

57216

PIPELINE EASEMENT

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KNOW ALL MEN BY THESE PRESENTS, that HANSON NATURAL RESOURCES COMPANY, a Delaware general partnership, hereinafter referred to as GRANTOR, for and in consideration of Ten Dollars (\$10.00) and other valuable consideration, does hereby grant and convey unto PACIFIC GAS TRANSMISSION COMPANY, a California corporation, hereinafter referred to as GRANTEE, its successors and assigns, subject to the terms and conditions hereinafter provided, a permanent, assignable, exclusive easement on, under, along and across certain real properties described as a strip of land, eighty (80) feet in width and described as follows:

That certain real property being a portion of Section 2 in Township 32 South, Range 7 East of the Willamette Meridian in Klamath County, Oregon described as:

Beginning at a point from which the Northwest Corner of said Section 2 bears N72°13'37"W a distance of 2436.96 feet; THENCE N80°49'39"E a distance of 300.00 feet; THENCE S09°10'21"E a distance of 80.00 feet; THENCE S80°49'39"W a distance of 300.00 feet; THENCE N09°10'21"W a distance of 80.00 feet to the point of beginning.

all being hereinafter referred to as the PREMISES.

TOGETHER WITH the right of ingress and egress to and from, and access on and along existing and future roads for the purpose of, inspecting, repairing and maintaining said pipeline and with the right to clear and keep clear as much of the PREMISES as is necessary for all purposes incident to the enjoyment of said easement. GRANTEE shall have the right of access upon only so much of the adjacent lands of the GRANTOR as may be necessary for the use of said easement for the purposes stated herein.

1. **PURPOSE**

The purpose of this easement is to give the GRANTEE the right to lay, install, operate, maintain, enclose with a fence, change the size of, repair, replace and remove a pipeline or pipelines and valves, cathodic protection devices, casings, or cables and appurtenances for the transmission and control of commercially valuable fluids or gases and communications related thereto, all being hereinafter referred to as the FACILITIES.

Return: PGT-PG& E (Land Dept.)
P.O. Box 5606
Bend, OR. 97708

2. ENVIRONMENTAL INDEMNITY

Except as required for the operation and maintenance of its equipment and in such quantities as is usual for such activities, the **GRANTEE** shall not keep on or about the **PREMISES**, any substances now or hereinafter designated as, or containing components now or hereinafter designated as, hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation statutes and ordinances, now in existence or as may be subsequently enacted or amended. The **GRANTEE** shall promptly notify the **GRANTOR** and all agencies required by law of:

- (1) all spills or releases of any hazardous substance;
- (2) all alleged failures to comply with any federal, state, or local law, regulation or ordinance, as now enacted, or as subsequently enacted or amended;
- (3) all inspections of the **PREMISES** by any regulatory entity;
- (4) all regulatory orders or fines;
- (5) all response or interim cleanup actions taken by or proposed to be taken by any government entity or private party on the **PREMISES** in response to a release of any hazardous substance.

The **GRANTEE** shall be fully and completely liable to the **GRANTOR**, and shall indemnify, defend, and save harmless the **GRANTOR** and its agencies, employees, officer, directors and agents with respect to any and all liability, damages, (including physical or biological damages to land, aquatic life and other natural resources), expenses, causes of action, suits, claims, costs (including testing, auditing, surveying and investigation costs), fees (including attorneys fees and costs), penalties (civil and criminal), and response or cleanup costs assessed against or imposed as a result of **GRANTEE's** use, disposal, transportation, generation and/or sale of hazardous substances, on or adjacent to the **PREMISES**, or that of **GRANTEE's** employees, agents, assigns, sublessees, contractors, subcontractors, licensees, permittees, or invitees, and for any breach of this covenant and obligation. **GRANTEE** and **GRANTOR** as additional and express consideration, agree that the **GRANTEE** will, at its own expense, upon any failure to comply with the foregoing, and upon direction to do so by **GRANTOR**, take corrective action measures satisfactory to the **GRANTOR**. If the **GRANTEE** fails to do so, the **GRANTEE** agrees the **GRANTOR** may take such corrective action and the **GRANTOR** shall be entitled to receive full reimbursement therefor from the **GRANTEE** upon demand, together with interest thereon from the date of expenditure at the rate of one percent per month. **GRANTEE** agrees to indemnify and reimburse **GRANTOR** for all necessary costs of response (as "response" is used in the federal Comprehensive Environmental Response, Compensation and Liability Act,

40 CFR, Part 101(25), as amended) and for all damages to natural resources that **GRANTOR** may be required to expend or pay as the result of the release of hazardous substances onto **GRANTOR's** land caused by or resulting from the operations of the **GRANTEE**.

3. **CONSTRUCTION**

GRANTEE agrees at time of construction to prepare and leave the **PREMISES** in such a condition that the **PREMISES** shall be clean and free of undesirable materials and debris as mutually agreed upon, and, in so doing, to strictly comply with all laws, rules and regulations of the State of Oregon or other governmental bodies having authority in the matter, including, but not by way of limitation, disposal of refuse and slash, restoration of appropriate vegetative cover by replanting or reseeding disturbed areas.

4. **FOREST PRACTICES**

GRANTEE, without in any manner limiting the foregoing, further covenants and agrees that, in the conduct of any and all of its activities and operations hereunder, it will comply strictly with all present and future laws, rules and regulations of the State of Oregon, or any other governmental body having jurisdiction in the matter, with respect to forest practices and forest areas, the prevention and suppression of fires and possession and maintenance of fire fighting tools and equipment, the control and/or elimination of noxious weeds, and, in any and all events, it will conduct its operations in a careful and prudent manner.

5. **PERFORMANCE INDEMNITY**

GRANTEE shall indemnify and hold harmless **GRANTOR** from and against any and all claims arising from **GRANTEE's** use of the **PREMISES**, or from the conduct of **GRANTEE's** business or from any activity, work or things done, permitted or suffered by **GRANTEE** in or about the **PREMISES** or elsewhere and shall further indemnify and hold harmless **GRANTOR** from and against any and all claims arising from any breach or default in the performance of any obligation on **GRANTEE's** part to be performed under the terms of this easement, or arising from any negligence of the **GRANTEE**, or any of **GRANTEE's** agents, officers, invitees, contractors or employees, and from and against all costs, attorneys fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and upon notice from **GRANTOR** shall defend the same at **GRANTEE's** expense by counsel satisfactory to **GRANTOR**. **GRANTEE**, as a material part of the consideration to **GRANTOR**, hereby assumes all risk of damage to third parties or damage caused by the negligence of

GRANTEE as mentioned above to property or injury to persons in upon or about the **PREMISES** arising from any and all causes resulting from **GRANTEE's** use hereunder and **EXCEPT** for those resulting from the negligence or willful misconduct of **GRANTOR**.

6. **LOSS OF INCOME**

GRANTEE hereby agrees that **GRANTOR** shall not be liable for injury to **GRANTEE's** business or any loss of income therefrom or special or consequential damages or for damage to the goods, or other property of **GRANTEE**, **GRANTEE's** officers, employees, invitees, contractors, or any other person in or about the **PREMISES**, nor shall **GRANTOR** be liable for injury to the person of **GRANTEE**, **GRANTEE's** officers, employees, agents, invitees or contractors, whether such damage or injury is caused by or results from fire, electricity, rain, wind, flood or from the breakage, leakage, obstruction or other defects or from any other cause.

7. **LIENS**

GRANTEE hereby agrees to indemnify **GRANTOR** and to hold **GRANTOR** and **GRANTOR's** land free and harmless of and from any lien, charge, claim or demand, based upon or arising out of or in connection with the doing of any labor, or the furnishing of any materials or supplies.

8. **NOTICES**

Any notice to be given by either party hereto to the other under or with respect to this easement shall be in writing and may be served personally or by registered mail, postage prepaid, addressed to the party for whom intended as follows:

To **GRANTOR**: **HANSON NATURAL RESOURCES COMPANY**
1800 SW First Ave., Suite 500
Portland, Oregon 97201
Phone: (503) 221 - 7038
Facsimile: (503) 221 - 7286

To **GRANTEE**: **PACIFIC GAS TRANSMISSION COMPANY**
P.O. Box 4389
Spokane, Washington 99202-0389
Phone: (509) 534 - 0657
Facsimile: (509) 536 - 2725

9. SPECIAL CONDITIONS

A. **GRANTEE**, as a material part of the consideration, shall perform all repair necessary to return **GRANTOR's** roads to the condition existing prior to **GRANTEE's** use thereof, including, but not by way of limitation, the road-surface travel-way, ditches, cuts, fills, banks and related surface areas, and will perform all maintenance arising directly or indirectly from the construction and repair of the roads, to the condition as existed prior to **GRANTEE's** use thereof, or, when roads are being used by more than one party, **GRANTEE** shall share the cost of required maintenance in proportion to its use of said roads.

B. **GRANTEE** shall not petition, cause or do any thing which might lead to the use or dedication of roads used for ingress, egress or access on or along the easement **PREMISES** from becoming or caused to become a public road.

C. **GRANTEE** shall notify **GRANTOR** at least two (2) days prior to any subsequent request to use said easement to confirm use, access, and to insure non-interference with **GRANTOR's** operations; or if emergency operations are necessary, as soon as possible thereafter.

D. Upon the termination of the rights hereby granted, **GRANTEE** shall execute and deliver to **GRANTOR**, within thirty (30) days after service of a written demand therefor, a good and sufficient quitclaim deed to the rights hereby granted.

E. **GRANTEE** shall pay to **GRANTOR** all future damages to growing crops, timber or other property of **GRANTOR** caused by the construction, maintenance and repair, replacement or removal of said **FACILITIES**.

F. **GRANTEE** shall pay, before delinquency, all taxes and assessments levied upon or assessed against its improvements, fixtures and property on the aforesaid lands of the **GRANTOR**. **GRANTEE** shall further pay, before delinquency, all taxes, assessments and other governmental charges levied upon, or referable to, any operations or acts of **GRANTEE**, or on its behalf, on said lands.

10. TERMINATION

This easement, and all interest of the **GRANTEE** herein and hereunder, shall terminate at such time that **GRANTEE** determines that the easement is no longer necessary and abandons the use thereof; or at such time that **GRANTEE** shall be in default under the

provisions hereof, and, upon sixty days after written notice, shall fail to cure such default; provided however, that GRANTEE shall have a reasonable time to cure a default that is not curable within a sixty day period. Any dispute as to materiality or cure shall be resolved by binding arbitration pursuant to rules of the American Arbitration Association. Abandonment, as used herein, is defined as: the **FACILITIES**, as installed on and under the **PREMISES**, are not maintained in an operable condition for a period of five (5) years or more.

In the event that the **GRANTEE** discontinues the use of or abandons the use of its **FACILITIES**, it shall, at its own expense, purge the pipe of all flammable gasses, plug and fill with inert gas, or do such other decommissioning as may be required by any lawful authority and in strict and full compliance with procedures required by any laws in effect at the time of said decommissioning. Liability for any of the **FACILITIES** so abandoned, shall remain solely with the **GRANTEE** and shall survive termination hereof by any said abandonment. If, at any time in the future, any further action is required by a regulating authority to comply with new laws, **GRANTEE** shall, at its own expense, perform such action within sixty days of notice of compliance requirements.

The terms, conditions and provisions of this grant or any contract resulting from the exercise thereof shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.


The headings contained in this easement are for reference purposes only and shall not in any way affect the meaning or interpretation of this easement.

This instrument will not allow use of the property described in this instrument in violation of applicable land use laws and regulations and does not guarantee that any particular use may be made of this property. Before signing or accepting this instrument the person acquiring fee title to the property should check with the appropriate city or county planning department to verify approved uses.

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IN WITNESS WHEREOF, the GRANTOR has executed this instrument this 11th day
of January, 1993.

HANSON NATURAL RESOURCES COMPANY

R. E. Dahlin 
By: R. E. Dahlin, Division Vice President

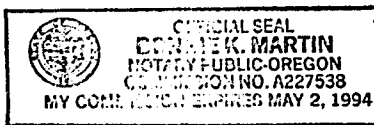
PACIFIC GAS TRANSMISSION COMPANY

By: W. J. Thomas
Its: LAND MANAGER

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STATE OF OREGON)
) SS.
COUNTY OF MULTNOMAH)

On Jan. 11, 1993, before me, the undersigned, a Notary public in and for said County and State, personally appeared R. E. Dahlin, known to me to be the Division Vice President of **HANSON NATURAL RESOURCES COMPANY**, of the partnership that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the partnership therein named, and acknowledged to me that such partnership executed the same pursuant to its by-laws or a resolution of its board of directors.

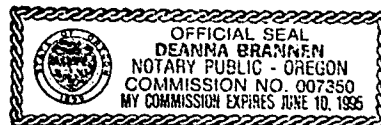


Bonnie K. Martin
Notary Public in and for the State of Oregon
My Commission expires: 5-2-94

STATE OF Oregon)
) SS.
COUNTY OF Deschutes)

On 1/5, 1993, before me, the undersigned, a Notary public in and for said County and State, personally appeared W. B. Thomas, known to me to be the PGT-P&E Project Land Manager of **PACIFIC GAS TRANSMISSION COMPANY**, the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its board of directors.

Deanna Brannen
Notary Public in and for the State of Oregon
My Commission expires: 6/10/95



STATE OF OREGON: COUNTY OF KLAMATH: SS.

Filed for record at request of PGT-PG&E the 4th day
of Feb. A.D., 19 93 at 2:04 o'clock P M., and duly recorded in Vol. M93
of Deeds on Page 2599

FEE \$45.00

Evelyn Biehn County Clerk

By Deanna Brannen