

**TERMINATION
OF
DEVELOPER AGREEMENT AND COVENANT**

This Termination of Developer Agreement and Covenant (this “**Agreement**”) is made and entered into as of June 15, 2023 (the “**Effective Date**”) by and among **PUGET SOUND ENERGY, INC.**, a Washington public utility corporation (“**PSE**”) and **SUNCADIA RESORT, LLC**, a Delaware limited liability company (“**Suncadia Resort**”).

BACKGROUND

A. In connection with development of a master planned community now known as “Suncadia” (the “**Community**”), PSE and MountainStar Resort Development, LLC (“**MRD**”, which subsequently changed its name to Suncadia, LLC, but has now been terminated as an entity and no longer exists), entered into that certain Developer Agreement for MountainStar Resort Development LLC dated December 19, 2003 (the “**Developer Agreement**”), which, among other things, allowed for the provision of natural gas service by PSE to serve the Community.

B. As contemplated by Section 6 of the Developer Agreement, PSE and MRD also entered into that certain Agreement and Covenant for Collection and Payment of Combined Qualification Payment for Extension of Natural Gas Services (the “**Covenant**”). The Covenant was recorded under Kittitas County Recording No. 2004041600016 against the real property described therein (the “**MRD Properties**”) to evidence the obligation of owners of the MRD Properties to make Combined QP payments to PSE as required by the Developer Agreement.

C. In 2012, a new developer, New Suncadia, LLC (“**New Suncadia**”), acquired certain MRD Properties from MRD. This transfer of certain MRD Properties from MRD to New Suncadia did not include an assignment of the Developer Agreement to New Suncadia. Additionally, in acquiring certain MRD Properties from MRD, New Suncadia did not assume any obligations of MRD under the Developer Agreement.

D. The Covenant, by its terms, was a covenant running with the land. By acquiring certain MRD Properties encumbered by the Covenant, New Suncadia became bound by its terms with respect to those certain MRD Properties that New Suncadia acquired from MRD.

E. In 2015, New Suncadia and PSE entered into that certain Supplemental Payment Agreement, dated August 11, 2015 (the “**Payment Agreement**”), pursuant to which New Suncadia agreed to undertake the obligation of making certain Combined QP payments to PSE arising under the Developer Agreement and the Covenant.

F. In 2020, New Suncadia satisfied its Combined QP payment obligations under the Covenant and the Payment Agreement.

G. In 2021, New Suncadia sold its interests in certain MRD Properties to a new developer, Suncadia Resort, LLC (“**Suncadia Resort**”). This transfer of certain MRD Properties from New Suncadia to Suncadia Resort did not include an assignment of the Developer Agreement to Suncadia Resort. Additionally, in purchasing certain MRD Properties from New Suncadia, Suncadia Resort did not assume any obligations of MRD under the Developer Agreement.

H. All Combined QP payments required under the Developer Agreement and Covenant have now been made to PSE, and all other obligations (if any) required to be performed by the parties other than PSE under the Developer Agreement and Covenant have otherwise been satisfied to the satisfaction of the PSE. Accordingly, Suncadia Resort, the current developer of the Community, has requested, pursuant to the terms of the Covenant, to clear title to the MRD Properties it owns, that contemporaneously herewith, PSE execute and record a Release of Agreement and Covenant for Collection of Combined Qualification Payment for Extension of Natural Gas Service attached hereto as **EXHIBIT A** (the “**Release of Covenant**”).

I. Finally, the parties agree that the Developer Agreement is terminated, and Suncadia Resort has asked that PSE agree to continue without interruption to provide natural gas service to customers within the Community in the same manner as it does for other customers in Washington State. PSE has agreed to such requests and has undertaken the development of certain tariffs or tariff schedules for filing with the Washington Utilities and Transportation Commission (the “**Commission**”) related to the continued delivery of natural gas to the Community, subject to the other terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and incorporated herein by reference.

2. **Termination of Covenant and Obligations Under the Developer Agreement.** The Covenant is hereby fully released and terminated as of the Effective Date. To evidence and provide record notice of the same, PSE shall, contemporaneously with execution of this Agreement, execute and cause to be recorded the Release of Covenant. In addition, PSE and Suncadia Resort acknowledge and agree that as of the Effective Date, PSE’s obligations under the Developer Agreement are terminated, and neither PSE, Suncadia Resort, New Suncadia, MRD, nor any of Suncadia Resort’s predecessors-in-interest or any other past-party, shall have any further rights or obligations under the Developer Agreement or Covenant. Suncadia Resort agrees to not oppose PSE’s efforts to obtain a new tariff schedule for the Community. Both prior to and after commencement of any such new PSE tariff schedule, PSE shall continue to provide such natural gas and other utility services within its purview, along with related infrastructure, to customers in the Community, all in the same manner as it does for its other customers in Washington State (subject, however, to any tariffs or surcharges applicable only to the Community that have been approved and properly authorized by the Commission and any other applicable regulatory authorities). From and after the Effective Date, the provision of natural gas by PSE and the repair, maintenance, and replacement of the utility facilities and connections to the Community will be governed by the applicable PSE tariff schedules and/or rules approved by the Commission, and/or the terms and conditions of any easements or other agreements between PSE and the owners of the MRD Properties.

3. **Miscellaneous.** To the extent this Agreement conflicts with the Developer Agreement and/or Covenant, this Agreement shall control. This Agreement may be executed in counterparts. This Agreement constitutes the entire agreement and understanding by and between

PSE and Suncadia Resort with respect to the subject matter set forth herein and replaces all prior or contemporaneous oral or written agreements or understandings. Each party represents and warrants that it is authorized to enter into this Agreement and that no third-party consents or authorizations are required in connection with this Agreement or that any such required consents or authorizations have been obtained. Each party represents and warrants that the person signing this Agreement on behalf of such party is authorized to execute and deliver this Agreement, and that upon such person's execution hereof, this Agreement will become binding upon such party. If either party obtains a judgment against the other party by reason of breach of this Agreement, reasonable attorneys' fees as fixed by the court shall be included in such judgment. This Agreement shall inure to the benefit of and be binding upon the parties' respective successors and assigns. New Suncadia and MRD shall be deemed third party beneficiaries entitled to rely on this Agreement, including without limitation, the termination of Developer Agreement and Covenant effected hereby.

(Remainder of page intentionally left blank; Signature page follows.)

The parties have executed this Agreement as of the date and year first written above.

PSE:

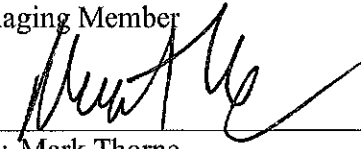
PUGET SOUND ENERGY, INC., a
Washington public utility corporation

By: _____
Name: Gretchen Aliabadi
Its: Director, Business Services

SUNCADIA RESORT:

SUNCADIA RESORT LLC,
a Delaware limited liability company

By: LCIF Suncadia LLC
a Delaware limited liability company
Its Managing Member

By: 
Name: Mark Thorne
Its: Managing Director

By: 
Name: Gary A. Kittleson
Its: Vice President

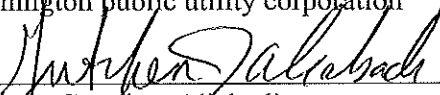
The parties have executed this Agreement as of the date and year first written above.

PSE:

SUNCADIA RESORT:

PUGET SOUND ENERGY, INC., a
Washington public utility corporation

SUNCADIA RESORT LLC,
a Delaware limited liability company

By: 
Name: Gretchen Ahabadi
Its: Director, Business Services

By: LCIF Suncadia LLC
a Delaware limited liability company
Its Managing Member

By: _____
Name: Mark Thorne
Its: Managing Director

By: _____
Name: Gary A. Kittleson
Its: Vice President

EXHIBIT A

RELEASE OF COVENANT

When Recorded, Return to:

HILLIS CLARK MARTIN & PETERSON P.S.

Attention: D. Christian Addicott
999 3rd Avenue, Suite 4600
Seattle, WA 98104

RELEASE

OF

**AGREEMENT AND COVENANT FOR COLLECTION OF
COMBINED QUALIFICATION PAYMENT FOR EXTENSION OF
NATURAL GAS SERVICE**

Grantor:	<u>PUGET SOUND ENERGY, INC.</u>
Grantee:	<u>PUGET SOUND ENERGY, INC.</u>
Legal Description (abbreviated):	T20N, R15E, Ptn Sections 18, 19, 20, 21, 28, 29, 30, 31, 32, & 33; T20N, R14E, Ptn Sections 11, 13, 14, 15, 23, 24 & 25 (Additional on Exhibit A to Agreement and Covenant Recorded <u>under Kittitas County Recording No. 200404160016</u>)
Assessor's Tax Parcel ID #s:	(See Assessor Tax Parcel ID #s listed in Exhibit A to Agreement and Covenant Recorded Under Kittitas County Recording No. <u>200404160016</u>)
Reference No. of Released Document:	<u>200404160016</u>

THIS RELEASE OF AGREEMENT AND COVENANT FOR COLLECTION AND PAYMENT OF COMBINED QUALIFICATION PAYMENT FOR EXTENSION OF NATURAL GAS SERVICE (“Release”), dated for reference purposes and effective as of June 9, 2023, is executed by Puget Sound Energy, Inc., a Washington corporation (“PSE”), as the sole beneficiary of that certain Agreement and Covenant for Collection and Payment of Combined Qualification Payment for Extension of Natural Gas Service recorded under Kittitas County Recording No. 200404160016 (the “Agreement”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

RECITALS

The Agreement was previously recorded against the MRD Properties to evidence the obligation of owners of all or portions of the MRD Properties to make Combined QP payments to PSE. All Combined QP payments required under the Agreement have now been made to PSE. Accordingly, PSE, as the sole beneficiary under the Agreement, is executing and recording this Release to clear title to any real property that remains encumbered by the Agreement as of the date of recording of this Release (the “Remaining Property”).

RELEASE OF AGREEMENT

PSE, as the sole beneficiary of the Agreement, hereby releases the Agreement of record. As of the recording of this Release, the Agreement shall no longer encumber the Remaining Property or any of the other real property originally encumbered by the Agreement. Any title company or third party may rely upon this Release as irrefutable evidence that the Agreement no longer affects the Remaining Property or any of the other real property originally encumbered by the Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE AND ACKNOWLEDGMENT APPEAR ON FOLLOWING PAGE.]**

PUGET SOUND ENERGY, INC.,
a Washington corporation

By *Gretchen J. Aliabadi*
Name: Gretchen J. Aliabadi
Its: Director, Business Services

STATE OF WASHINGTON
COUNTY OF KING

} ss.

This record was acknowledged before me on JUNE 9, 2023, by
GRETCHEN J. ALIABADI as DIRECTOR, BUSINESS SERVICES of
PUGET SOUND ENERGY, INC., a Washington corporation.

(notary seal)



Jane Erika Bangcuyo
Print Name JANE ERIKA BANGCUYO

NOTARY PUBLIC in and for the State of Washington

My Commission Expires 1-31-27