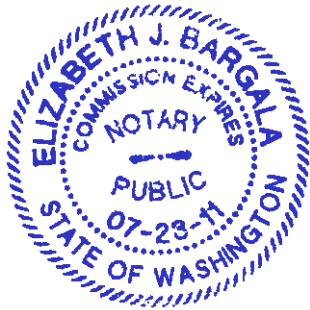
Elizabeth Bargala
Notary Public in and for the State of Washington
Residing at ENUMCLAW WA

CASCADE WATER ALLIANCE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 10TH day of AUGUST, 2008, personally appeared before me Lloyd Warren to me known to be the Chair of the Board of Directors of the Cascade Water Alliance, and acknowledged this instrument to be the free and voluntary act and deed of the Cascade Water Alliance for uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written



Elizabeth J. Bargala
Notary Public in and for the State of Washington
Residing at Enumclaw, WA