

2013-009017**Klamath County, Oregon**

08/08/2013 10:42:37 AM

Fee: \$132.00

RECORDING COVER SHEET (Please Print or Type)

The information on this sheet is a reflection of the attached instrument for the purpose of meeting first page recording requirements, ORS 205.234.

If this cover page is included with your document, please add \$5.00 to the total recording fees.

AFTER RECORDING RETURN TO:

Pacific Connector Gas Pipeline

832 NW Highland Street

Roseburg, OR 97470

AmeriTitle WAS REQUESTED TO
RECORD THIS INSTRUMENT AS
AN ACCOMMODATION. IT HAS NOT
BEEN EXAMINED FOR SUFFICIENCY
OR ITS EFFECT UPON THE TITLE.

1) TITLE(S) OF THE TRANSACTION(S) ORS 205.234(a)

OPTION AGREEMENT FOR PIPELINE CONSTRUCTION EASEMENT

AND CONSTRUCTION WORKSPACE

2) DIRECT PARTY / GRANTOR(S) ORS 205.125(1)(b) and 205.160

Debra A. Lugo

6302 Harlan Dr.

Klamath Falls, OR 97603

3) INDIRECT PARTY / GRANTEE(S) ORS 205.125(1)(a) and 205.160

Williams Pacific Connector Gas Operator LLC

PO Box 58900

Salt Lake City, UT 84158-0900

4) TRUE AND ACTUAL CONSIDERATION

ORS 93.030(5) – Amount in dollars or other

\$ 5686.67

☐ Other**5) SEND TAX STATEMENTS TO:**

No Change

6) SATISFACTION of ORDER or WARRANT

ORS 205.125(1)(e)

CHECK ONE:

☐

FULL

(If applicable)

☐

PARTIAL

7) The amount of the monetary obligation imposed by the order or warrant. ORS 205.125(1)(c)

\$

8) If this instrument is being Re-Recorded, complete the following statement, in accordance with ORS 205.244: "RERECORDED TO CORRECT

PREVIOUSLY RECORDED IN
BOOK _____ AND PAGE _____, OR AS FEE NUMBER _____."

AmeriTitle CRK13006

WILLIAMS PACIFIC CONNECTOR GAS OPERATOR LLC
OPTION AGREEMENT FOR PIPELINE CONSTRUCTION EASEMENT AND CONSTRUCTION WORKSPACE

Agreement made this 23RD day of JULY, 2013, by and between

Debra A Lugo, as Trustee of the Debra A Lugo Revocable Living Trust under agreement dated September 10, 2010, or to such successor Trustee(s) of such trust(s) created under such instrument(s) as may hereafter be appointed whose address is 6302 Harlan DR., Klamath Falls, OR 97603 ("Grantor"), and **WILLIAMS PACIFIC CONNECTOR GAS OPERATOR LLC**, a Delaware limited liability company, P.O. Box 58900, Salt Lake City, Utah 84158-0900 ("Grantee").

Whereas, Grantor is the owner of certain real property in Klamath County, State of Oregon, generally described as follows:

That certain parcel of land being described lying SE 1/4 of the SE 1/4, N of Hwy of Section 18, Township 40 South, Range 10 East of the Willamette Meridian, and being more particularly described on the attached Exhibit "A-1".

Also known by KH County Assessor Parcel Number(s): **R98307**

Map Tax number(s): **R-4010-01800-01400-000**

Whereas, Grantee is considering the purchase of a right of way for the construction, maintenance, security, operation, repair, replacement, and removal of a pipeline, and related facilities, as Grantee may require, upon, over, under, and across the real property referenced above ("Easement" and "Construction Workspace").

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, it is mutually agreed by and between the parties hereto as follows:

1. **Grant of Option ("Option"):** Grantor grants to Grantee the sole and exclusive right and option to purchase the Easement and Construction Workspace upon the terms and conditions set forth herein ("Option Price").
2. **Purchase Price:** The full purchase price of the Easement and Construction Workspace is \$ 23,433.37 Dollars ("Purchase Price"). If Grantee purchases the Easement and Construction Workspace, the Option Price shall be subtracted from the Purchase Price, leaving a balance ("Balance"), which Grantee shall pay as hereinafter provided.
3. **Option Price:** Grantee hereby pays Grantor 20% (Twenty) percent of the Purchase Price which is \$ 4,686.67 Dollars or a minimum payment of \$ 1,000.00 dollars whichever is greater to secure the Option ("Option Price").
4. **Option Period:** The Option shall commence on the date of this Agreement and continue and extend to and through JULY 23RD 2015 ("Option Period").
5. **Exercise of Option:** Grantee may exercise the Option by serving Grantor with written notice of exercise at any time during the Option Period. The notice may be served by delivery to Grantor personally or by mailing the same to Grantor at the address set forth above by certified or other receipted mail. The date of service, if service is by mail, shall be the date that the notice was deposited in the United States Mail with postage fully prepaid. Grantor then shall execute and deliver to Grantee an Easement and Construction Workspace in the form of Exhibit B and C attached hereto. Grantee shall then pay to

Grantor a sum equal to balance.

6. **Extension of Option:** Grantee may extend this Option Period for up to one additional 2 (Two) year term by giving to Grantor written notice of Grantee's election to extend on or before the expiration date of this Option and pay Grantor an Extension of Option, the sum of \$ 4,686.67 .

The Extension of Option shall be subtracted from the Purchase Price, leaving a balance ("Balance"), which Grantee shall pay as hereinafter provided.

7. **Failure to Exercise:** If Grantee does not exercise the Option as provided herein within the Option Period, the Option, and the rights of Grantee shall automatically and immediately terminate without notice and Grantor shall retain the Option Price(s).
8. **Failure to Deliver:** If the Grantor fails to execute and deliver the grant deed for the Easement and Construction Workspace after Grantee exercises the Option, Grantee may elect to recover the Option Price or to seek specific performance of this Agreement.
9. **Damages:** Upon exercise of this Option(s), Grantee and Grantor agree to negotiate the surface damages (including crop loss and timber) and severances to Grantor's property directly resulting from construction of pipeline and related facilities in the Easement and Construction Workspace.
10. **Survey:** The exact acreage, proportions and description of the Easement and Construction Workspace are to be determined by Grantee during the Option Period. Grantor hereby grants to Grantee and the surveyor the right and privilege, during the Option Period, to enter upon the Tract, with the right of ingress and egress over and across the adjoining land of the Grantor, for the purpose of inspecting, staking, surveying, and testing. The cost of the survey or tests shall be borne by Grantee.
11. **Binding Effect:** This Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto: and the rights and easements herein granted might be leased or assigned, together or separately and in whole or in part.

IN WITNESS WHEREOF, The parties have caused this Agreement to be executed as of the date written above.

GRANTOR:


Debra A Lugo, Trustee

Williams Pacific Connector Gas Operator LLC
(Grantee):


David Randall, Attorney in Fact

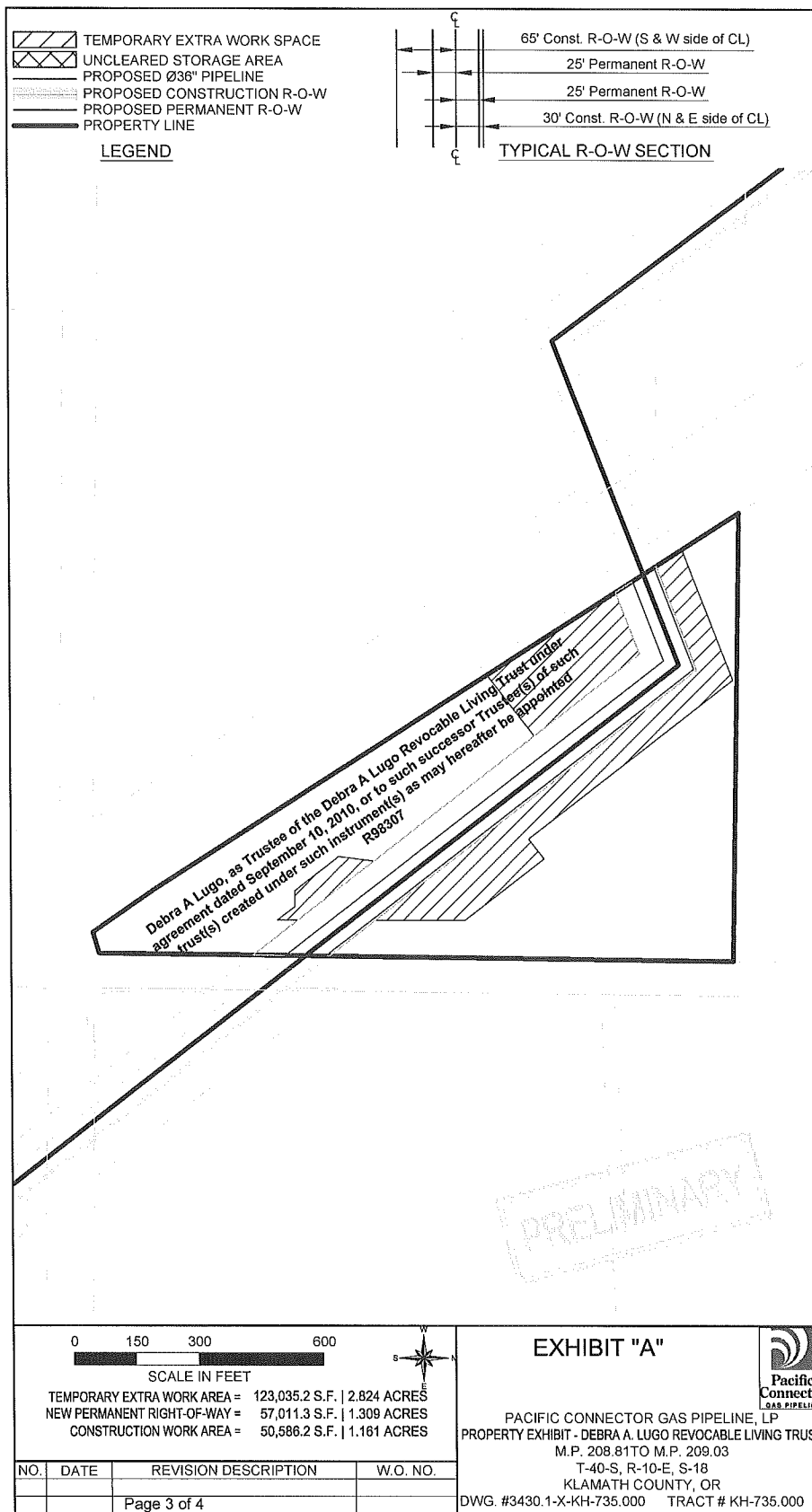


EXHIBIT "A-1"

All that portion of the SE1/4 SE1/4 of Section 18, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, lying Northeasterly of the Dalles-California Highway.

ACKNOWLEDGMENT

State of OREGON

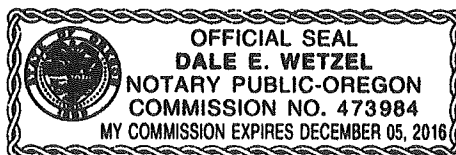
County Of KLAMATH

This instrument was acknowledged before me on JULY 23, 2013 by DEBRA A LUGO
as TRUSTEE of DEBRA A LUGO REVOCABLE LIVING TRUST

Dale E. Wetzel
Notary Public

My Commission Expires:

DEC. 05, 2016



ACKNOWLEDGMENT

State of OREGON

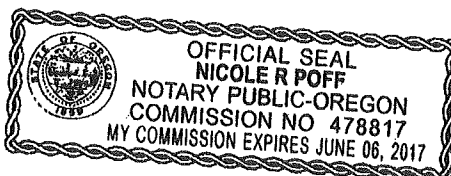
County Of Jackson

This instrument was acknowledged before me on July 31, 2013 by David Randall
as Attorney-in-Fact of Williams Pacific Connector Gas Operator LLC.

Nicole R Poff
Notary Public

My Commission Expires:

6/6/2017



**WILLIAMS PACIFIC CONNECTOR GAS OPERATOR LLC
RIGHT-OF-WAY AND EASEMENT**

On this, the _____ day of _____, 20____, for Ten Dollars (\$10.00) and other valuable consideration, **Debra A Lugo, as Trustee of the Debra A Lugo Revocable Living Trust under agreement dated September 10, 2010, or to such successor Trustee(s) of such trust(s) created under such instrument(s) as may hereafter be appointed** _____, ("Grantor"), whose address is 6302 Harlan DR., Klamath Falls, OR 97603, does hereby grant, sell and convey to **WILLIAMS PACIFIC CONNECTOR GAS OPERATOR LLC**, a Delaware limited liability company, P.O. Box 58900, Salt Lake City, Utah 84158-0900 ("Grantee"), its successors and assigns, an **exclusive** right-of-way and easement ("Easement") to locate, survey, construct, entrench, maintain, repair, replace, protect, inspect and operate a **pipeline or pipelines**, cathodic equipment and/or appurtenances which may be constructed above or below ground including but not limited to **valves and metering equipment; electrical and/or communications cable, underground conduit, splicing boxes; and roads** ("facilities") which may be over, under and through the land described below. Grantor warrants that it is the owner in fee simple of the land, situated in the County of Klamath, State of Oregon, to wit:

That certain parcel of land being described lying SE 1/4 of the SE 1/4, N of Hwy of Section 18, Township 40 South, Range 10 East of the Willamette Meridian, and being more particularly described on the attached Exhibit "A-1"

Also known by County Assessor Parcel Number(s): **R98307**
Map Tax number(s): **R-4010-01800-01400-000**

A centerline survey description of the **pipeline** is described in Exhibit "A" attached and made a part of this agreement. The Easement is located approximately along the line that has or shall be designated by Grantee, on a right-of-way 50 (Fifty) feet in width being 25 (Twenty-five) feet on both sides of the centerline of the **36" pipeline** constructed hereunder and which encumbers approximately 1.309 Acres.

This Easement conveys to Grantee the right of ingress and egress to and from, and access on and within said right-of-way, with the right to use existing and future roads for the purposes of surveying, constructing, inspecting, repairing, protecting, operating and maintaining the facilities and the addition, removal or replacement of same at will, either in whole or in part, with either like or different size pipe ("work"). Grantee may use such portions of the property along and adjacent to said right-of-way as may be reasonably necessary during construction of the pipeline, and as clearly defined and shown in Exhibit "A".

Grantee agrees that within a reasonable time following the completion of its work and subject to weather and/or soil conditions, Grantee shall, as near as practicable, restore said right-of-way to its original contour and condition. Grantee agrees to compensate Grantor adequately for damages which directly result from its work, including loss of business, timber, growing crops, pasture and livestock. Any other recognizable damages to other real or personal property that resulted from its work shall be repaired by Grantee, or the Grantor shall be compensated for such repairs. Grantee shall have the right to cut and to keep clear without payment of damages all trees, brush, native growth or foliage and other obstructions that may, in the Grantee's opinion, endanger, hinder or conflict with the construction operation, inspection, protection, maintenance and use of said facilities.

Grantee shall possess the above-described rights and Easement, together with all rights necessary to operate, protect and maintain the facilities within the right-of-way granted to the Grantee, its successors and assigns. Grantee may assign the rights and Easement granted under this agreement, either in whole or in part, subject to the terms of this grant, with such rights and Easement deemed to be covenants running with the land and to be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee may at any time permanently abandon said right-of-way and Easement and, at its discretion, may remove or abandon in place the improvements constructed on it. Upon such abandonment action, Grantee may, at its discretion, execute and record a reconveyance and release of this Easement whereupon this right-of-way and Easement with all rights and privileges mutually granted shall be fully canceled and terminated.

Grantor reserves the right to use and enjoy said property except for the purposes granted in this Easement. **Any pipeline constructed by Grantee across lands under cultivation shall, at the time of construction, be buried to a minimum of 5 (five) feet of cover from top of the pipe as not to interfere with such cultivation.** Grantor shall have the right to cultivate, work, plow, harvest and use the land granted within the Easement so long as it shall not hinder, conflict or interfere with Grantee's surface or subsurface rights or disturb its ability to operate, maintain and protect its facilities. No road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained within the described Easement area.

Grantee shall indemnify and hold Grantor harmless from and against any and all loss, damage, or injury which may result from the construction, operation and maintenance of the facilities; provided, however, that said loss, damage, or injury does not arise out of or result from the actions of the Grantor, (his/her) agents or employees.

Grantor agrees to indemnify Grantee against any environmental liability that predates the date of this Easement or that was caused solely by the Grantor's actions or inactions.

Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and shall be subrogated to such lien and rights.

It is mutually understood and agreed that this Easement and the attached exhibits, as written, cover and include all of the agreements and stipulations between the parties and that no representations or statements, verbal or written, have been made modifying, adding to or changing the terms of this agreement.

The terms, conditions and provisions of this agreement shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the parties.

IN WITNESS WHEREOF the parties have EXECUTED THIS CONVEYANCE AND AGREEMENT THIS _____ DAY OF _____, 20 ____.

GRANTOR:

Debra A Lugo, Trustee

KH-735.000

Exhibit B - Page 2 of 5

**WILLIAMS PACIFIC CONNECTOR GAS
OPERATOR LLC**

(GRANTEE):

David Randall, Attorney in Fact

Tract #(s): KH-735.000
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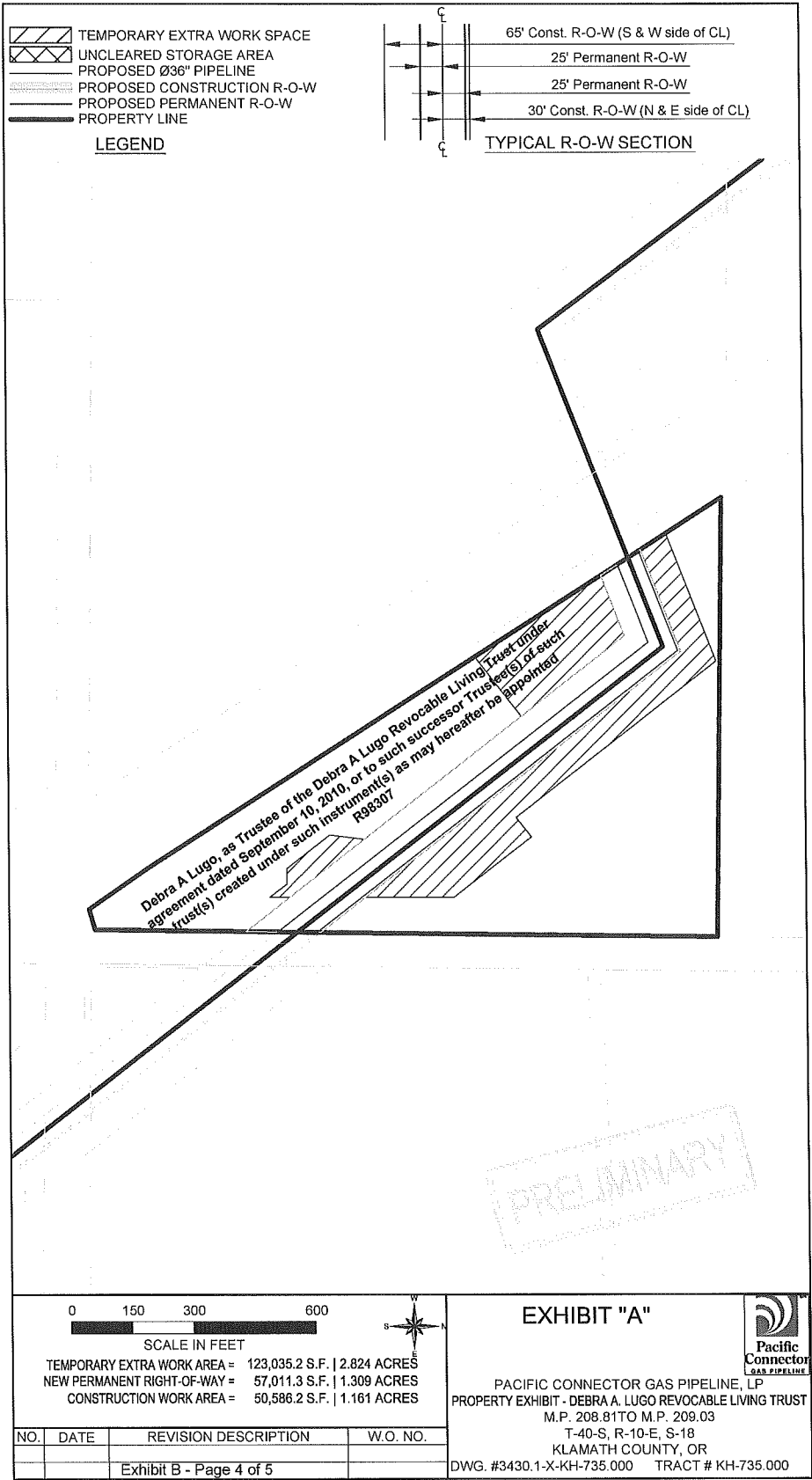


EXHIBIT "A-1"

All that portion of the SE1/4 SE1/4 of Section 18, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, lying Northeasterly of the Dalles-California Highway.

ACKNOWLEDGMENT

State of OREGON

County Of _____

This instrument was acknowledged before me on _____, 2013 by _____

as _____ of _____.

Notary Public

My Commission Expires:

ACKNOWLEDGMENT

State of OREGON

County Of _____

This instrument was acknowledged before me on _____, 2013 by _____

as Attorney-in-Fact of Williams Pacific Connector Gas Operator LLC.

Notary Public

My Commission Expires:

CONSTRUCTION WORKSPACE AGREEMENT

For Ten Dollars (\$10.00) and other valuable consideration,
Debra A Lugo, as Trustee of the Debra A Lugo Revocable Living Trust
under agreement dated September 10, 2010

Whose address is 6302 Harlan DR., Klamath Falls, OR 97603 ("Grantor") does grant to **WILLIAMS PACIFIC CONNECTOR GAS OPERATOR, LLC**, a Delaware limited liability company, located at **P.O. Box 58900, Salt Lake City, Utah 84158** ("Grantee"), its agents, contractors and employees, the right and privilege of using a parcel of land for the purpose of constructing a **36" Natural Gas Pipeline** ("construction workspace"), which property is situated in Klamath County, State of Oregon, and more particularly described below:

That certain parcel of land being described lying SE 1/4 of the SE 1/4, N of Hwy of Section 18, Township 40 South, Range 10 East of the Willamette Meridian, and being more particularly described on the attached Exhibit "A-1".

Also known by Klamath County Assessor Parcel Number(s): **R98307**
Map Tax number(s): **R-4010-01800-01400-000**

The approximate location of the construction workspace is designated on Exhibit "A" attached hereto and made a part of this agreement.

It is understood and agreed by Grantor and Grantee that said construction workspace is to be used in connection with the construction of Grantee's natural gas pipeline facilities. Upon completion of the above described work and final restoration of the construction workspace, Grantee's interest in said land will revert to Grantor, except as provided by separate instrument.

Grantee agrees that within a reasonable time following the completion of its work and subject to weather and/or soil conditions, will as near as practicable restore said construction workspace to its original contours. Grantee will compensate Grantor for adequately documented damages, directly resulting from its work (i.e. loss of business, timber, growing crops, pasture and livestock). Damages to other real or personal property will be repaired by Grantee or the Grantor will be compensated for such repairs. Specific conditions, which will apply to the initial construction of facilities, are described in Exhibit "B" attached hereto and made a part of this agreement.

Grantee will possess the above-described rights and such rights will be binding upon Grantor, its heirs, legal representatives and successors in title.

Grantee will not be held liable for damages of any kind that arise due to the negligent acts or willful misconduct of the Grantor, its successors, assigns, permittee, agents or contractors.

WITNESS THE EXECUTION THIS _____ day of _____, 20 ____

GRANTOR:

Debra A Lugo, Trustee

GRANTEE:

Williams Pacific Connector Gas
Operator LLC

David Randall, Attorney in Fact

Tract #(s): KH-735.000
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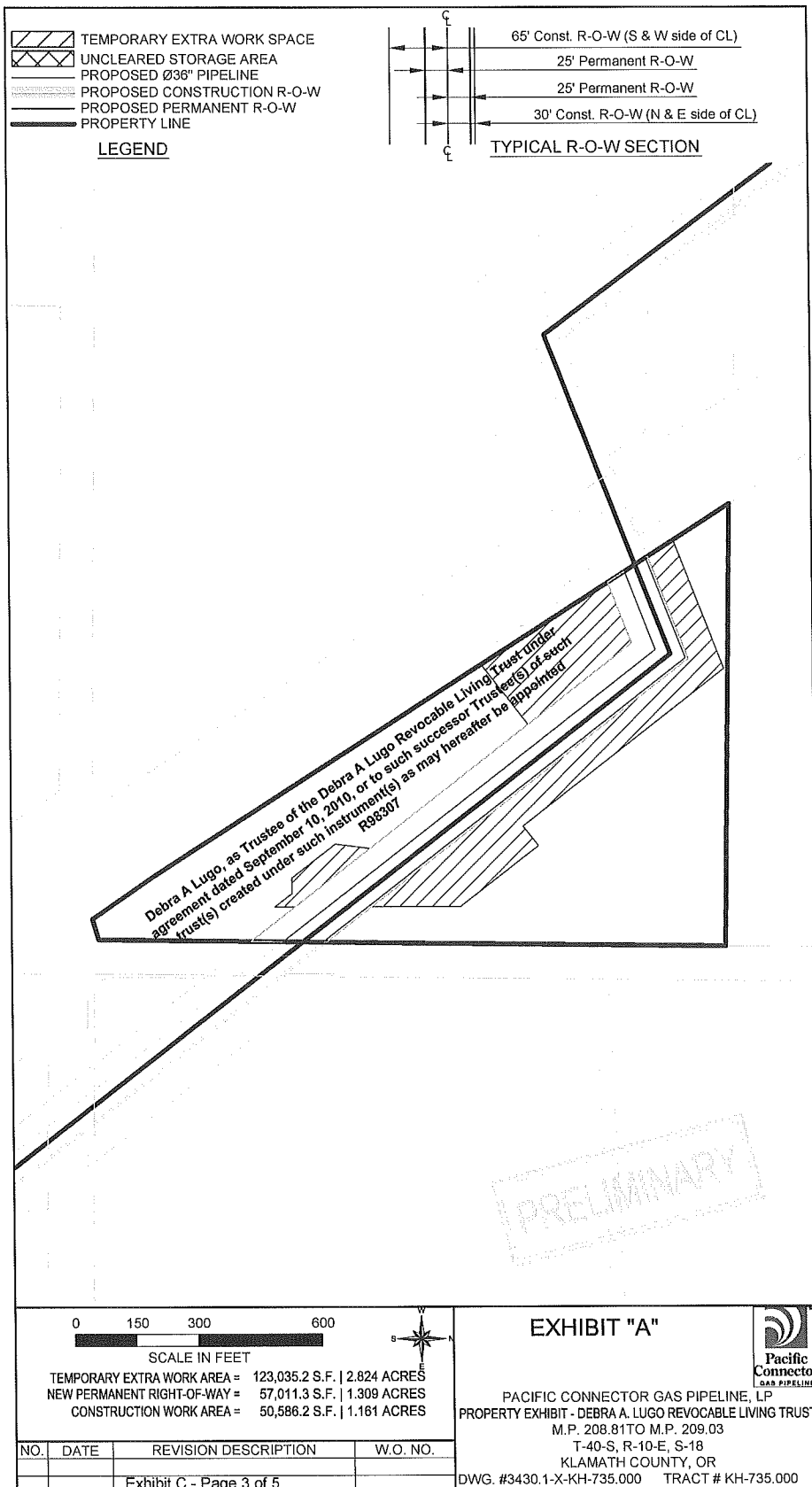


EXHIBIT "A-1"

All that portion of the SE1/4 SE1/4 of Section 18, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, lying Northeasterly of the Dalles-California Highway.

EXHIBIT "B"

CONSTRUCTION STIPULATIONS

In accordance with the terms and conditions of the agreement, the Grantor and Grantee agree that the natural gas pipeline facilities will be constructed on Grantor's property in accordance with the following terms and conditions:

1. Grantee will notify Grantor, in writing, of the construction activity 30 days prior to start of survey and via phone or in writing, at least 30 days prior to the clearing/tree removal and construction preparation of the right of way on the Grantor's land.
2. Grantee will construct its pipeline and related facilities in compliance with engineering design and safety standards of the USDOT in force at the time of construction.
3. Grantee will remove all construction waste and debris after completion of construction activities.
4. Grantee will restore the property after construction to as close to the original condition as is practical.
5. Grantee will re-seed disturbed areas along ROW with a seed mix native to the area or as specified by the Grantor.
6. Grantee will restore all access roads or driveways disturbed by construction to condition equal to or better than existed prior to construction. Restoration will include final grading where necessary.
7. Grantee will protect all survey monuments located within the ROW. In the event survey monuments are disturbed and/or destroyed, it will be the responsibility of the Grantee to re-establish and survey monuments in conformity with survey standards then currently established for the State of Oregon.
8. Grantee will reimburse Grantor or pay the cost of repairs, temporary and or permanent, to maintain the operation of the septic system/drain field up to the replacement cost as needed should Grantee, its agents, contractors or assigns damage the Grantors septic system/drain field that is partially located in the construction workspace.

9. Grantee will reimburse or provide for the normal cost of care, feeding, boarding or relocation of horses being boarded or pastured on the Grantors affected property during the initial pipeline construction. The Grantee's reimbursement or cost of normal care, feeding, boarding or relocation will be limited to horses on the Grantors affected property for at least 30 days prior to initial pipeline construction. The Grantee's reimbursement is only intended to provide against the loss of normal grazing area during the initial pipeline construction and will be limited to horses owned by the Grantor or horses owned directly by the Grantor's Tenants, not to exceed seven (7) head of horses. The reimbursement or cost will be limited to \$300 per horse per month for up to, but not to exceed, four (4) months. The transportation cost if any is limited to a \$1,600 total. Tenants will be considered the person or persons that have written rental agreement with the Grantor for the affected property.

ACKNOWLEDGMENT

State of OREGON

County Of _____

This instrument was acknowledged before me on _____, 2013 by _____

as _____ of _____.

Notary Public

My Commission Expires:

ACKNOWLEDGMENT

State of OREGON

County Of _____

This instrument was acknowledged before me on _____, 2013 by _____

as Attorney-in-Fact of Williams Pacific Connector Gas Operator LLC.

Notary Public

My Commission Expires:

CERTIFICATION OF TRUST
(Pursuant to ORS 130.860)

Parcel No. KH-735.000 /R98307

TRUST NAME: Debra A Lugo Revocable Living Trust

DATE OF EXECUTION OF TRUST: September 10, 2010

TRUSTOR(S): Debra A Lugo Revocable Trust

TRUSTEE(S): Debra A Lugo

TRUSTEE(S) MAILING ADDRESS: 6302 Harlin Dr. Kamath Falls, OR 97603

The Beneficiaries of the Trust are specifically named and are not recipients of Certificates of Beneficial Interest therein.

If there are multiple current-acting trustees, designate how many are required to sign in order to exercise trust powers:

ALL _____ ONE X MAJORITY _____ OTHER: _____

TRUST TAXPAYER IDENTIFICATION NO.: 544703070

The above trust is REVOCABLE X or IRREVOCABLE _____ (choose one). The above trust CAN X or CANNOT _____ be modified or amended (choose one). If revocable, or subject to modification or amendment, state by whom:

Debra A Lugo, Trustee

THE ABOVE TRUST IS IN EXISTENCE AT THIS TIME AND HAS NOT BEEN REVOKED, MODIFIED OR AMENDED IN ANY MANNER THAT WOULD CAUSE THE REPRESENTATIONS CONTAINED IN THIS CERTIFICATION TO BE INCORRECT. The trust powers include at least all of those trust powers contained in the Uniform Trustees Powers Act set forth in ORS Chapter 130.

TITLE TO TRUST ASSETS SHOULD BE TAKEN AS FOLLOWS: Debra A Lugo Revocable Living Trust

Date: 7/23/13

Debra Lugo, TRUSTEE

_____, TRUSTEE

STATE OF OREGON)
County of Klamath) ss.

Personally appeared the above named person and acknowledged the Certification before me this 23 day of JULY, 2013.

Dale E. Wetzel
Notary Public for STATE OF OREGON

1/9/2007

