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APN: 4112-02100-00600

Vol. 496 Page 23775

When recorded return to:
 Tuscarora Gas Transmission Company
 P.O. Box 30057
 Reno, Nevada 89520-3057

RIGHT-OF-WAY GRANT

KNOW ALL MEN BY THESE PRESENTS, that TRILLIUM CORPORATION, a Washington corporation, whose address is 1313 Commercial Street, Bellingham, Washington 98225, 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, W.M., KLAMATH COUNTY, OREGON

Section 21: Commencing at the Northeast corner of the NW1/4 of said Section 21; thence Southerly along the East line of said NW1/4 a distance of 100.0 feet to the True Point of Beginning; thence continuing Southerly along said East Line to the point of intersection with a line drawn concentric with and distant 200.0 feet Northeasterly of, as measured radially to, said Main Track centerline; thence Southeasterly parallel with said Main Track centerline; to the point of intersection with a line drawn parallel with and distant 360.0 feet Southerly of, as measured at right angles to, the North line of said Section 21; thence Easterly parallel with said North line, a distance of 205.0 feet, more or less, to the point of intersection with the Northerly extension of a line drawn parallel with and distant 12.5 feet Westerly of, as measured at right angles to, said Railroad Company's most Easterly Spur track centerline; thence Southerly parallel with said most Easterly Spur track centerline and the Northerly extension thereof, to the point of intersection with the South line of the NW1/4 NE1/4 of said Section 21; thence Westerly along said South line to the point of intersection with a line drawn parallel with, and distant 9.0 feet Easterly of, Burlington Northern Railroad Company's most Easterly passing track centerline, as now located and constructed; thence Northwesterly parallel with said most Easterly passing track to the point of intersection with a line drawn parallel with, and distant 100.0 feet Southerly of, the North line of Section 21; thence Easterly along said parallel line a distance of 225.0 feet, more or less, to the point of beginning. Also that portion of Section 21, T41S, R12E, Klamath County, Oregon, described as follows: Beginning at the point of intersection of the South line of said Section 21 and a line drawn parallel with and distant 25.0 feet Easterly of, as measured at right angles to, Burlington Northern Railroad Company's Klamath Falls, Oregon, to Bieber, California, Branch Line Main Track centerline; thence Northerly parallel with said Main Track centerline to the point of intersection with a line drawn parallel with, and distant 9.0 feet Easterly of, said Railroad Company's most Easterly passing track centerline, as now located and constructed; thence Northwesterly parallel with said passing track to the point of intersection with the North line of the SW1/4 NE1/4 of said Section 21; thence Easterly along said North line to the point of intersection with a line drawn parallel with, and distant 200.0 feet Easterly of, said Main Track centerline; thence Southerly along said parallel line to the South line of said Section 21; thence Westerly along said South line to the point of beginning.

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 30-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 pipeline and other present or future facilities, both aboveground and underground, for the purpose of transporting natural gas, appurtenant or incidental thereto, including, without limiting the generality of the foregoing, 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 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 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 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 10-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 and final cleanup of the Pipeline System.
2. **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 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.

3. **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, cultivated, constructed, drilled, installed, erected or piled on, over or under the Right-of-Way, any pit, well, quarry, mine, foundation, building, pavement, road, 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 any time after the Pipeline System has been constructed, 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.
4. **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.
5. **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.
6. **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.
7. **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.
8. **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.
9. **Reversion:** Should the Grantee cease to use or abandon its facilities constructed in the right-of-way for a period of at least one (1) year, upon the expiration of the one (1) year period the rights granted herein to the Grantee shall revert to the Grantor by operation of law and shall have no further force and effect.
10. **Entire Agreement:** 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.

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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 duly executed this Right-of-Way Grant this 5th day of

July

, 1996.

GRANTOR:

TRILLIUM CORPORATION, a Washington corporation

BY: [Signature]

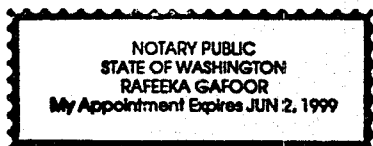
NAME Paula Kurtz

ITS: VICE PRESIDENT - SALES

STATE OF Washington)
COUNTY OF Whatcom) ss.

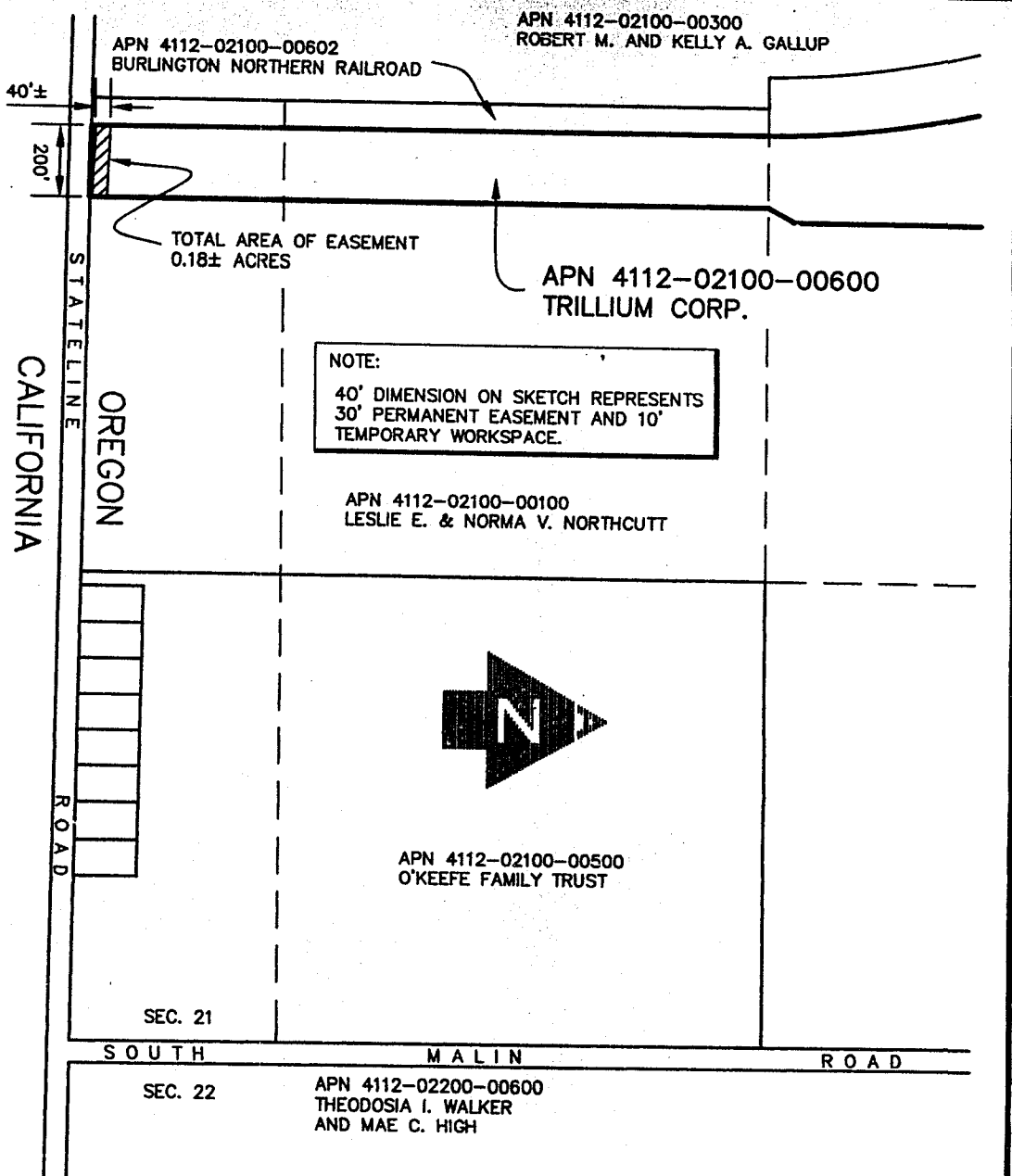
On this 5th day of July, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Paula Kurtz to me personally known, who being by me duly sworn, sworn, did say that he/she is the Vice President, Sales of TRILLIUM CORPORATION, a Washington corporation, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said person acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and seal.



[Signature]
Notary Public

23779



TRACT K-280

PORTION OF LOT 2 SECTION 21
TOWNSHIP 41 SOUTH, RANGE 12 EAST
KLAMATH COUNTY, OREGON

APN 4112-02100-00600

SCHEDULE A

TUSCARORA
GAS TRANSMISSION COMPANY

SCALE: 1" = 400'	STATION: 185+18 - 187+18	DATE: 5/17/96	DWG.: BNRR1.DWG	REV. 0
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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Tuscarora Gas Company the 5th day
of August A.D., 19 96 at 11:53 o'clock A.M., and duly recorded in Vol. M96
of Deeds on Page 23775

FEE \$30.00

Bernetha G. Letsch, County Clerk

By [Signature]