

UTILITY EASEMENTS
(Underground Powerlines)

HANSON NATURAL RESOURCES COMPANY, a Delaware general partnership ("Grantor"), in consideration of the payment of \$500.00, the receipt of which is hereby acknowledged, does hereby grant, sell and convey to **PACIFIC GAS TRANSMISSION COMPANY**, a California corporation ("Grantee"), the permanent, assignable, non-exclusive easements described herein, five (5) feet in width, for the installation, operation, maintenance, repair and rebuilding of and essential services to underground electric transmission and/or distribution lines or systems ("Powerlines") over and across lands of the Grantor; the first being in Section 36, Township 29 South, Range 7 East, and the second being in Section 25, Township 30 South, Range 7 East, W.M., Klamath County Oregon, more particularly described as follows:

See Exhibit A attached hereto and made a part hereof.

Together with the right to use existing roads for access, ingress and egress upon, over, and across Grantor's lands to provide reasonable access to said property for installation, maintenance, repair, rebuilding, inspection of and essential services to the Powerlines.

TERMS, CONDITIONS AND COVENANTS:

The rights herein shall be subject to the following special conditions:

1. The easements granted herein shall be for the right to construct, operate and maintain the Powerlines on or under the above-described lands and/or in, upon or under all streets, roads or highways abutting said lands; to inspect and make such repairs changes, alterations, improvements, removals from, and substitutions and additions to its facilities as Grantee may from time to time deem advisable, including by way of example and not by way of limitation, the right to increase or decrease the number of conduits, wires, cables, handholds, manholes, connection boxes, transformer enclosures; to cut, trim and control the growth by machinery or otherwise of trees and shrubbery located within five (5) feet of the center line of said lines or systems, or that may otherwise interfere with or threaten to endanger the operation and maintenance of said lines or systems (including any control of the growth of other vegetation in the rights-of-way which may incidentally and necessarily result from the means of control employed); to keep the easements clear of all buildings, structures or other obstructions; and to license, permit or otherwise agree to the joint use or occupancy of the lines, systems or, if any said system is placed underground, of the trench and related underground facilities, by any other person, association or corporation.
2. Grantee shall obtain and pay for all permits and licenses, if any, required for the installation of the Powerlines and associated improvements, and shall give all notices, pay

Return: Pacific Gas Transmission
Attn: Michael Soulis
48 Hawthorne Street
Medford, OR 97504

3304
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all fees and comply with all laws, ordinances, rules and regulations bearing upon the easements granted herein.

3. Grantee shall indemnify, save and hold harmless Grantor, its officers, employees and agents, against any and all loss and liability which may result to Grantor from any negligent act or omission of Grantee, its officers, employees and agents, invitees or guests, in the exercise of rights granted hereunder.
4. Grantee shall pay Grantor the reasonable amount of actual damages to crops, timber, livestock, fences, buildings, private roads and other improvements caused by it on said lands in the construction or reconstruction of Grantee's facilities or in the exercise of the right of ingress or egress.
5. In the event Grantee assigns its rights under this instrument, it or its assignee shall notify Grantor in writing of such assignment within a reasonable time after the assignment is effective. For purposes of this instrument, "Assignment" shall not include transfer of any part or all of the corporate shares of Grantee by sale, assignment, bequest, inheritance, operation of law or other disposition so as to result in a change in the present control of Grantee.
6. Grantee shall use special care not to cut or damage any young growth or merchantable timber growing outside the easement areas. No debris from the easement areas shall be deposited outside the easement areas except as approved in writing by Grantor.
7. Grantee shall comply with all applicable laws, regulations, rules and orders relating to health, safety, noise, environmental protection, waste disposal, and water and air quality with respect to the use of the easements granted hereunder, and should Grantee cause or discharge, leak, spill, emit, or otherwise pollute the premises, Grantee shall be obligated to clean said premises to the satisfaction of any governmental body having jurisdiction thereover, and shall indemnify, hold harmless and defend Grantor against all liability, costs and expenses, fines, penalties, judgments, litigation costs and reasonable attorneys' fees incurred by Grantor as the result of such discharge, leakage, spillage, emission or pollution by Grantee. Grantee does not assume any responsibility for any violation of or discharge, leakage, spillage, emission or pollution on the property which existed or occurred prior to Grantor's grant of the easements described herein to Grantee nor for any discharge, leakage, spillage, emission, pollution, liability, costs and expenses, fines, penalties, judgments, litigation costs or attorneys' fees not caused by Grantee or its officers, agents, employees, invitees or guests. Grantee shall not keep on or about the premises any substances now or hereafter designated as, or containing components now or hereafter designated as hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation, statute or ordinance, now in existence or as may be subsequently enacted or amended.
8. Grantor makes no warranty or guarantee of the stability, condition or trafficability of any portion of the easement areas including roadways and shall not be responsible for

conditions or changes resulting from normal, careful operating methods on its adjoining timberlands.

9. Should Grantee or a successor abandon all or any portion of the easement areas for three (3) years, then the rights herein shall no longer apply to that portion or interest so abandoned, and all rights herein granted shall revert to Grantor without further action by Grantor.
10. Grantor shall have the right to use the Property for all purposes not inconsistent with the uses and purposes of the easements granted herein, except Grantor shall not build or erect any structure or improvement, except roads and drainage structures, upon, over or under the Property without the prior written consent of Grantee. Prior notice to Grantee shall be given by Grantor when maintenance of existing roads, drainage structures or similar new work or excavation of any kind or for any purpose is scheduled in or adjacent to the easement areas.
11. The Grantor warrants that it has marketable title to the Property and that Grantee may peaceably enjoy the rights and benefits of the easements granted herein.

The terms, conditions and covenants herein shall extend to and be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the Grantor, HANSON NATURAL RESOURCES COMPANY, has caused this instrument to be executed this 8th day of August, 1994.

GRANTOR:

HANSON NATURAL RESOURCES COMPANY

By: David E. Harris *RE*
 Its: VP-CFO

GRANTEE:

PACIFIC GAS TRANSMISSION CO., INC.

By: W. J. Thomas
 Its: LAND MANAGER

EXHIBIT "A"

Exhibit "A" attached hereto and made a part hereof that certain Utility Easements document between Hanson Natural Resources Company and Pacific Gas Transmission Company.

**Underground Power Cable - Rectifier Site to Sun Mountain Road
Chiloquin Camp Road - MP 535**

A strip of land 5 feet in width, measured at right angles, situated in the East 1/2 of Section 36 T29S R07E WM, of which the centerline is more particularly described as follows:

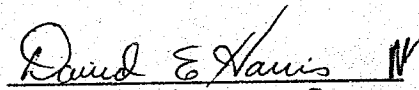
Commencing at a brass cap monument marking the SE corner of Section 31 T29S R08E WM, thence N64 27 05W 6058.41 feet to a point on the East R/W of Highway 97, thence S89 11 22W 300.09 feet to a point on the West R/W of Highway 97, thence S89 11 22W 30.00 feet, S00 37 01W 7.50 feet, thence S89 11 22W 15.00 feet, thence N00 37 01E 7.88 feet to a point on the centerline of an existing buried power cable and the "TRUE POINT OF BEGINNING" for this description, thence along an existing buried power cable the following: thence N87 56 33W 69.31 feet, thence S88 32 02W 96.62 feet, thence S88 49 21W 98.98 feet, thence S89 34 28W 98.67 feet, thence S88 22 32W 103.00 feet, thence S87 59 12W 98.02 feet, thence S89 07 09W 99.80 feet, thence N89 54 24W 98.28 feet, thence S89 48 14W 100.76 feet, thence S89 42 07W 108.66 feet, thence S86 07 25W 51.67 feet, thence S82 54 07W 52.04 feet, thence S84 47 41W 49.69 feet, thence N85 12 29W 41.90 feet, thence S50 59 36W 15.66 feet to an existing junction box and the end of this description. From this point, the SE corner of said Section 31 bears S69 46 03E 7449.18 feet.

**Underground Power Cable - Rectifier Site to United States Forest Service Road 70
United States Forest Service Road 70 - MP 539**

A strip of land 5 feet in width, measured at right angles, situated in the Southeast 1/4 of Section 25 T30S R07E WM, more particularly described as follows:

Commencing at a brass cap monument marking the SE corner of said Section 25, thence N23 01 50W 1188.38 feet to a point on the East R/W of Highway 97, thence N62 55 27W 330.14 feet to a point on the West R/W of Highway 97, thence N62 55 27W 21.54 feet, thence S27 04 33W 7.50 feet, thence N62 55 27W 15.00 feet, thence N27 04 33E 4.87 feet to a point on the centerline of an existing buried power cable and the end of this description.

SIGNED FOR IDENTIFICATION:


Hanson Natural Resources Company

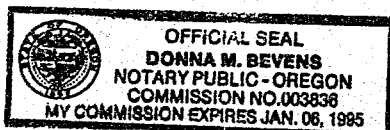

Pacific Gas Transmission Company

STATE OF OREGON)
) ss.
 County of Multnomah)

Hanson Natural Resources Company
 Cavenham Forest Industries Division

This instrument was acknowledged before me on August 8, 1994,
 by David E. Harris, the VP CFO of Hanson Natural Resources, a
 Delaware General partnership on behalf of the partnership, personally known to me (or proved
 to me on the basis of satisfactory evidence) to be the person whose names is subscribed to the
 within instrument and acknowledged to me that he executed the same in his authorized
 capacities, and that by his signature on the instrument the person, or the entity upon behalf of
 which the person acted, executed the instrument.

WITNESS my hand and official seal.

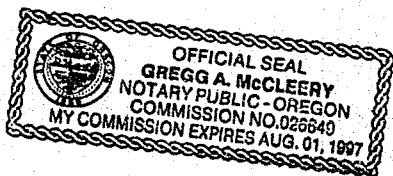


Donna M. Bevens
 Notary Public in and for the
 State of Oregon
 My commission expires January 6, 1995

STATE OF OREGON)
) ss.
 County of Multnomah)

This instrument was acknowledged before me on AUG 12TH, 1994,
 by W. G. THOMAS, the LAND MANAGER of Pacific Gas Transmission
 Company, a California corporation, personally known to me (or proved to me on the basis of
 satisfactory evidence) to be the person whose name is subscribed to the within instrument and
 acknowledged to me that he/she executed the same in his/her authorized capacities, and that by
 his/her signature on the instrument the person, or the entity upon behalf of which the person
 acted, executed the instrument.

WITNESS my hand and official seal.



Gregg A. McCleery
 Notary Public in and for the
 State of Oregon
 My commission expires 8-1-97

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Pacific Gas Transmission the 14th day
 of November A.D., 19 94 at 9:04 o'clock A. M., and duly recorded in Vol. M94,
 of Deeds on Page 34792.

FEE \$30.00

Evelyn Biehn County Clerk
 By Shirley Hestey