

APN: 4112-013-0200

When recorded return to:
Tuscarora Gas Transmission Company
1740 Main Street, Suite C
Susanville, CA 96130

RIGHT-OF-WAY GRANT

KNOW ALL MEN BY THESE PRESENTS, that William E. Schmidli Trust, Betty L. Schmidli Trust, each of said Trusts represented herein by William E. Schmidli, Trustee, and Rhonda Susan Keller, a married woman, of 22550 Evans Road, Malin, OR 97632, hereinafter referred to as "Grantor" (whether one or more), and its successors in title, successors, executors, administrators, heirs and assigns, for Ten Dollars (\$10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, hereby grants and conveys unto Tuscarora Gas Transmission Company, a Nevada partnership, its successors, designates, licensees, lessees and assigns, hereinafter referred to as the "Grantee", whose address is 6100 Neil Road, Reno, Nevada, 89520, the rights hereinafter set forth in, on, over, under, across, and through the lands of the Grantor, depicted on Schedule "A" attached hereto and made a part hereof, as more particularly described as follows:

TOWNSHIP 41 SOUTH, RANGE 12 EAST, KLAMATH COUNTY, OREGON

Section 13: The N/2 of the NW/4

1. **Easement Rights:** The following are the rights transferred hereunder by the Grantor to the Grantee, collectively called the "Easement Rights":
 - A. the permanent, exclusive right, license, liberty, privilege and easement on, over, upon, across, along, in, under and through a 50-foot-wide strip of the lands of the Grantor (the "Right-of Way"), depicted on Schedule "A" attached hereto and made a part hereof, to lay, construct, maintain, inspect, repair, replace, relocate, change the size of, operate, reconstruct, repair, remove and abandon, and all activities related thereto, for:
 - (i) a single underground pipeline, and other underground facilities, appurtenant or incidental thereto, including, without limiting the generality of the foregoing, all such pipeline, drips, valves, fittings, connections, meters, cathodic protection equipment, test leads and other equipment and appurtenances, whether or not similar to the foregoing, as may be useful or convenient in connection with the carriage, transmission, conveyance, transportation and handling of natural gas or any other material or substance which can be conveyed therein together with such related facilities or works required therefor (including any means of communication) and all other present or future purposes of said equipment and facilities (collectively the "Pipeline System"); and
 - B. the right of ingress to and egress from the Right-of Way and over, above and across said lands of the Grantor by means of aircraft, roads and lanes thereon, if such there be, otherwise by such practicable route or routes as shall occasion the least damage and inconvenience to the Grantor; for the Grantee and its servants, agents, employees and contractors, on foot and/or with aircraft, vehicles, supplies, machinery and equipment for all purposes useful or convenient in connection with or incidental to the exercise and enjoyment of the rights herein granted in connection with the installation, repair, maintenance, inspection, operation and replacement of the Pipeline system and/or the Communication System upon terms and subject to the conditions hereinafter set forth; and
 - C. in addition to the foregoing, the Grantor hereby grants to the Grantee the right to use an additional 50-foot-wide work area either adjacent to either side of or split on each side of the Right-of-Way as is required by the Grantee during construction, final cleanup and maintenance of the Pipeline System (the "Work Space").

2. **Additional and Final Payment:** The Grantee agrees not to exercise any Easement Rights, with respect to the Pipeline System or the Communication System, as applicable, except for the purpose of surveying and collecting data, unless and until the Grantee notifies the Grantor of its intention to construct the Pipeline System. Prior to the commencement of the actual construction of the Pipeline System hereunder, Grantee shall pay to Grantor the sum of Two thousand four hundred thirty and 00/100 Dollars (\$2,430.00) (hereafter called "Additional Payment") which sum, together with the consideration recited above, shall constitute the full consideration for the Easement Rights and the Right-of-Way for the Pipeline System herein granted, it being understood and agreed, however, that the Grantee is not obligated to make the Additional Payment unless Grantee elects to construct the Pipeline System.
3. **Covenant Subject to Early Termination:** This Grant and the Easement Rights are and shall be of the same force and effect to all intents and purposes as a covenant running with the lands of the Grantor; provided, however, that should the Grantee fail to notify Grantor on or before the first anniversary of the execution date of this Grant of Grantee's intention to construct the Pipeline System and pay to the Grantor the Additional Payment, then this agreement shall terminate and the Easement Rights shall be thereafter deemed null and void.
4. **Compensation for Damages:** Grantee will compensate the Grantor for all reasonable amounts incurred by Grantor for damages suffered by the Grantor to any drainage system, crops, pasture, timber, trees, hedges, produce, water wells, artesian springs, livestock, buildings, fences, culverts, bridges, lands, improvements or equipment on the lands of the Grantor as a result of the construction of the Pipeline System, as applicable. The Grantee shall indemnify the Grantor from all liabilities, damages, claims, suits and actions and all costs and taxes and any interest accruing thereon, arising from such actions as a result of the operation of the Grantee other than liabilities, damages, claims, suits and actions resulting from the gross negligence or willful misconduct of the Grantor.
5. **Use of Right-of-Way by Grantor:** The Grantor shall not, without the prior written consent of the Grantee, plant trees, build, excavate, quarry, mine, construct, drill, install, erect, pile or permit to be built, excavated, quarried, mined, constructed, drilled, installed, erected or piled on, over or under the Right-of-Way, any pit, well, quarry, mine, foundation, building, pavement, road, path, landfill, dump or mounds of any material whatsoever, or any other structure, installation, or improvement. Subject to the foregoing and provided that there is no interference with the Easement Rights, the Grantor shall have the right to use and enjoy the Right-of-Way. At anytime after the Pipeline System has been constructed, as applicable, the Grantee shall have the right, without being liable for damages or being required to compensate the Grantor, to trim and to cut down and to clear away any and all trees, brush or obstructions, or otherwise maintain the visibility along and the integrity of the Right-of-Way and to trim and to cut down and to clear away any trees on either side of the Right-of Way which, in the opinion of Grantee, may be a hazard to Grantee's facilities or may interfere with the exercise of Grantee's rights hereunder.
6. **Gates:** Grantor further grants to Grantee the right to install, maintain and use gates along all fences which now cross or shall hereafter cross the Right-of Way.
7. **Location Markers:** Grantor further grants to Grantee the right to mark the location of the Right-of Way by suitable markers set in the ground, provided that the said markers shall be placed at fence lines or other locations which shall not interfere with any reasonable use the Grantor shall make of the Right-of Way.
8. **Notice of Location:** Grantee may at any time further define the location of the Right-of Way by recording at the County Recorder's Office a "Notice of Location" referring to this instrument and setting forth a legal description of the location of the Pipeline System, the Work Space or the Right-of Way, which description may be set forth by a map attached to said Notice of Location. A copy of said Notice of Location shall be delivered to Grantor.
9. **Property in Pipeline System :** The Pipeline System shall at all times remain the property of the Grantee notwithstanding that it may be annexed or fixed to the freehold and shall at any time and from time to time be removed in whole or in part by the Grantee.

10. **Notices:** All notices required or permitted to be given hereunder shall be in writing, and sent by First Class mail to the applicable address set forth above (or to such other address as either party may from time to time designate in writing on such matter). Any notice sent shall be deemed to have been validly and effectively given on the fifth business day following the date on which it was sent.
11. **Entire Agreement:** Except for and subject to an unrecorded Letter Agreement of even date between the parties hereto, this agreement constitutes the entire agreement between the Grantor and Grantee pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions between the parties whether oral or written.

This Grant shall be binding upon the heirs, executors, administrators, successors in title, successors and assigns of the parties hereto, and all rights herein granted, or any of them separately, may be assigned in whole or in part. It is understood that this Grant cannot be amended in any way except in writing, signed by the Grantor and a duly authorized agent of the Grantee.

IN WITNESS WHEREOF, the parties hereto have duly executed this Right-of-Way Grant this 8th day of December, 1994.

GRANTOR:

WILLIAM E. SCHMIDLI TRUST

William E. Schmidli
William E. Schmidli, Trustee

Tax I.D.#: _____

GRANTOR:

BETTY L. SCHMIDLI TRUST

William E. Schmidli
William E. Schmidli, Trustee

Tax I.D.#: _____

X Rhonda Susan Keller
Rhonda Susan Keller

SSN: 540-90-1227

GRANTEE:

TUSCARORA GAS TRANSMISSION COMPANY

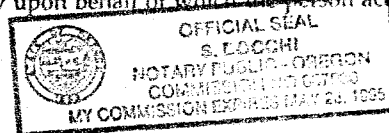
BY: Richard G. Fortmann
Richard G. Fortmann

STATE OF OREGON

COUNTY OF Klamath

) ss.

On this 8th day of DECEMBER, 1994, before me, the undersigned, a Notary Public in and for said State, personally appeared William E. Schmidli, Trustee of the William E. Schmidli Trust and Betty L. Schmidli Trust, 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 that he executed the same in her authorized capacity, 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.

S. Bocchi
Notary Public

STATE OF NEVADA

COUNTY OF WASHOE

) ss.

On this 20th day of JANUARY, 1995, before me, a Notary Public, personally appeared Richard G. Fortmann, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the foregoing instrument on behalf of the partnership, and acknowledged to me that the partnership executed it.



Rebecca M. Armer
Notary Public

STATE OF OREGON,

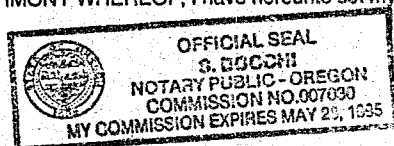
COUNTY OF KLAMATH

) ss.

BE IT REMEMBERED, That on this 8TH day of DECEMBER, 1994, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named RHONDA SUSAN KELLER
SIGNED RIGHT-OF-WAY GRANT

known to me to be the identical individual _____ described in and who executed the within instrument and acknowledged to me that SHE executed the same freely and voluntarily.

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



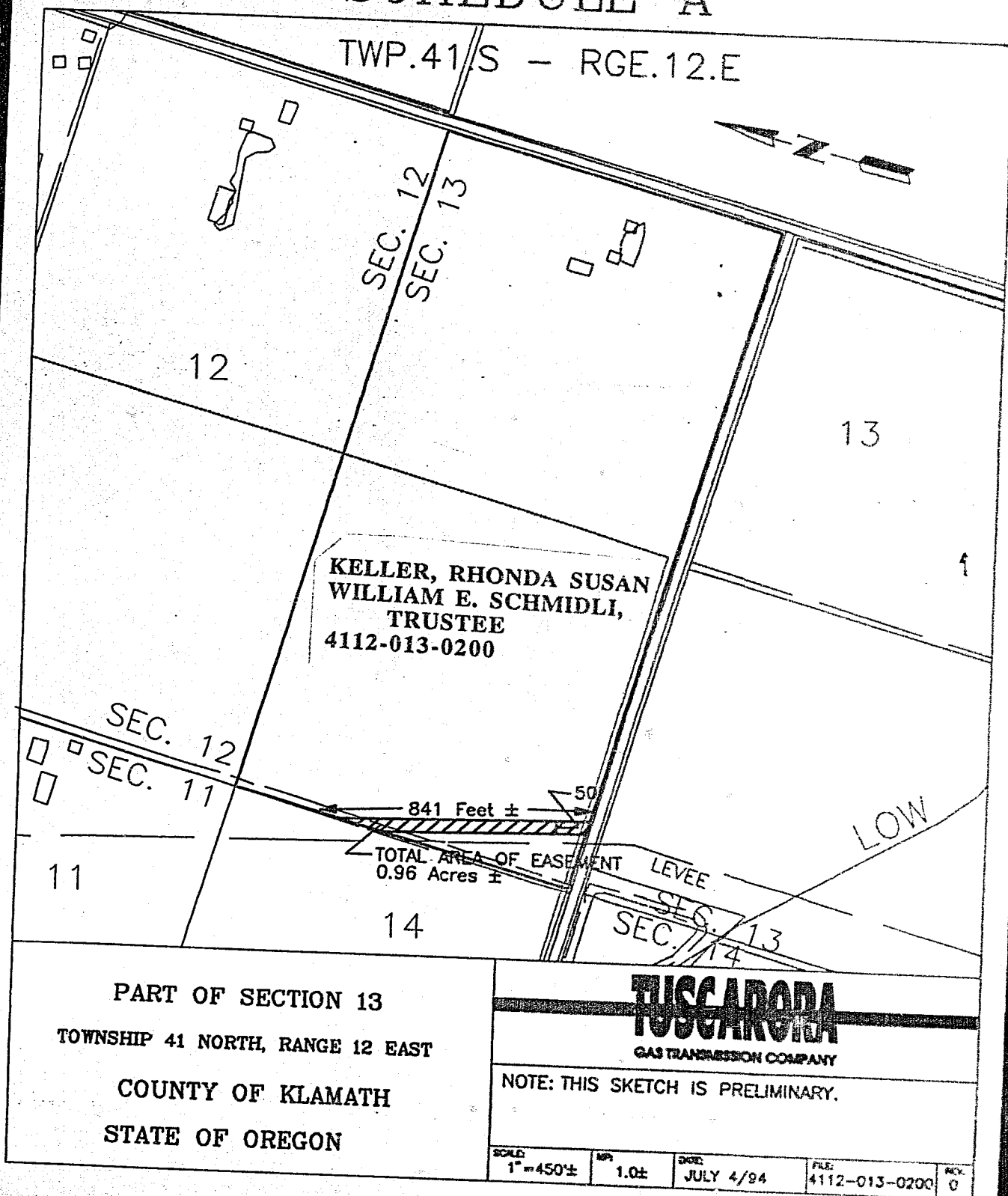
S. Bocchi
Notary Public - Oregon

My Commission expires MAY 28, 1995

SCHEDULE A

1912

TWP.41.S - RGE.12.E



PART OF SECTION 13

TOWNSHIP 41 NORTH, RANGE 12 EAST

COUNTY OF KLAMATH

STATE OF OREGON

TUSCARORA
GAS TRANSMISSION COMPANY

NOTE: THIS SKETCH IS PRELIMINARY.

SCALE 1"=450'±	MP 1.0±	DATE JULY 4/94	FILE 4112-013-0200	REV. 0
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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Tuscarora Gas Trans. Co the 26th day
of Jan A.D., 19 95 at 11:52 o'clock A M., and duly recorded in Vol. 495
of Deeds on Page 1908

FEE \$30.00

Bernetha G. Letsch County Clerk

By [Signature]