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RIGHT OF WAY AGREEMENT

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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 follows:

That certain real property situate and being a portion of the Northeast one quarter of Section 13, Township 29 South, Range 7 East, Willamette Meridian, Klamath County, State of Oregon, and being more particularly described as follows:

Beginning at a point on the Westerly Right-of-Way line of Highway 97, also known as the Dalles-California Highway, from which the section corner common to Sections 12, 7, 13, 18 bears North 9°04'05" East, 1869.51 feet, said point also being 150.00 feet Westerly of the centerline of said Highway 97 at Engineers Station 1297+11.6; Thence North 88°30'16" West, 40.00 feet; Thence South 1°29'44" West, 40.00 feet; Thence South 88°30'16" East, 40.00 feet to said Westerly Right-of-Way; Thence North 1°29'44" East along said Right-of-Way line, 40.00 feet to the **POINT OF BEGINNING**.

The above described property contains 0.04 acres more or less and the Basis of Bearings being the Centerline of Highway 97 (e.g. South 1°29'44" West).

Bill Hogan
Return: PGT-PC&E Pipeline
P.O. Box 9249
Bend, Or. 97708

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 facilities 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 such devices for controlling electrolysis and its above-ground appurtenances of second party's pipelines hereinafter referred to as the **FACILITIES**.

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 designed 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, suites, 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 forgoing, 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
Fax: (503)221-7286

To GRANTEE: PACIFIC GAS TRANSMISSION COMPANY
P. O. Box 4389
Spokane, WA 99202-0389
Phone: (509)534-0657
Fax: (509)536-2720

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, fill, 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 affect 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 it's 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.

IN WITNESS WHEREOF, the GRANTOR has executed this instrument this 8th
day of March, 19 93.

Pacific Gas Transmission Co.

by H. Walker

Hanson Natural Resources Co.

by R.E. Dahlin
R.E. Dahlin
Division Vice President

Acknowledgement

For Notary's Use Only

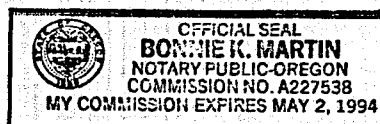
For Recorder's Use Only

State of Oregon)
) ss.
 County of Multnomah)

The foregoing instrument was acknowledged before me this 8th day of March, 1993, by R. E. Dahlin, Division Vice President of HANSON NATURAL RESOURCES COMPANY, a Delaware general partnership, on behalf of the partnership.

Bonnie K. Martin
 Notary Public in and for the
 State of Oregon

My commission expires 5-2-94



62-4202 Notary (General) Rev. 8/91

STATE OF California }
 COUNTY OF San Francisco } ss.

On April 2, 1993 before me, the undersigned, a Notary Public for said State, personally appeared G.L. Walker

[] personally known to me -OR- [] proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Dino Angelosante
 Signature

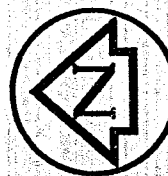
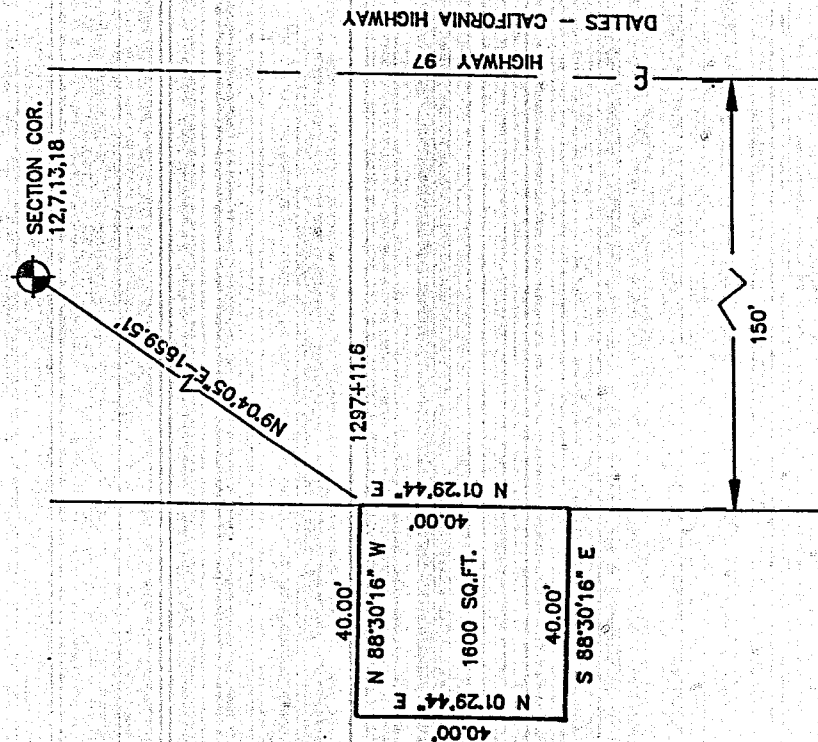


CAPACITY CLAIMED BY SIGNER

- [] Individual(s) Signing For Oneself/Themselves
 [] Corporate Officer(s) of the Above Named Corporation(s)
 [] Guardian of the Above Named Individual(s)
 [] Partner(s) of the Above Named Partnership(s)
 [] Attorney(s)-in-Fact of the Above Named Principal(s)
 [] Trustee(s) of the Above Named Trust(s)
 [X] Other Vice President,
Engineering and
Construction - Pacific
Gas Transmission Company.

EXHIBIT "A"

PORTION OF THE NE 1/4 SECTION 13
TOWNSHIP 29 SOUTH, RANGE 7 EAST
W.M., KLAMATH COUNTY, STATE OF OREGON



FORESIGHT SURVEYING

F S

YREKA, CA

SCALE 1"=30'

PGT/PGE PIPELINE EXPANSION PROJECT

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of PGT-PG&E the 13th day
of April A.D., 19 93 at 11:22 o'clock AM., and duly recorded in Vol. M93
of Deeds on Page 7610.

FEE \$60.00

Evelyn Biehn County Clerk

By Pauline Muelendore