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Klamath County, Oregon

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RETURN ADDRESS

PACIFIC CONNECTOR GAS PIPELINE, LLC 111 SW 5TH AVENUE, SUITE 1100 PORTLAND, OR 97204

DOCUMENT TITLE(S): RIGHT-OF-WAY AND EASEMENT AGREEMENT

REFERENCE NUMBERS(S) OF RELATED DOCUMENTS

GRANTOR(S)

SISKIYOU TIMBERLANDS, LLC, AN OREGON LIMITED LIABILILTY COMPANY

GRANTEE(S)

PACIFIC CONNECTOR GAS PIPELINE, LP, A DELAWARE LIMITED PARTNERSHIP

LEGAL DESCRIPTION

THOSE CERTAIN PARCELS OF LAND LYING IN SECTION 36, TOWNSHIP 32 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, AND SECTION 1, TOWNSHIP 33 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, LOCATED IN JACKSON COUNTY, OREGON, BEING MORE FULLY DESCRIBED IN THE ATTACHED EXHIBIT A-1.

ALSO, THAT CERTAIN PARCEL OF LAND LYING IN SECTION 4, TOWNSHIP 38 SOUTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING MORE FULLY DESCRIBED IN THE ATTACHED EXHIBIT A-1.

ALSO, THAT CERTAIN PARCEL OF LAND LYING IN SECTION 16, TOWNSHIP 31 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, DOUGLAS COUNTY, OREGON, BEING MORE FULLY DESCRIBED IN THE ATTACHED EXHIBIT A-1.

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER

APN: 10213130; 10217271; R70988, R45501

RIGHT-OF-WAY AND EASEMENT AGREEMENT

This RIGHT-OF-WAY AND EASEMENT AGREEMENT (the "Agreement"), is made and entered into effective as of \(\frac{M}{M} \) \(\frac{A}{M} \) \

RECITALS

- A. Grantor is the owner of certain real property in Jackson, Douglas and Klamath Counties, Oregon, lying in Section 16, Township 31 South, Range 2 West, Section 36, Township 32 South, Range 2 West, Section 1, Township 33 South, Range 2 West, Section 4, Township 38 South, Range 5 East, Willamette Meridian, being more particular described in "Exhibit A-1" (the "Property").
- B. Grantee is in the process of planning, locating, permitting, developing and constructing a single 36-inch interstate natural gas pipeline and related facilities which will extend approximately 232 miles across Klamath, Jackson, Douglas and Coos Counties, Oregon, for purposes of transporting natural gas (such pipeline, the "Pipeline" and the permitting, planning and construction of the Pipeline and the operation and maintenance of the Pipeline collectively, the "Project").
- C. Grantee desires to acquire Easements (as defined in Section 1 below) under, within, over and across the Property for Pipeline and Project purposes, and Grantor is willing to grant and convey to Grantee such Easements on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, it is mutually agreed by and between the parties hereto as follows:

AGREEMENT

1. Grant of Easements.

- 1.1 <u>Grant of Pipeline Easement.</u> Subject to and in consideration of the faithful observance of, and strict compliance with, the terms and conditions set forth in this Agreement, Grantor hereby grants and conveys to Grantee, its successors and assigns, a non-exclusive easement and right-of-way ("Pipeline Easement") to locate, survey, construct, entrench, maintain, repair, replace, protect, inspect and operate one (1) 36" outside diameter buried natural gas pipeline, cathodic protection equipment and/or appurtenances which may be constructed above or below ground, including but not limited to valves and metering equipment; and electrical and/or communications cable, underground conduit, splicing boxes (collectively, the "Facilities") which, except for the Pipeline which shall be under the Property, may be on, over, under and through the Property, and for no other purpose or use except as specified in this Agreement. The Pipeline Easement is <u>fifty (50)</u> feet in width being <u>twenty-five (25)</u> feet on each side of the Centerline of the Pipeline as finally constructed. For purposes of illustration, a depiction of the intended location of the Pipeline Easement as of the Effective Date is set forth on the maps attached Exhibit "A-2". Upon completion of construction of the Pipeline, Grantee shall provide Grantor a centerline survey description of the "as-built" pipeline.
- 1.2 <u>Grant of Valve and Launcher Receiver Easement</u>. Subject to and in consideration of the faithful observance of, and strict compliance with, the terms and conditions set forth in this Agreement, Grantor hereby grants and conveys to Grantee, its successors and assigns, an exclusive easement of approximately 0.872 acres, located as identified on attached Exhibit A-2, to locate, survey, construct, entrench, maintain, repair, replace, protect, inspect and operate a valve and launcher receiver facility for the Pipeline, and for no other purpose or use except as specified in this Agreement ("Valve and Launcher

Receiver Easement"). Grantee, its successors and assigns, shall have exclusive access to the Valve and Launcher Receiver Easement area and shall install and maintain a fence with locked gates around the perimeter of the Valve and Launcher Receiver Easement area.

- Grant of Road Easements. Subject to and in consideration of the faithful 1.3 observance of, and strict compliance with, the terms and conditions set forth in this Agreement, Grantor hereby grants and conveys to Grantee, its successors and assigns, non-exclusive easements and rightsof-way sixty (60) feet in width, being thirty (30) feet in width on either side of the centerlines of the roads (each a "Road" and collectively, the "Roads") now existing or to be constructed hereafter on the Property and located approximately in the locations illustrated on the maps attached as Exhibit "B-1" through "B-3" (each a "Road Easement" and collectively, the "Road Easements"). The Pipeline Easement, Valve and Launcher Receiver Easement, and Road Easements collectively are referred to herein as the "Easements." The Road Easements granted herein shall be for the sole purpose of vehicular and pedestrian ingress to and egress from the Facilities for purposes of constructing, maintaining, repairing, replacing, protecting, inspecting and operating the Pipeline and the Facilities, and shall include the right to park, but only temporarily in designated turnouts and not in the traveled roadway, and to bring across the Roads all vehicles, equipment, materials and personnel which are necessary for constructing, maintaining, repairing, replacing, protecting, inspecting and operating the Pipeline and the Facilities. The Road Easements granted herein shall be subject to all terms and conditions set forth in this Agreement, including the road use and maintenance terms and conditions set forth on attached Exhibit "C."
- AS-IS; Easements Subject to Prior Interests. The rights of Grantee under this Agreement are subject to any and all prior rights and interests of record, including all liens, encumbrances, easements, servitudes, rights of way, oil, gas, and mineral leases, and all other grants or reservations of record affecting the Property, and Grantor grants to Grantee no greater rights than Grantor has pursuant to any of the aforementioned matters. Grantee accepts the Easements granted herein and any other portion of the Property related to the Easements strictly "AS-IS," with all defects, apparent or latent, without any representation or warranty by Grantor or any representative of Grantor, expressed or implied, except that Grantor warrants that it is the fee simple owner of the Property with rights sufficient to grant the Easements. Grantee hereby assumes all risk of its use of the Easements and the exercise of its rights under this Agreement. Without limiting the foregoing, the Easements and the rights of Grantee herein are granted subject to all matters of record and matters that a complete survey and inspection of the Easements and related areas of the Property would reveal.
- 1.5 Exercise of Rights by Permittees. Subject to the terms and provisions of this Agreement, Grantee may permit its Permittees to exercise the rights granted to it herein provided such use by any Permittee is directly related to the limited purposes for which the Easements herein are granted. For purposes of this Agreement, the term "Permittee" and "Permittees" means, individually and collectively, the agents, affiliates, contractors, subcontractors, licensees, vendors or suppliers of the Grantee furnishing materials, labor or services, performing any activities on behalf the Grantees or otherwise exercising any rights of the Grantees under this Agreement.
- 2. **Consideration**. Grantor's execution and recording of this Agreement acknowledges receipt from Grantee of the monetary consideration paid by Grantee for the Easements granted herein. Grantee shall not be entitled to any refund of consideration paid to Grantor for the Easements granted herein by reason of termination of this Agreement, lack of development of the Pipeline, abandonment of the Easements, or for any other reason.
- 3. **Single Pipeline; No Enlargement of Purpose**. The Pipeline Easement granted to Grantee is for a single buried natural gas delivery pipeline not to exceed 36" in outside diameter and related surface and subsurface Facilities. The Pipeline shall only be used for the transportation of natural gas. The construction within the Pipeline Easement of additional or multiple pipelines or replacement of the Pipeline with a single pipeline of increased outside diameter shall not be permitted without the prior written consent of Grantor or its applicable successors in title, which consent may be withheld or conditioned in Grantor's sole and absolute discretion, and an appropriate recorded amendment to this Agreement. The Easements

shall only be used by Grantee for the purposes expressly provided in this Agreement, and Grantee may not use the Easements for any other purposes, including, but not limited to hunting, fishing, camping or recreational activities.

- 4. **Minimum Depth**. The pipeline constructed by Grantee shall, at the time of construction, be buried with a minimum of three (3) feet of cover from top of the pipe, after giving effect to construction settlement, or such greater minimum depth as may be required by any applicable law. The pipeline constructed by Grantee shall be buried and maintained at a minimum of five (5) feet cover from the top of the pipe to road surface at all locations where the pipeline intersects a public or private road crossing used by Grantor for management of the Property, or by Grantee in connection with its rights under this Agreement.
- 5. **Pipeline Marking and Signage**. Upon completion of construction of the Pipeline and prior to commencement of operations, Grantee shall conspicuously mark the location of the Pipeline at intervisible locations, no more than two-hundred (200) feet apart, along the right of way through the Property with signage warning of the Pipeline location and avoidance of any ground disturbing or excavating activities on or near the Pipeline. Grantee shall maintain the signage for so long as the Pipeline remains in use, including by maintaining visibility of the signage by mowing vegetation at least once per calendar year.

6. Construction, Repair and Maintenance of Pipeline and Facilities.

- 6.1 <u>Initial Construction</u>. The parties acknowledge and agree that the initial location, construction, inspection and testing of the Facilities occurring prior to the first day of gas service (the "In-Service Date") shall be performed under and in accordance with the terms, conditions, specifications and restrictions set forth in the Temporary Construction Easement Agreement between Grantor and Grantee.
- Maintenance of Pipeline and the Facilities. From and after the In-Service Date (the "Operational Period"), Grantee shall have the right of ingress and egress to and from the Facilities over the Roads, and access on and within the Easements, with the right to use the Roads for the purposes of maintaining the Pipeline and the Facilities in good working order, repair and condition, and at all times to the minimum standards imposed by, and in compliance with the requirements of, natural gas pipeline industry best practices and all applicable laws, rules, regulations, codes, licenses, permits, and ordinances governing the ownership and operation of the Pipeline and the Facilities and the transportation of natural gas through the Pipeline, including, but not limited to the pipeline safety and natural gas transportation standards imposed by the United States Department of Transportation ("USDOT") and the Pipeline and Hazardous Materials Safety Administration of the USDOT. Grantee shall be solely responsible for the safe operation of the Pipeline and the Facilities and shall respond to any release or threatened release of natural gas or other Hazardous Substances (as defined in attached Exhibit "D") from the Pipeline or the Facilities in an expeditious manner and in accordance with applicable law and natural gas pipeline industry best practices.
- Road Easement, other Grantor roadway, or other planned Grantor roadway as identified by Grantor prior to the commencement of construction of the Pipeline, Grantee shall design and construct the Pipeline at such locations in such manner that the Road or other roadway may be safely used by loads of up to 200,000 pounds and 60,000 pounds per axle. If Grantor desires to create additional crossings of the Pipeline Easement in the future, Grantee agrees to review proposals for the construction of such crossings within a thirty (30) day period, with approval not to be unreasonably withheld. Further, where agreed crossing sites require alteration of Roads or other roadways to preserve the integrity of the pipeline, Grantee at its sole expense will be responsible for establishing those crossing sites for any forestry activities, and all existing Roads and other roadways will be left in a state that allows log truck/logging equipment, or any other forestry-related vehicles and equipment to pass over in the same manner as in times previous to the installation of the Pipeline. If Grantee fails to construct agreed crossing sites as provided in this section, Grantor may build those crossing sites following sixty (60) days' written notice to Grantee. If Grantee fails

to build agreed Pipeline crossing sites and Grantor builds those crossings, Grantee will be responsible for all construction costs.

- Temporary Construction Areas and Crossings. For any maintenance, repair, reconstruction, replacement or removal of the Pipeline or Facilities during the Operational Period, Grantee may temporarily utilize additional land along both sides of the Pipeline Easement that, when added together with the 50-foot width of the Pipeline Easement, shall not exceed ninety-five (95) feet in width in total, except where depicted on the attached Exhibit A-2 or unless approved in writing by Grantor, such total width being not more than sixty-five (65) feet on the working side of the Centerline and thirty (30) feet on the non-working side of the Centerline (such additional areas, "Temporary Work Areas"). Grantee shall in all events pay Grantor the fair market value of any timber or trees removed from the Temporary Work Areas (which fair market value of timber or trees shall be determined in the same manner as is provided in this Agreement for determining the fair market value of damaged timber or trees). Grantee shall construct temporary crossings across open trenches and ditches during any construction or maintenance activities if necessary to assure continued access, ingress and egress for Grantor to areas adjacent to the Easements.
- 6.5 <u>Restoration of Pipeline Easement Area.</u> As soon as practicable following completion of the construction, re- construction, repair, maintenance, or removal of the Pipeline as allowed by this Agreement, permits, weather, and soil conditions permitting, Grantee shall (i) inspect the Pipeline Easement area and immediately remedy any settling which may have occurred thereupon, to the reasonable satisfaction of Grantor; (ii) repair all damage to fences and other operational property on the Property and any other property of Grantor resulting from Grantee's activities hereunder; (iii) restore and regrade to the extent practicable the Easement area to its original contours; (iv) except for the 15 feet on either side of the centerline of the Pipeline, which are to be actively kept mowed or otherwise free of trees by Grantee, and except for areas occupied by roadways, Grantee shall leave the areas covered by the Easements in a condition suitable for reforestation by Grantor, and shall compensate Grantor \$750.00 per acre for such reforestation, to be paid within thirty (30) days of invoicing by Grantor.
- Notice and Work Plans. Prior to commencing any non-emergency repair or 6.6 alteration of the Facilities or any Road, Grantee shall make commercially reasonable efforts to provide advance notice to Grantor of its surface activities on the Property (which commercially reasonable efforts may include without limitation first-class mail, electronic mail, facsimile, and/or other electronic medium of communication as may be agreed to by the parties) and shall furnish to Grantor, for review and comment as to work coordination and site safety, a detailed description of the work to be performed by Grantee or its Permittees, including, without limitation, the name of all proposed contractor(s), estimated time frame for completion of the work, and plans and drawings for the applicable Facilities, Roads or alterations thereto (each a "Work Plan"). Grantee shall not commence any such non-emergency repair or alteration until after Grantor has approved the applicable Work Plan, which approval shall not be unreasonably withheld. conditioned or delayed. Any such Work Plan shall be deemed approved unless Grantor notifies Grantee in writing within ten (10) business days of receipt of Grantee's Work Plan stating in reasonable detail any Grantor objections to the Work Plan and Grantor's proposed resolution to the objections. Grantor shall not have a right to approve or reject the design and function of the Facilities itself, it being the intent of the parties that the review and approval right under this Section be solely for the purpose of ensuring site safety and work coordination in light of Grantor's ongoing operations on and around the affected portions of the Property, including Grantor's normal forestry management, harvesting, replanting, road maintenance work, and use of the Roads. No approval given by the Grantor with respect to Grantee's plans or with respect to any work performed by Grantee shall operate as a waiver of Grantee's obligations to perform the work in accordance with the requirements of this Agreement or with any other requirement or standard of care imposed upon the Grantee under this Agreement or applicable law with respect to such work, nor shall such approval in any way relieve the Grantee of any liability to any person for personal injury or death of any person or for any damage to or loss or destruction of property of any person (including the property of Grantor). In the event that an emergency condition is deemed, in Grantee's sole discretion, to exist with respect to the Facilities. Grantee shall have no obligation under this Section to make commercially reasonable efforts to provide advance notice or to submit a Work Plan to Grantor, but Grantee shall give

Grantor notice of the emergency activities as soon as possible and will inform Grantor of the actions taken or to be taken and work performed or to be performed on the Property.

- 6.7 <u>Warnings.</u> Grantee shall provide Grantor with written notice as to whether natural gas being transported in the Pipeline is scented or unscented. Grantee shall construct and maintain appropriate warning signs and markers advising users of the Property of the location of the Pipeline.
- 6.8 <u>Maintenance Schedule and Contact Person</u>. Grantee shall provide Grantor with a written plan and schedule for Grantee's maintenance, upkeep, repair, replacement, removal, and inspection of the Pipeline Facilities and Roads, including any survey work and environmental inspections, remediation, and testing. Grantee also shall provide Grantor with a contact person designated by Grantee, including name, address, 24/7 telephone access number, fax number and email address. The contact person shall have information and knowledge pertinent to the Pipeline and Easements in order to address questions and concerns from Grantor. In the event the contact person is replaced or changed by Grantee, Grantor shall be given reasonable prior written notice of the change, along with the required information for the new contact person.
- 6.9 <u>Restoration</u>. Grantee agrees that within a reasonable time following the completion of its Pipeline maintenance and repair work and subject to weather and/or soil conditions, Grantee shall, as near as practicable, restore the Property to its original contour and condition, at Grantee's sole risk and expense.
- Carbon Project Disclosure and Conditions. Grantor has not registered the Property with the American Carbon Registry as a forest carbon offset project (the "Carbon Project") under California's cap and trade program administered by the California Air Resources Board ("ARB"), but may choose to do so in the future. The Carbon Project is subject to regulatory requirements found at Title 17 of the California Code of Regulations (the "Regulations") and ARB's Compliance Offset Protocol for U.S. Forest Projects. adopted November 14, 2014 (the "Protocol"). If Grantor chooses to participate in the Carbon Project, Grantor would be a "Forest Owner" and the "Offset Project Operator" (as those terms are defined in the Regulations and Protocol) for the Carbon Project, and Grantor would be obligated to, among other things, maintain certain levels of carbon stock on the portions of the Property covered by the Carbon Project and, from time to time, perform inventories and verify the carbon stock on the portions of the Property covered by the Carbon Project, including the portions of the Property subject to this Agreement. Except as provided in this Agreement, Grantor reserves for itself all ownership of and rights to grow, harvest, inventory, verify, or otherwise manage any of the carbon stock on the Property as required by the Regulations and Protocol, and Grantee shall not take any action that would interfere with Grantor's ability to develop and manage the Carbon Project except as allowed by law, it being understood by the Parties that nothing in this paragraph is intended to lessen, augment, or otherwise diminish the rights specifically granted to Grantee herein.
- Damage to Property. Grantee agrees to repair, or if such damage cannot be repaired, to compensate Grantor for damages that directly result from Grantee's use of the Pipeline Easement or Road Easements, including but not limited to, any damages to trees, timber, growing crops, pasture, livestock, gates, fences, driveways, roadways, road structures, bridges, culverts, ditches, landscaping, drains, drain lines, drain tiles, utilities and other real or personal property as provided in this Section. Any other recognizable damages to other real or personal property that result from its use of the Pipeline Easement or Road Easements shall be repaired by Grantee, or the Grantor shall be compensated for such repairs. Grantee will promptly notify Grantor of any property damage occasioned by Grantee's or its Permittees activities under this Agreement. If any such property (other than trees or timber) is destroyed or is damaged to such extent that it cannot be repaired to at least as good a condition as existed prior to such damage, Grantee shall replace such property at Grantee's own expense or shall pay over to Grantee the fair market value of such damaged or destroyed property. Within thirty (30) days of receiving any property damage notice from Grantee, or within thirty (30) days following the date that Grantor actually learns of the occurrence of such loss or damage and notifies the Grantee of same, Grantor may, at its option, elect to repair or replace any property so damaged or destroyed by Grantee or its Permittees itself and obtain reimbursement from Grantee for the reasonably documented costs incurred by Grantor in obtaining such

repair or replacement. If the damage is to any trees or timber that Grantee does not, by this Agreement or by separate written agreement, have the right to remove from the Property, then Grantor shall be paid not less than the fair market value of such damaged, cut or removed timber or trees (whether merchantable or pre-merchantable). Grantee shall promptly provide Grantor with written notice of any loss or damage to timber or trees. Within twenty (20) days following the date on which Grantor receives a timber damage notice, or within twenty (20) days following the date on which Grantor actually learns of such damage or loss and notifies Grantee of the same (whichever is earlier), the parties will attempt in good faith to determine the value of the loss or damage to such timber or trees, giving due consideration to whether such timber is merchantable or pre-merchantable and valuation principles generally accepted for the valuation of merchantable and pre-merchantable timber in Oregon. If within the applicable twenty (20) day period the parties are unable to agree on such value, then Grantor and Grantee will each appoint an independent forestry consultant, and such two consultants will in turn select a third independent forestry consultant to act with them in a panel to determine the value thereof. The panel of consultants will reach a binding decision within twenty (20) days of the selection of the third consultant, and the decision of the panel of consultants as to the value of the lost or damaged timber will be final. If the selection of the second or third consultant is not made within five (5) days of selection of the prior consultant, either party may apply to the presiding judge of the Circuit Court for Douglas County, Oregon for approval of the required consultant. The parties will each bear the cost of its respective consultant and one-half of the cost of the third consultant.

- Easement Clearing; Reforestation. Grantee shall have the right to cut and to keep clear 9. without payment of damages all trees, brush, native growth or foliage and other obstructions within a 30 feet wide corridor centered on the Centerline of the Pipeline (the "Non-Timbered Corridor") and any other timber, brush, native foliage, or foliage that may, in the Grantee's opinion, endanger, hinder or conflict with the construction operation, inspection, protection, maintenance and use of the Facilities (it being understood and agreed that the outside 20 feet of width, being 10 feet from either outside boundary of the 50-foot Pipeline Easement granted herein, shall be replanted following initial construction in accordance with the terms of the Temporary Construction Easement Agreement and will contain regeneration timber the damage, cutting or removal and reforestation of which shall be subject to the provisions of Section 7 above). If any of Grantee's activities under this Agreement require the removal of timber in any area other than the Non-Timbered Corridor of the Pipeline Easement, Grantee shall promptly notify Grantor upon completion of such removal. Thereafter, Grantor may replant the areas outside of the Non-Timbered Corridor where timber was removed (such replanting to be in accordance with the reforestation and minimum restocking requirements of the Oregon Forest Practices Act and related rules, to the extent applicable to the replanted areas, and otherwise in accordance with best management practices and the minimum restocking requirements selected by Grantor, in its sole discretion), and Grantee has compensated Grantor for such reforestation.
- Compliance with Applicable Law, Permits and Regulatory Requirements. Grantee shall conduct (and shall cause its respective Permittees to conduct) all operations and activities required or permitted under this Agreement in accordance with applicable law and the terms and conditions of all authorizations, permits, approvals or certificates from governmental authorities with respect to the Project, the activities of the Grantee or its Permittees in connection therewith, and the existence of the Pipeline on the Property. For purposes of this Agreement, "applicable law" means all laws, rules, regulations and agency or judicial orders now or hereafter in force of all federal, state and other governmental authorities to the extent applicable to the Pipeline and the activities of Grantee and its Permittees under this Agreement, including, but not limited to, (a) the Natural Gas Act, (b) all applicable rules, regulations and agency or judicial orders of the Federal Energy Regulatory Commission ("FERC"), the United States Department of Transportation and the Pipeline and Hazardous Materials Safety Administration; (c) the Oregon Forest Practices Act; and (d) all applicable laws, rules, regulations and orders relating to (i) the preservation and protection of the environment, (ii) the use, storage, application, transportation, presence or absence of Hazardous Substances or materials of any kind, (iii) the designation, classification and protection of any species of plant or animal, (iv) forestry and logging practices, and (v) the prevention, suppression and control of fire.

- 11. **Property Protection Covenants**. When exercising any rights granted under this Agreement or conducting any activities permitted under this Agreement on the Property or on any other lands of Grantor, Grantee and its Permittees shall in all events comply with the covenants contained in Exhibit "D" for the protection of such Property and the property of others adjacent to such property.
- Grantor's Reservations; Concurrent Use. Grantor reserves the right to use and enjoy the Property for itself and its Permittees except for the purposes granted to Grantee, its successors and assigns, in this Agreement and the limitations on Grantor's use set forth herein. In addition, Grantor reserves for itself and its Permittees the right at all times and for any purpose to use, cross and recross, maintain, patrol, and manage all Roads and to manage, work, harvest and use the land within the Easements as provided in this Agreement, so long as it shall not hinder, conflict or interfere with Grantee's surface or subsurface rights, including its right to cut and keep clear portions of the Pipeline Easement area as set forth above, or disturb its ability to operate, maintain and protect its Facilities. No new road, reservoir, excavation, change in surface grade, obstruction or structure shall be constructed, created or maintained within the described 50 foot Pipeline Easement area without Grantee's written permission, which shall not be unreasonably withheld, conditioned or delayed. Grantor is permitted to plant trees to within 15 feet of the centerline of the Pipeline. In the event Grantee's future operation and maintenance requires the clearing of those trees planted outside of the 30 foot wide corridor but within the 50 foot permanent Pipeline Easement or cutting of trees outside the Pipeline Easement that create a safety threat to Grantee's operations or facilities within the Easements, Grantor will be compensated as provided in Section 8 and shall be additionally entitled to associated replanting costs. However, within the 30 foot wide Non-Timbered Corridor, Grantee shall have the right to cut and keep clear all trees and brush, native growth and 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 the Facilities without paying Grantor compensation for damages.

13. Pipeline Integrity

- 13.1 Roadways. The weight limitations of all vehicles operating within, over, or across the Pipeline Easement at identified pipeline road crossings and areas with pipe located within the roadway, shall comply with permitted legal load limits and shall not exceed 60,000 pounds per axle or 200,000 pounds per load without prior written permission of Grantee. Application for loads to be operated within, over, or across the Pipeline Easement at identified pipeline road crossings and areas with pipe located within the roadway that exceed these limits will be submitted for review and approval through Grantee's local Operating District at least twenty (20) days in advance of need.
- 13.2 <u>General Integrity</u>. Grantor shall provide written notification to Grantee of Grantor's plans for blasting, rock, cinder, or gravel pit work to be performed within one hundred (100) feet of the Pipeline Easement. Grantee shall be provided with sixty (60) days to develop an encroachment procedure. Grantee, at its sole expense, is responsible for preserving the integrity of the Pipeline and its facilities.
- 14. **Inspection.** Prior to any of Grantor's work activities requiring "Surface Disturbance" within the Pipeline Easement, Grantor shall notify Grantee at least (7) days prior to such activity and provide Grantee with the opportunity for an authorized Grantee representative to be present during Surface Disturbance activities and to remain present on site as long as power equipment is being utilized. For purposes this paragraph, Surface Disturbance is new road construction or any activity within the Pipeline Easement that disturbs the soil deeper than twelve inches (12"), lowers the original grade of a road surface, or otherwise presents a significant risk to the integrity of the Pipeline, including but not limited to stump removal and soil ripping/subsoiling. Surface Disturbance does not include road grading, road rocking, heavy equipment travel (i.e. bulldozers and log skidders) that complies with Section 13.1, and tree planting outside the Non-Timbered Corridor at a depth of less than twelve inches (12").
- 15. "One-Call" Compliance. Grantor and Grantee shall conduct all operations and activities within the Pipeline Easement area in compliance with Oregon Revised Statues Chapter 757 and Oregon Administrative Rules 952-001-0001 through 952-001-0090 as modified and revised.

16. Indemnification.

- Indemnification. To the fullest extent permitted by law, Grantee shall indemnify, protect and hold Grantor and Grantor's officers, directors, shareholders, employees, agents, parents, subsidiaries and affiliates (collectively, "Grantor Indemnified Persons") harmless from and against any and all claims, losses, liabilities, judgments, damages, costs, expenses, demands and suits (including but not limited to fees and expenses of attorneys, experts, consultants, arbitrator(s) fees and arbitration administrative costs/court costs and fees and all other costs of litigation and arbitration, whether incurred in investigation, at trial and on appeal or in bankruptcy proceedings), or injury (collectively, "Claims and Liabilities") arising out of or relating to, or alleged to arise out of or be related to the exercise by Grantee of its rights under this Agreement, or out of the existence of the Pipeline, or the work of Grantee or its respective Permittees or anyone directly or indirectly employed by Grantee, or for whom Grantee may be liable, except to the extent caused by the negligence or culpable conduct of Grantor. Without limiting the generality of the foregoing, the indemnity obligations provided in this Section will include any Claims and Liabilities whatsoever arising out of or relating to: (i) the death of or bodily injury to any person; (ii) physical damage to or destruction of any property (including damages caused by fire and third party firefighting expenses incurred in connection with fighting any fires caused by or in any way resulting from Grantee's or its Permittee's activities under this Agreement); (iii) the construction, maintenance, repair, removal and operation of the Pipeline, including but not limited to any Claims and Liabilities arising out of breakage, failure, rupture or malfunction of the Pipeline; (iv) any release, spill or discharge of Hazardous Substances on the Property or other lands caused by Grantee, its respective Permittees or anyone directly or indirectly employed by Grantee, or for whom Grantee may be liable, or the presence (actual or reasonably suspected) of Hazardous Substances in, on or under the soil, groundwater, surface water or other environmental media or any structure or improvement on the Property or other lands caused by Grantee or its Permittees, if any investigatory, remedial, removal reporting or other response action is required; and (v) any breach or failure by Grantee to comply with, or to cause its Permittees to comply with, any provision of this Agreement.
- 16.2 <u>Duty to Defend</u>. Grantee shall at its own cost, expense and risk, defend any and all claims, investigations, demands and suits that may be brought or instituted against Grantor by third parties arising out of or related to, or alleged to arise out of or be related to the exercise by Grantee of its rights under this Agreement, or out of the existence of the Pipeline, or the work of Grantee or its Permittees or anyone directly or indirectly employed by Grantee, or for whom Grantee may be liable, including but not limited to claims, investigations, demands, and suits by governmental, state and local agencies, or employees of Grantee and any party for whose acts it may be responsible, except to the extent caused by the negligence or culpable conduct of Grantor. The Grantor shall have the right to approve counsel to be employed in its defense.
- 16.3 <u>Duty to Reimburse</u>. Grantee will reimburse the Grantor for any and all legal costs and related expenses incurred by Grantor in connection with Grantee performing the indemnification and defense obligations under this Section 16 or in enforcing such indemnity and defense rights granted in this Section 16.
- 16.4 <u>Damages Limitations</u>. In any and all claims against Grantor by third parties, the Grantee's indemnification obligations under this Agreement shall not be diminished or limited in any way by any limitation on the amount or type of costs or damages (including any consequential damages waiver, punitive damages waiver or other limitations of liability) payable by Grantee under agreements between Grantee or such person.
- 16.5 <u>Assignees Bound</u>. Each assignee of Grantee's rights under this Agreement, or any interest therein, shall be bound by the terms of this Section 16, and agree to indemnify, defend and reimburse Grantor in the same manner as provided in this Section 16.
- 16.6 <u>Survival</u>. Grantee's indemnification, defense, reimbursement and related obligations under this Section 16, and in each other section of this Agreement imposing on Grantee any obligation of indemnification, defense or reimbursement, shall: (i) survive the expiration or earlier

termination of this Agreement (including termination by reason of abandonment of the Easements); (ii) extend to claims arising before but brought after expiration or termination of this Agreement; and (iii) not be limited in any manner by Grantee's insurance coverage under this Agreement.

- 16.7 <u>Prior Environmental Liabilities</u>. Grantee shall not be liable to Grantor for any contamination of soils or groundwater by release of Hazardous Substances that predates the date of this Agreement or to the extent any such liability was caused by the Grantor's or the Grantor Indemnified Persons', or their invitees' or assigns', actions or inactions during Grantor's ownership of the Property.
- 17. **Assumption of Risk**. Grantee assumes all of the known and unknown risks attendant or incidental to its activities (and the activities of its Permittees) on the Property, including, but not limited to, the risk of serious bodily injury or death to the personnel of Grantee or its Permittees and the risks of damage to or destruction of property owned by any person. Grantee represents and warrants to Grantor that it is knowledgeable and experienced in regard to the activities contemplated under this Agreement, and with the general geographic area in which its activities under this Agreement are to be performed, and that it is entering into this Agreement based upon its own assessment, knowledge and experience of site conditions (including weather, slopes and geographic features), access features, labor and equipment supply considerations, and related items. Grantor makes no representations or warranties whatsoever to Grantee or its Permittees as to the present or future condition of the Property, the adjacent properties, any roads or the condition of traffic thereon or the fitness or suitability of the Property for Grantee's intended purposes.

18. Insurance.

- Generally. Grantee will at its own expense obtain, and will thereafter at its own expense continuously keep in full force and effect at all times that this Agreement remains in effect and for any greater periods specified below, the insurance coverage meeting the minimum amounts and requirements listed below (the "Required Insurance"), subject in each case to all requirements, limits and conditions relating to such Required Insurance as are more particularly set forth below. Grantee's procurement and maintenance of the Required Insurance shall be a condition precedent to Grantee's or any Permittee's right to commence or continue any activities on the Property under this Agreement. Grantor's failure at any time to ascertain that Grantee (or any of it Permittees) have not strictly complied with the requirements of this Agreement with respect to Required Insurance shall not constitute a waiver of Grantee's (or its Permittees') obligations set out herein with respect to Required Insurance or Grantor's rights thereafter to require strict compliance with such obligations. Grantee acknowledges that Grantee's (and its Permittees') procurement and maintenance of the Required Insurance is a material factor in Grantor's decision to enter into this Agreement and in allocating risks under the Agreement, and but for the procurement and maintenance of the Required Insurance, Grantor would not have entered into the Agreement for the same compensation or on the other risk allocation terms as are currently set forth in this Agreement.
- 18.2 <u>Approved Insurers</u>. All insurance required herein shall be written by companies with Best's Key Rating Guide of A or better with a financial size rating of at least VIII, or as deemed acceptable by Grantor.
- Liability insurance covering claims for bodily injury, property damage and personal injury arising out of this Agreement providing coverage at least as broad as the current ISO Commercial General Liability Insurance policy (Occurrence Form, number CG 00 01) without any endorsements narrowing such coverage. This insurance shall provide, expressly or by separate endorsement or extension, coverage for all operations and, without limitation, include coverage for contractual liability; products/completed operations coverage; cross-liability (i.e. no cross-suit exclusions); independent subcontractors; products liability; completed operations coverage; pollution liability/environmental liability; pollution arising out of heat, smoke or fumes from hostile fires; explosion, collapse, and underground damage; with limits not less than:

- \$10,000,000 each occurrence;
- \$10,000,000 each occurrence for personal injury and advertising injury;
- \$10,000,000 aggregate for products and completed operations;
- \$10,000,000 general aggregate limit, which shall apply separately to operations on the Property.

Additionally, the commercial general liability policy(ies) shall not exclude coverage for X, C or U (Explosion, Collapse, or Underground) hazards.

- 18.4 <u>Workers' Compensation and Employer's Liability Insurance</u>. Workers' Compensation insurance shall be provided as required by applicable law or regulation. Employer's Liability insurance shall be provided in amounts not less than:
 - \$1,000,000 each accident for bodily injury by accident;
 - \$1,000,000 policy limit for bodily injury by disease; and
 - \$1,000,000 each employee for bodily injury by disease.

Grantee, on its own behalf and on behalf of its insurers and other providers of coverage, waives any and all right of recovery and right to subrogation in connection with matters to which such insurance applies.

- 18.5 <u>Automobile Liability Insurance</u>. Grantee shall carry automobile liability insurance, including coverage for all owned, hired and non-owned automobiles (including "pollution from autos endorsement"). This coverage shall apply to both on and off site work and include loading and unloading of vehicles and shall name Grantor as an additional insured. The limits of liability shall be no less than \$1,000,000 combined single limit each accident for bodily injury and property damage. Automobile Liability Insurance shall be provided pursuant to a coverage form at least as broad as ISO form CA 0001. If Grantee is subject to the Motor Carrier Act of 1980, the Motor Carrier Act endorsement MCS-90 must be obtained and attached to the policy.
- 18.6 <u>Umbrella Liability</u>. Grantee shall carry one or more umbrella or excess policies over the foregoing liability insurance policies with a total combined limit of not less than \$25,000,000 per occurrence and in the aggregate.
- 18.7 <u>Required Endorsements</u>. Except as provided below, the policies required under this Section shall be endorsed, in a form and manner acceptable to Grantor, providing as follows:
- (a) Additional Insureds: Except with regard to Workers' Compensation, and Employer's Liability, Siskiyou Timberlands, LLC and the Grantor Indemnified Persons, shall be named as additional insureds, with respect to liability arising out of the activities of the Grantee or its Permittees. Such additional insured endorsement for Commercial General Liability coverage shall provide for additional insured status on both an on-going and completed operations basis and shall not require that the work performed be for the benefit of Grantor. The additional insured requirement for Commercial General Liability coverage is for the duration of this Agreement.
- (b) Waiver of Subrogation. Grantee hereby waives, for itself and on behalf of its respective insurers, any subrogation claim against Grantor and any Grantor Indemnified Person by its insurers under the policies specified above, for damages arising from any peril insured against under such policies. If required to perfect such waiver on behalf of its insurers, Grantee will use commercially reasonable efforts to cause Grantee's insurance carriers to execute such further written instruments as necessary to waive their rights of subrogation against the Grantor Indemnified Persons, their affiliated companies and their respective boards of directors, managers, employees, representatives, consultants, and agents.
- (c) Coverage by Occurrence. All liability coverages must be on an "occurrence" basis as opposed to "claims made".

18.8 Other Requirements.

- (a) Deductibles and Notices. Grantee shall be responsible for any deductible or self-insured retention amount. The Grantee agrees to provide at least thirty (30) days' prior written notice to Grantor of any cancellation of insurance, reduction in coverage or reduction in limits available to Grantor.
- (b) Evidence of Coverage. Prior to the commencement of activities on the Property, Grantee shall furnish Grantor a certificate(s) of insurance, dated and signed by a stated, authorized agent for the insuring company or companies, in a form acceptable to Grantor and containing a representation that coverage of the types listed above is provided with the required limits. Any acceptance of insurance certificates by Grantor shall in no way limit or relieve Grantee of its duties and responsibility under this Agreement including the duty to indemnify, defend and hold harmless the Grantor Indemnified Persons under other provisions hereof. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Grantee for liability in excess of such coverage nor shall it preclude Grantor from taking such other actions as is available to it under any other provision of this Agreement or law. Should any insurance policy lapse or be canceled during the term of this Agreement, Grantee shall, prior to the effective expiration or cancellation date, furnish Grantor with evidence of renewal or replacement of the policy. Failure to continuously satisfy insurance requirements as herein provided is a material breach of contract. In the event the Grantee fails to maintain any insurance coverage required, Grantor may, but is not required to, maintain such coverage and charge the expenses to Grantee.
- (c) Primary Insurance. All limits and coverages required of the Grantee in this Section shall be primary and non-contributory with any insurance or self-insurance program carried by Grantor and the additional insureds.
- (d) Cooperation. Grantee shall fully cooperate, participate, and comply with all reasonable requirements of the insurers and insurance brokers issuing or arranging for issuance of the required policies, in all areas of safety, insurance program administration, claim reporting and investigating, and audit procedures.
- (e) No Limitation of Grantee Liability. All insurance shall be in a form sufficient to protect Grantee against the claims of third persons, and to cover claims by Grantor against Grantee or other parties for which Grantee has assumed liability under this Agreement. Nothing in this Section shall be construed as limiting, in any way, the extent to which the Grantee may be held responsible for payment of damages resulting from its operations. Grantee's obligations to procure insurance are separate and independent of, and shall not limit Grantee's contractual indemnity and defense obligations. Grantor does not represent that coverages and limits required in this Agreement will necessarily be adequate.
- (f) Requirements for Subcontractors/Agents. Grantee shall require that its Permittees who will be physically present on the Property maintain insurance in like form and limits, including additional insured and waiver of subrogation requirements, as are required of the Grantee in this Agreement, except that the insurance requirements shall be consistent with the Permittee's scope of work and the coverage amounts may be reduced, at Grantee's option, from the amounts stated in Section 18 to amounts not less than \$1 million. Grantee will provide Grantor with certificates of insurance and endorsements evidencing the additional insured and waiver of subrogation provisions have been complied with prior to any entering onto the Property.
- (g) Adjustments in Insurance. Coverages in this Section 18 may be reviewed by Grantor and, upon Grantee's agreement, which agreement Grantee agrees not to unreasonably withhold, revised in Grantor's reasonable direction from time to time.

19. Relinquishment; Abandonment.

- 19.1 <u>Relinquishment</u>. Should Grantee fail to complete construction of the Pipeline contemplated herein within 10 years of the Effective Date, Grantor may demand that Grantee execute a relinquishment of the Easements in a form that is satisfactory to Grantor and recordable in the real property records of the counties in which the Property is located. If construction does not commence within thirty (30) days of such demand, the Easements and this Agreement shall automatically terminate, and Grantee shall execute and record the relinquishment of the Easements.
- Abandonment. Grantee may at any time, with notice to Grantor, permanently 19.2 abandon all of the Easements and, subject to conditions for approval by the Federal Energy Regulatory Commission (FERC), may remove or abandon in place the Facilities. Upon approval by FERC, all removal and restoration conditions of FERC's approval shall be completed by a date that is not less than three hundred sixty five (365) days following the effective date of such approval. Upon abandonment, at the request of Grantor, Grantee shall, execute and record a reconveyance and release of this Agreement whereupon this Agreement with all rights and privileges mutually granted hereunder shall be fully canceled and terminated except for: (i) those rights or obligations which have accrued prior to such termination or abandonment or which inure to a party as a result of such termination or abandonment, and (ii) those provisions of this Agreement that specifically survive expiration or termination of this Agreement including all indemnification, property restoration and payment obligations set forth in this Agreement. Termination of this Agreement or abandonment of the Easement will not in any way relieve Grantee of its obligations for breach of contract prior to termination. The rights provided in this section are cumulative with and are in addition to any other rights of the Grantor to pursue all legal remedies, for any breach or default of this Agreement by Grantee, available to it at law or in equity, which other rights and remedies will survive such termination or abandonment unimpaired.
- Taxes and Assessments. Grantee shall be liable for all taxes and assessments, fines, fees and other charges, if any, levied against the Pipeline and the Facilities, including all related improvements located within the Easements. In the event any real property tax rollback or compensating tax is imposed upon Grantor by reason of the existence of the Pipeline and Easements on the Property, or any change in status or disqualification of the Property from any current forestland or open space tax deferral program results by reason of the existence of the Pipeline and Easements on the Property, Grantee shall assume, pay, and reimburse Grantor in full for the amount of such rollback or compensating taxes or any other increased real or personal property taxes.
- Liens. 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. Grantee will pay all labor and other bills incurred in connection with the Easements and the Project when due and payable and furnish Grantor, upon Grantor's reasonable demand, with proof that all such labor bills and expenses are paid. Grantee and its Permittees shall not permit or cause any lien to become attached to any portion of Property. However, if any lien should attach to the Property, Grantee will immediately discharge the same. In the event that Grantee fails to discharge any of its obligations under this Section, Grantor shall have the right to pay and discharge any lien imposed against its property due to Grantee's breach. Grantee shall reimburse Grantor for any amounts so paid, including the reasonable expenses of Grantor in connection therewith, within thirty (30) calendar days of receiving notice from Grantor of any such payment, together with interest thereon at the rate of seven (7) percent per annum (calculated on a 365-day year basis) from the date of payment thereof by Grantor until the repayment thereof by Grantee. Further, Grantor shall have the right to defend, using counsel of its choice, at Grantee's sole expense, any lien filed against Grantor's property as a result of Grantee's Project, and Grantee agrees to immediately reimburse Grantor for such expense.

22. Miscellaneous.

- 22.1 <u>Successors and Assigns; Assignment; Recording.</u> The rights and obligations herein shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto and shall be a covenant that runs with and burdens the Property and successor owners of the Property (or affected portions thereof). Grantee may assign the rights granted under this Agreement in whole or in part, subject to the terms of this Agreement. In the event of any assignment of this Agreement by Grantee or its successors, the assignor shall remain fully responsible for all obligations, responsibilities, and liabilities of the Grantee and shall not be released from any obligations under this Agreement until the assignor provides written notice to Grantor with written evidence that the assignee has agreed to assume all rights and obligations of assignor under this Agreement, the effective date of the assignment, and assignee's certificates of insurance given in compliance with the Grantee insurance coverage requirements of this Agreement. Either party may record this Agreement in the real property records of Douglas, Jackson and Klamath Counties, Oregon.
- 22.2 <u>Permittees</u>. All obligations, duties, liabilities, and responsibilities of Grantee whatsoever arising pursuant to the provisions of this Agreement, or otherwise in law or in equity, shall apply with equal force to its Permittees where the context permits. Specific use of the terms "contractor," "subcontractor," "agent," "Permittee" and the like in certain sections of this Agreement, and omissions of such terms in other sections, shall not be deemed to nullify or restrict the force and effect of this Agreement on such person only to such sections of this Agreement where such terms are specifically used. Use of the term "Permittee" in any section giving rise to duties or obligations of Grantee shall be deemed to include the subcontractors, agents, contractors, employees, and licensees of Grantees where the context permits.
- 22.3 <u>Third Party Beneficiaries</u>. Except for the Grantor Indemnified Parties, who are each third-party beneficiaries of the covenants and agreements set forth in this Agreement regarding indemnification, insurance and property protection, this Agreement is for the sole benefit of the parties hereto (and their respective successors and assigns) and nothing herein, express or implied, is intended to or shall confer upon any other person, including any creditor of either party, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
- 22.4 <u>Governing Law; Venue.</u> All matters arising out of or relating to this Agreement are governed by and construed in accordance with the internal laws of Oregon without giving effect to any choice or conflict of law provision or rule (whether of Oregon or any other jurisdiction) that would cause the application of the laws of any other jurisdiction. In addition, Grantor and Grantee agree that in the event of any dispute concerning this Agreement, venue for any cause of action arising out of, or having to do with, this Agreement shall be, and is, in state or federal courts for a county in which any of the Property is located.
- 22.5 Notices. All notices required or permitted to be given hereunder, or given in regard to this Agreement by one party to the other, shall be in writing and the same shall be given and be deemed to have been served, given and received (a) if delivered by hand, when delivered in person at the address set forth hereinafter for the party to whom notice is given,(b) if mailed, when placed in the United States mail, postage pre-paid, by certified mail, return receipt requested, or (c) if sent by any nationally recognized overnight commercial courier (such as Federal Express), with proof of delivery, postage or costs prepaid, the next business day after having deposited the notice with such overnight delivery service for next day delivery; in each case, addressed to the party at the address hereinafter specified. Any party may change its address for notices by giving five days advance written notice to the other party hereto in the manner provided for herein. Until changed in the manner provided herein, the parties' respective addresses are as follows:

If to Grantor:

Siskiyou Timberlands, LLC 7135 Sportsfield Dr. NE Seattle, WA 98155 Telephone 206 450-7019 If to Grantee:

Pacific Connector Gas Pipeline, LP c/o Pembina Pipeline Corporation 111 SW 5th Avenue, Suite 1100

Portland, OR 97204 Attn: Land Manager Telephone: 503-367-

Telephone: 503-367-8411 Facsimile: 971-940-7799

- 22.6 <u>Waiver</u>. No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligations specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of any party's right to demand strict compliance with the terms hereof; provided, however, that any party may, at its sole option, waive any requirement, covenant or condition herein established for the benefit of such party without affecting any of the other provisions of this Agreement.
- 22.7 <u>Attorneys' Fees and Costs</u>. In the event suit or action is instituted to enforce or interpret any of the terms of this Agreement (including any exhibits or attachments), or to enforce any right arising out of or in any way connected with this Agreement, the prevailing party will be entitled to recover from the other party such sums as the court may adjudge reasonable as attorney fees (including in-house counsel fees) and costs whether incurred in investigation, at trial, on appeal or any petition for review, or in connection with any proceeding in bankruptcy at any level, in addition to all other sums provided by law, including reasonable and necessary expert witness fees.
- 22.8 <u>Execution in Counterparts</u>. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, and all of which will together constitute the same Agreement. The parties agree that delivery by facsimile or other electronic means of a signed counterpart of this Agreement will be deemed the same as delivery of the signed original counterpart. Upon request of the other party, a party delivering a counterpart of this Agreement by facsimile or other electronic means will also provide to the requesting party a manually-signed original of this Agreement.
- 22.9 <u>Entire Agreement</u>. It is mutually understood and agreed that this Agreement and the attached exhibits, as written, cover and include all of the agreements between the parties except as may otherwise be provided in the Temporary Construction Easement Agreement and the Timber Sale Agreement between the parties hereto and of even date herewith, and that no representations or statements, verbal or written, have been made modifying, adding to or changing the terms of this Agreement.

[Signatures and acknowledgements on following pages]

IN WITNESS WHEREOF the parties have EXECUTED THIS RIGHT OF WAY AND EASEMENT AGREEMENT THIS AND DAY OF M, 2019.

GRANTOR:

Siskiyou Timberlands, LLC

By: Jan Mahal

GRANTEE:

Pacific Connector Gas Pipeline L.P.

By: Pacific Connector Gas Pipeline, LLC, a Delaware limited liability company, its General Partner

Name:

Title: UP ANG PROJECT

[Acknowledgements appear on following pages]

ACKNOWLEDGMENT

STATE OF WASHINGTON)	
COUNTY OF KING) ss.	
and foregoing instrument, and acknowled	2019, personally appeared before me <u>S(b+t D. Mavshall</u>) to me <u>you Timber (ands LUC</u> , the company that executed the within dged said instrument to be the free and voluntary act and deed of s therein mentioned, and on oath stated that he was authorized aid company.
IN WITNESS WHEREOF, I have hereun above written.	to set my hand and affixed my official seal the day and year first Signature:
Notary Public State of Washington JAY HOCKING MY COMMISSION EXPIRES August 03, 2021	Name (Print): <u>Jay Hocking</u> NOTARY PUBLIC in and for the State of Washington residing at:
Comment of the Commen	My appointment expires: Avg vs + 03 2021

ACKNOWLEDGMENT

STATE OF TEXAS))ss.
COUNTY OF HARRIS)
instrument on behalf of	Authorized Spectrum of Pacific Connector Gas Pipeline, LP, acting through its Connector Gas Pipeline, LLC, and acknowledged that she/he signed the forgoing and by authority of said entity and that the instrument is said entity's voluntary act and purposes mentioned therein.
Before me:	- QJ JL 0/
LATANYA HAMILTO Notary ID # 1307844 My Commission Expi August 18, 2020	81 Noter: Bublic in and for the State of Toyas

EXHIBIT "A-1"

DESCRIPTION OF PROPERTY

DO-438.503TR (R45501)

The North Half of Section 16, Township 31 South, Range 2 West, Willamette Meridian, Douglas County, Oregon.

JK-450.000 (10213130)

All of Section 36, Township 32 South, Range 2 West, Willamette Meridian, Jackson County, Oregon; LESS that portion described in Document No. 76-00170, Official Records of Jackson County, Oregon.

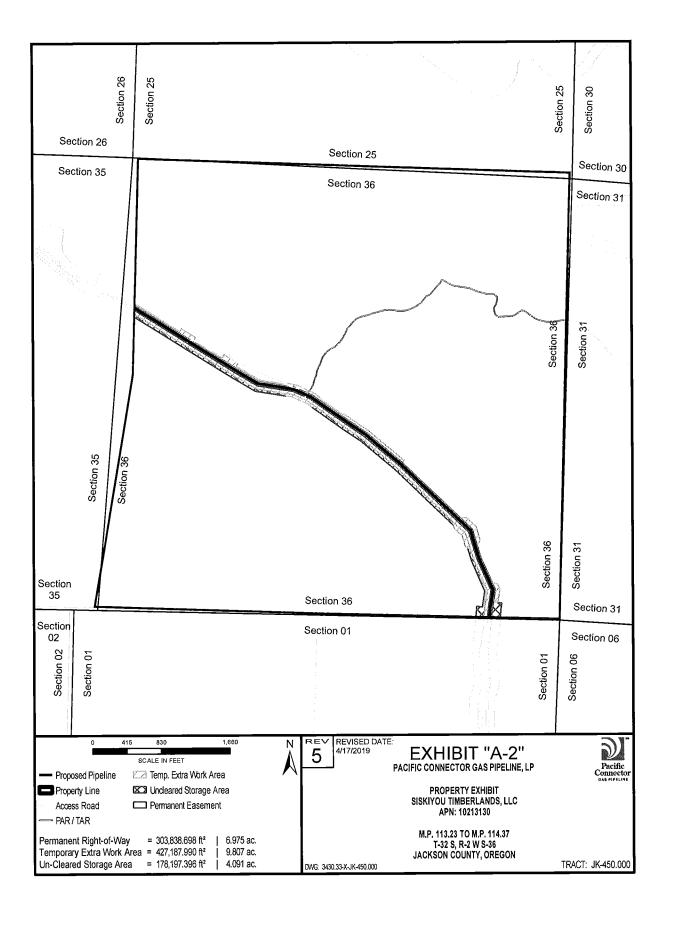
JK-451.000 (10217271)

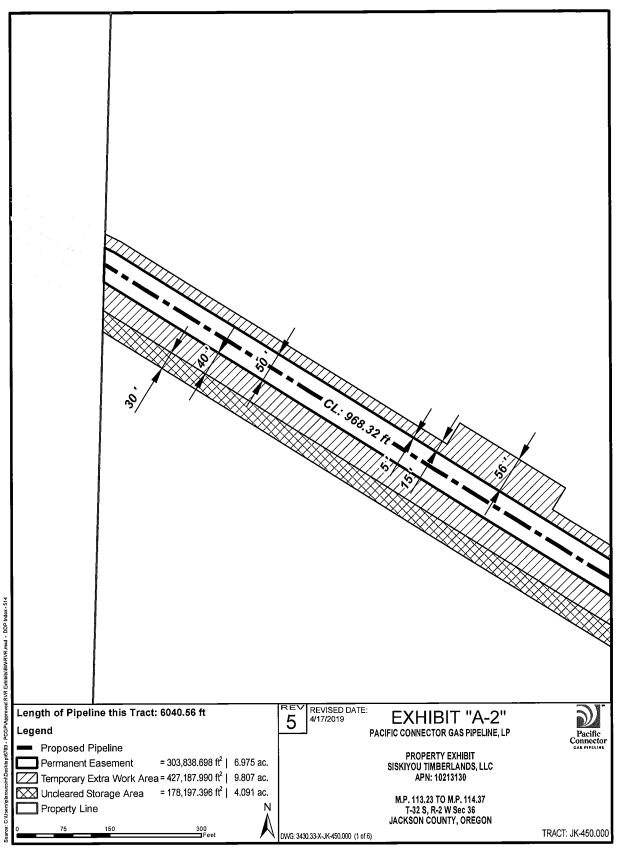
Lots 1, 2, 7 through 10, Section 1, Township 33 South, Range 2 West, Willamette Meridian, Jackson County, Oregon.

KH-567.001 (R70988)

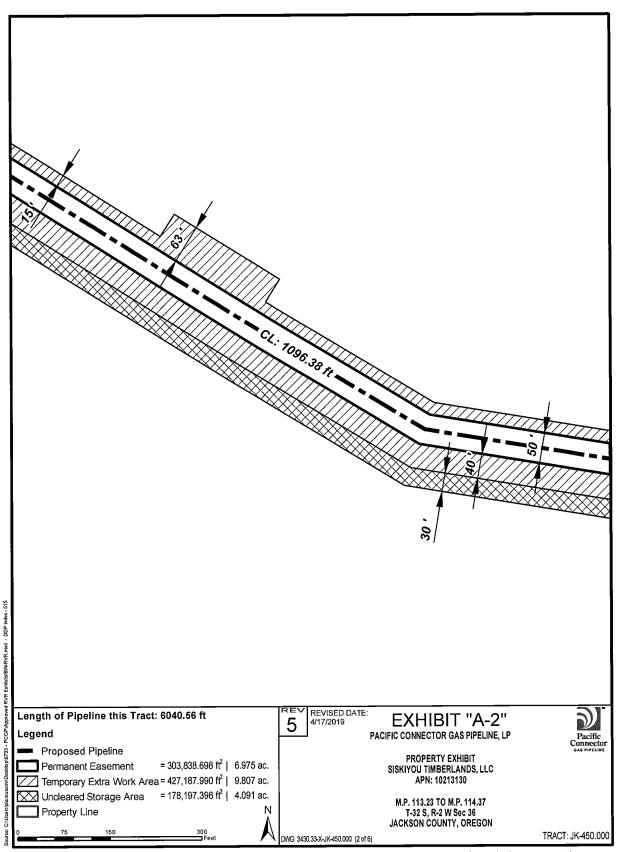
The Southeast Quarter of Section 4, Township 38 South, Range 5 East, Willamette Meridian, excepting therefrom that portion conveyed to The United States of America for road, by Deed Recorded October 15, 1962, in Volume 340 Page 658, Deed Records of Klamath County, Oregon.

EXHIBIT "A-2" MAP OF CLEARING LIMITS

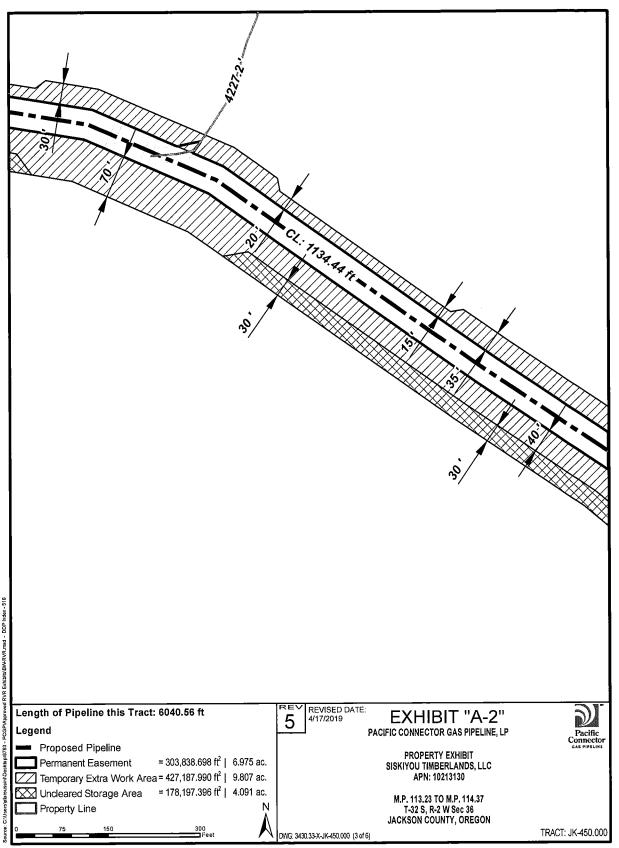




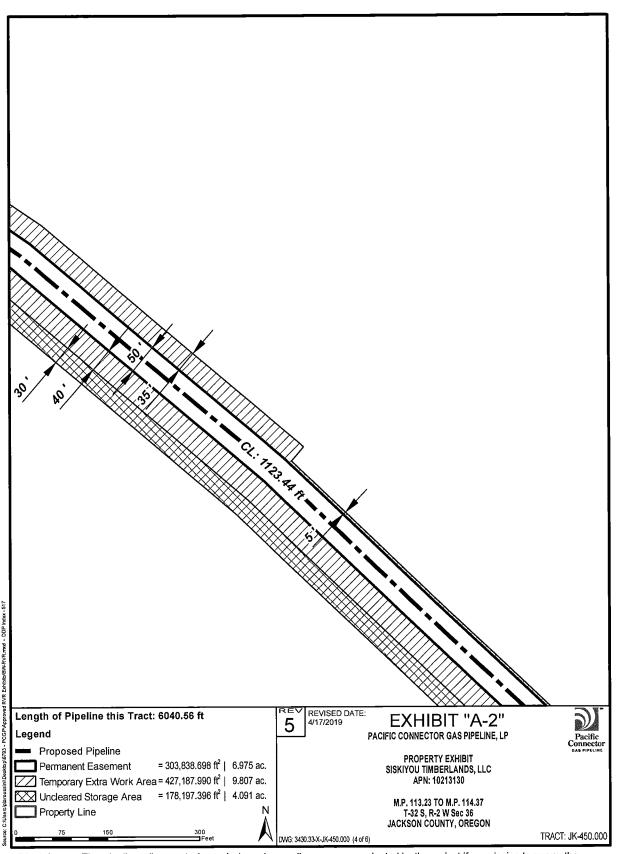
Disclaimer: The pipeline alignment shown is based on a line survey conducted by the project if permission to survey the property was granted by the landowner. The property boundary information was obtained from County tax maps. Because this exhibit is not based on a property survey the actual right-of-way and workspace areas may vary slightly from what is shown.



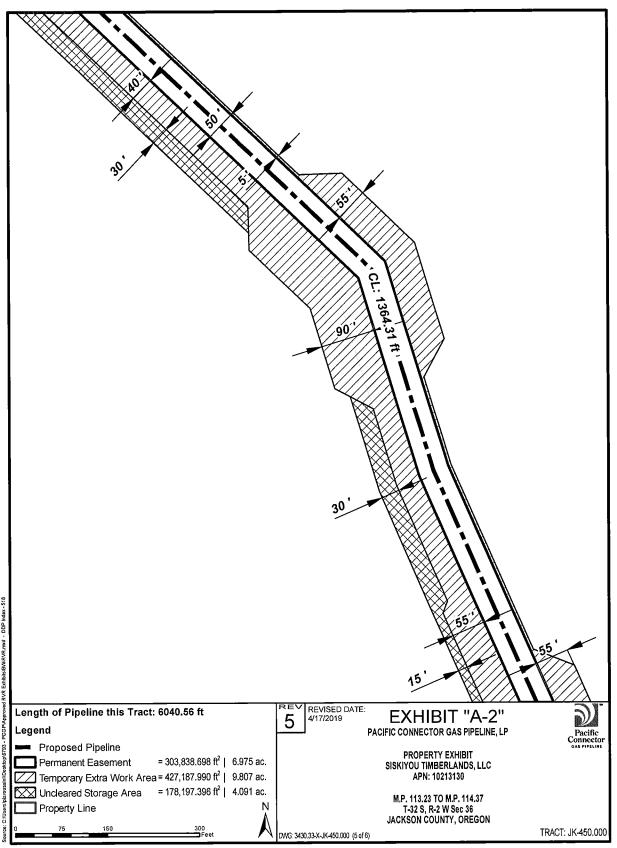
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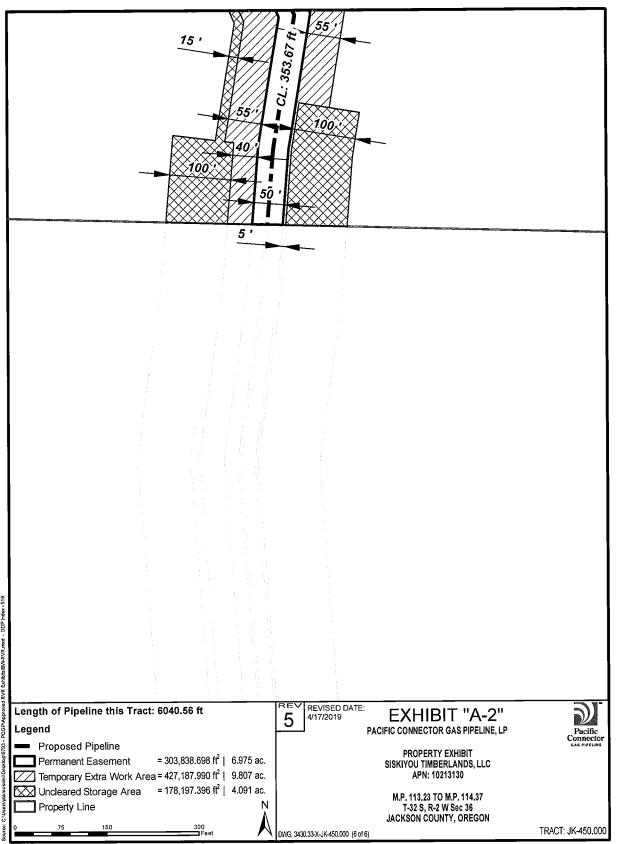
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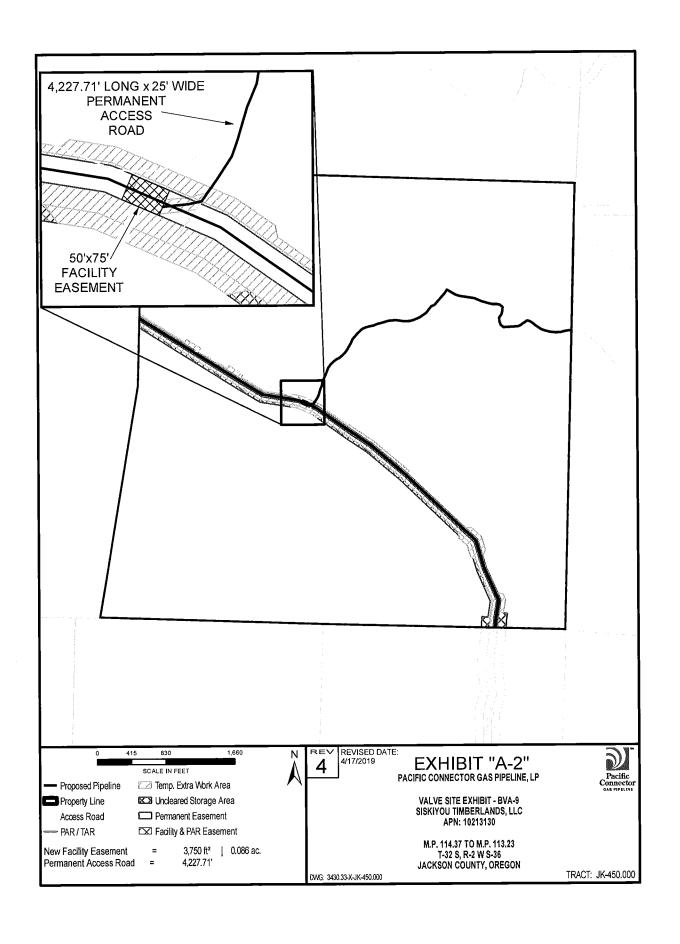
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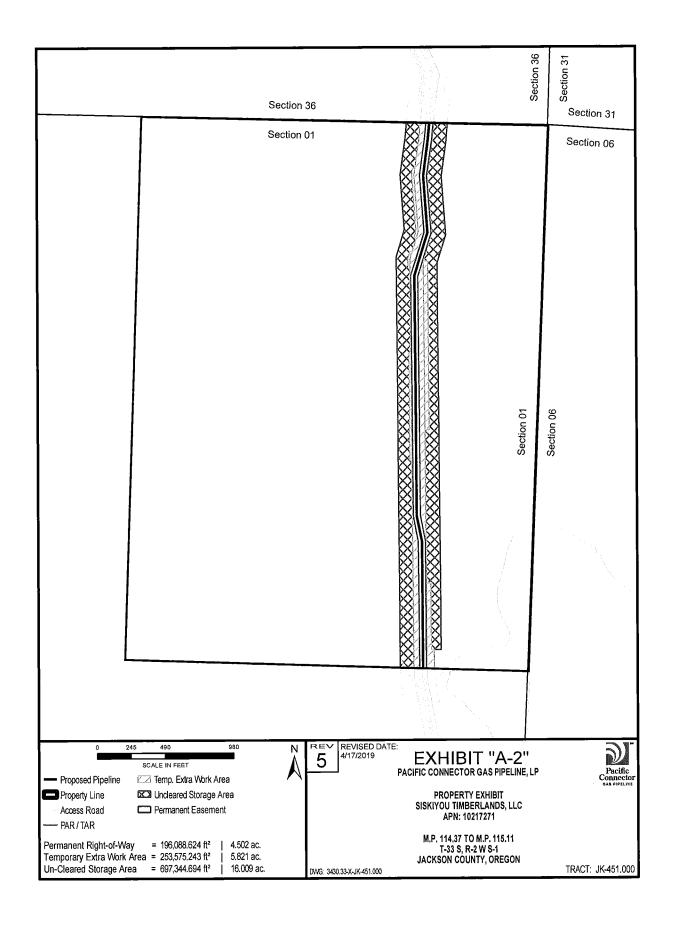


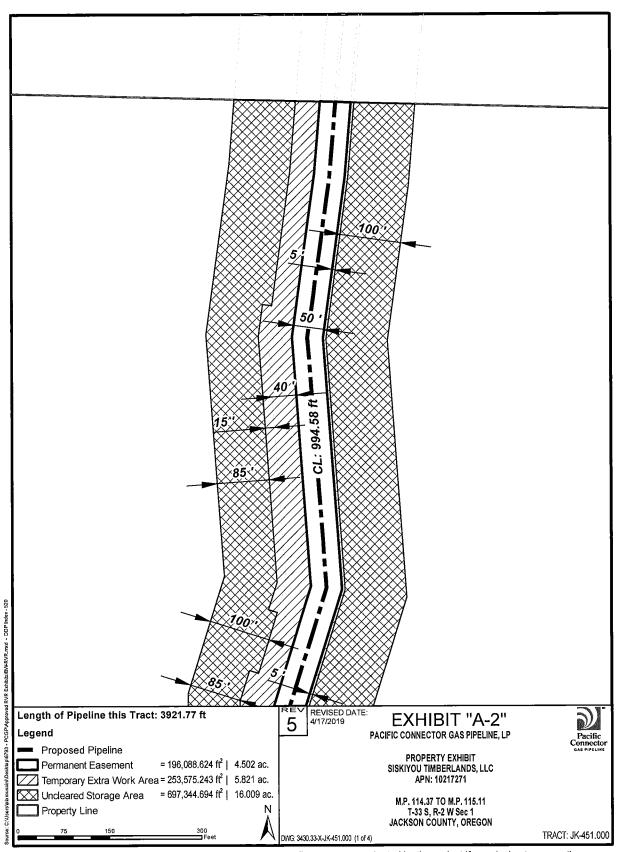
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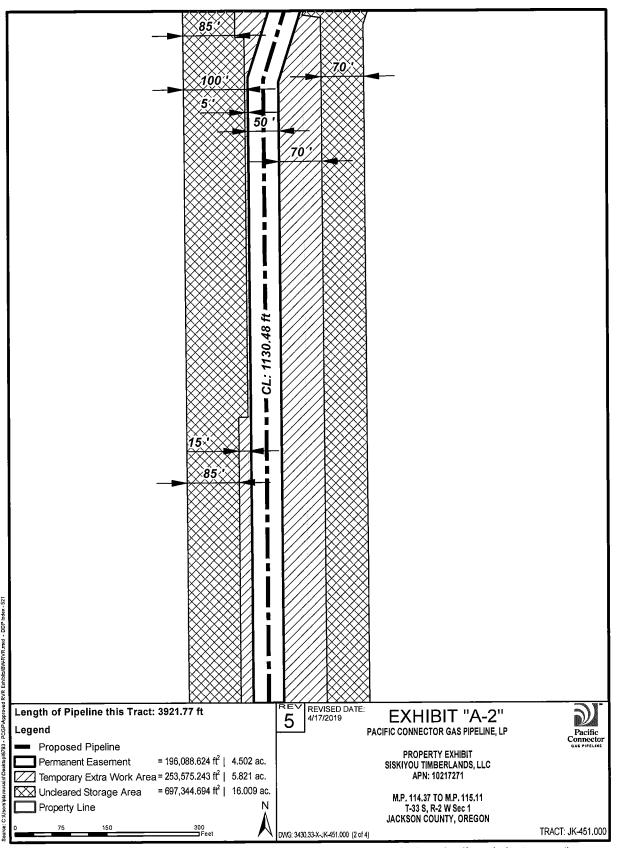
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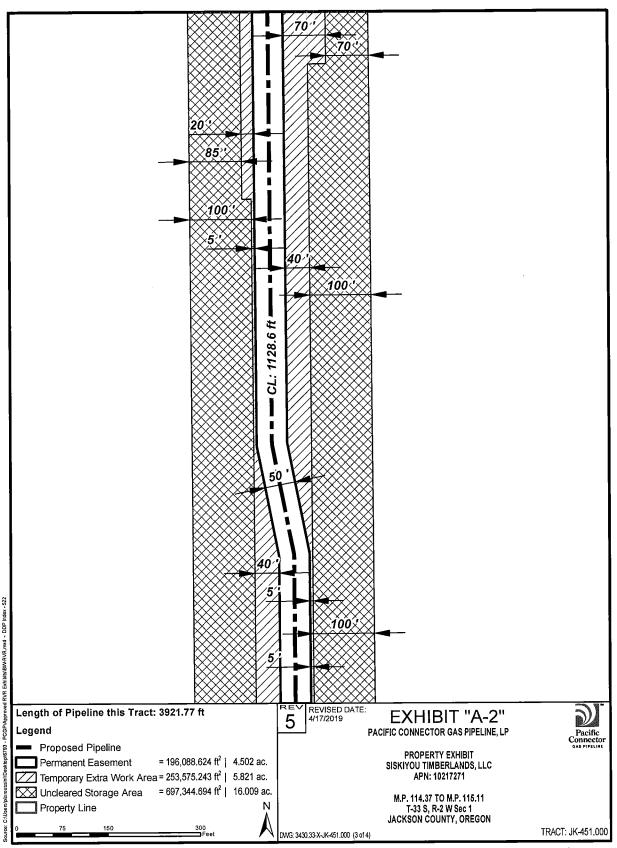




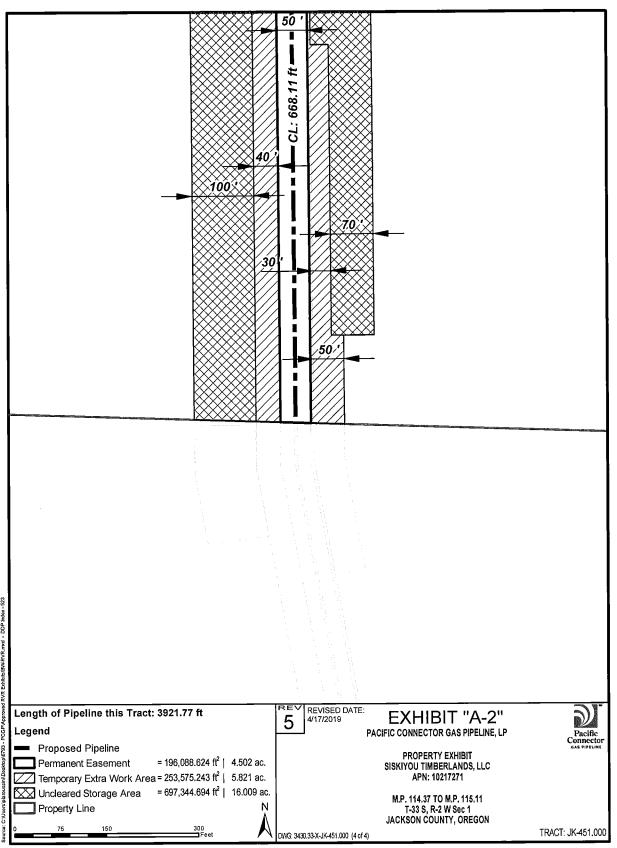
Disclaimer: The pipeline alignment shown is based on a line survey conducted by the project if permission to survey the property was granted by the landowner. The property boundary information was obtained from County tax maps. Because this exhibit is not based on a property survey the actual right-of-way and workspace areas may vary slightly from what is shown.



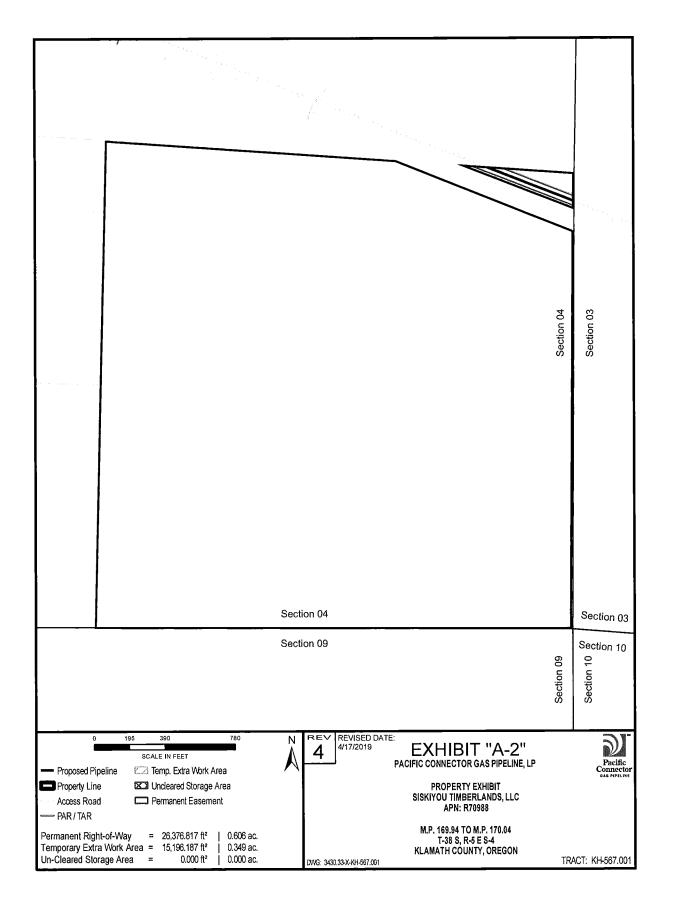
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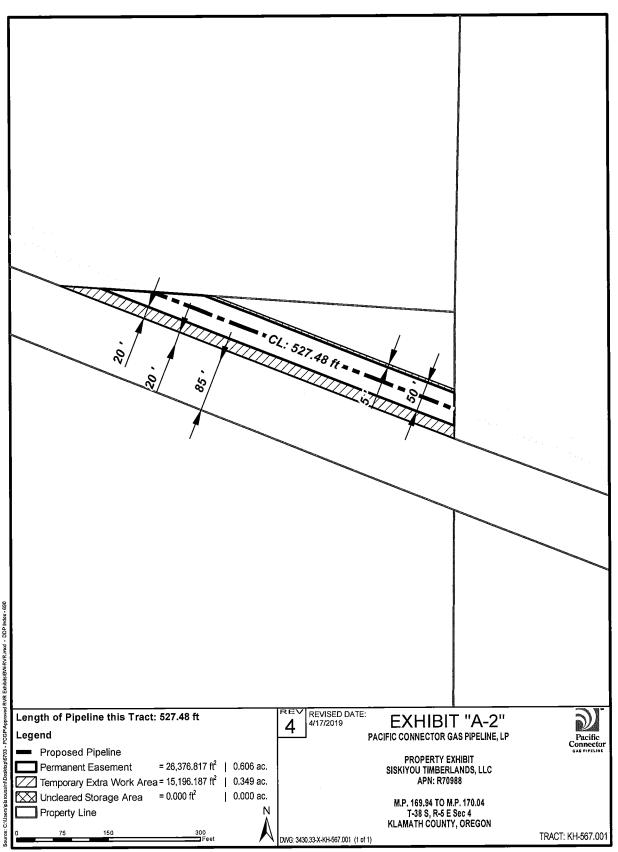


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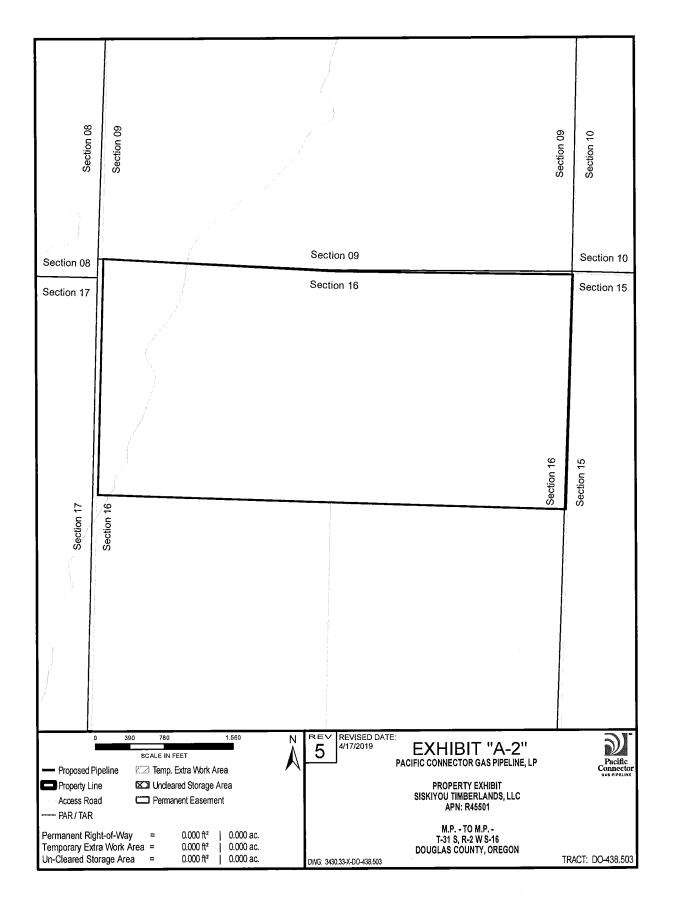


EXHIBIT "B-1"

ROAD EASEMENT MAP FOR B-1

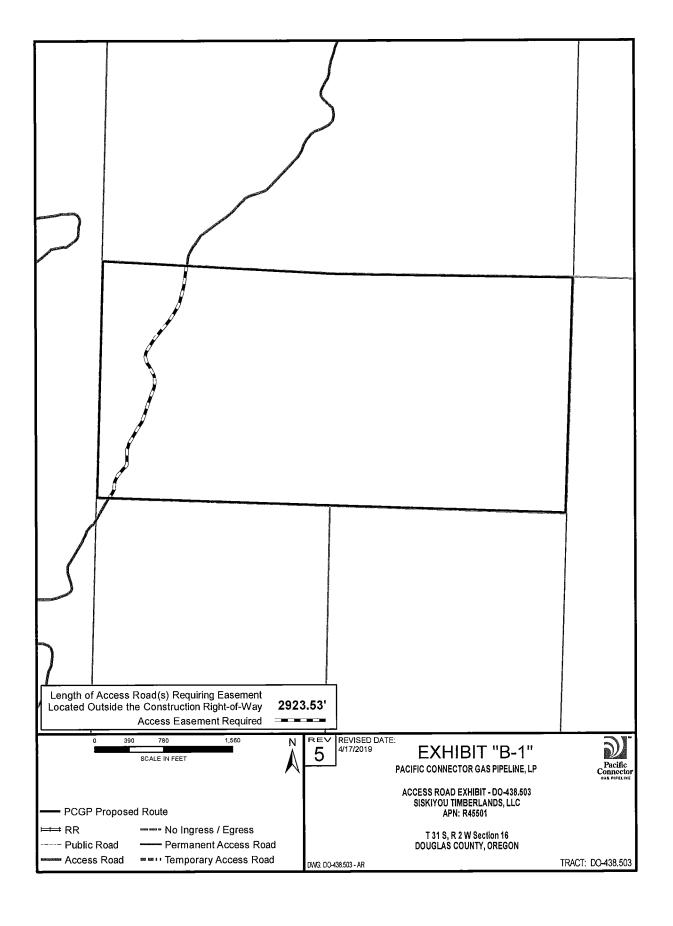


EXHIBIT "B-2

ROAD EASEMENT MAP FOR B-2

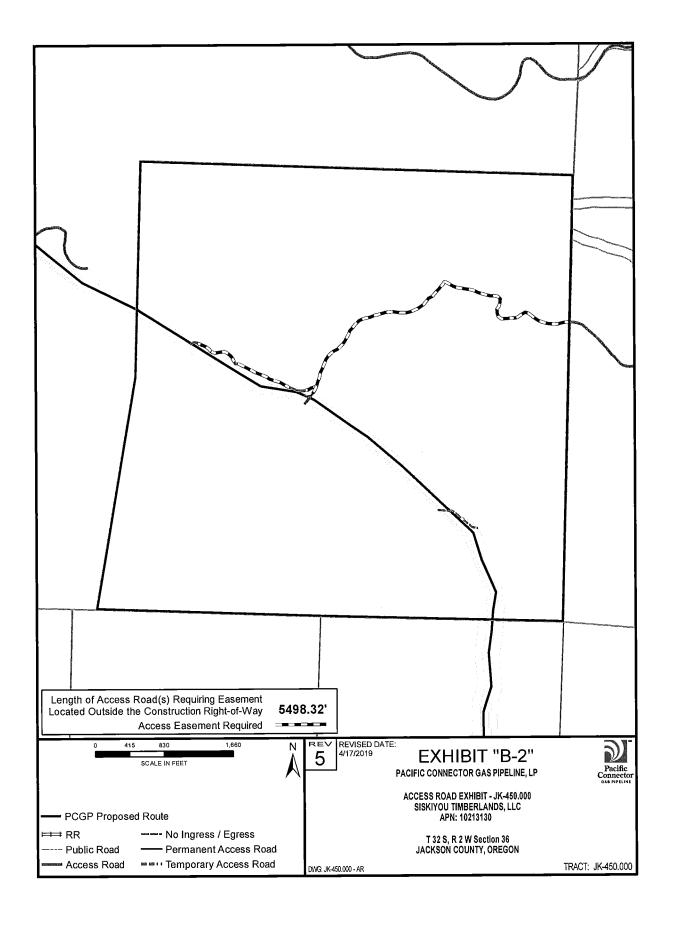


EXHIBIT "B-3"

ROAD EASEMENT MAP FOR B-3

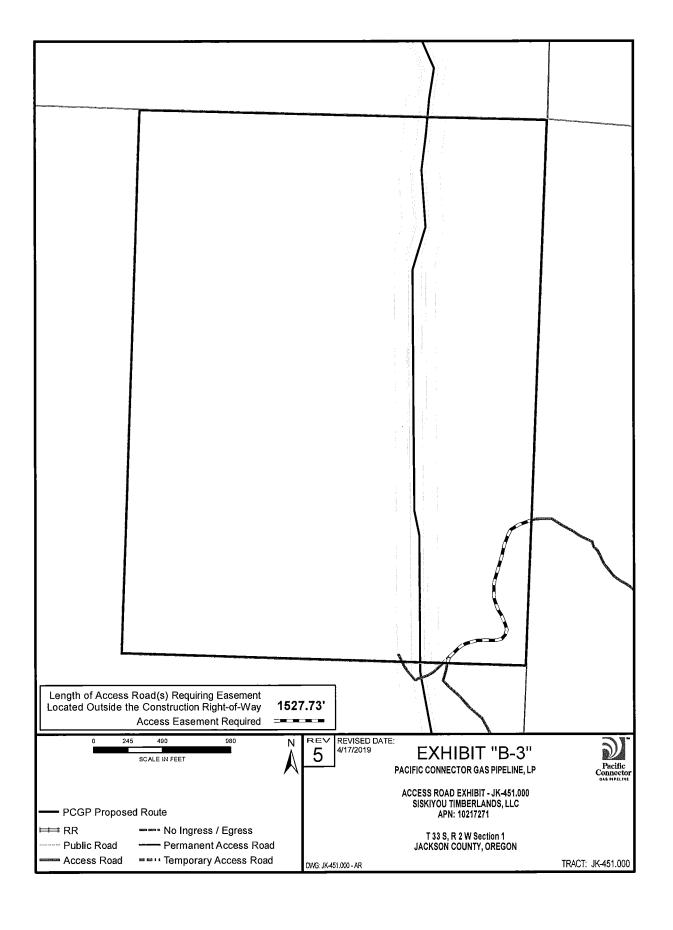


EXHIBIT "C"

ROAD EASEMENT TERMS AND CONDITIONS

In addition to the general terms and conditions set forth in the Agreement applicable to all Easements, the following terms and conditions shall govern all Road Easements granted in the Agreement:

- 1. Road Crossing; Grantor's Reservations. Grantee's right to use the Roads is non-exclusive and is concurrent with the rights of the Grantor, and any third-party licensees, contractors or permittees of the Grantor. Grantor reserves for itself and its successors and assigns all rights not expressly granted hereunder, including but not limited to the right of Grantor and its successors and assigns, at all times for any and all purposes, to use, cross and re-cross, at any place on grade or otherwise, patrol and repair the Roads, in any manner that is consistent with this Agreement and will not unreasonably interfere with the rights granted to Grantee hereunder.
- 2. **Third Parties**. Grantor may grant to third parties, upon such terms as it chooses, any or all of the rights reserved by it herein; <u>provided</u>, that use by such party shall be subject to the terms and conditions of this Agreement and shall not interfere with the rights granted to the Grantees hereunder.
- Road Maintenance. The cost of Road maintenance shall be allocated between the parties on the basis of respective uses of the Roads. When any party uses a Road, or a portion thereof, that party shall perform or cause to be performed, or contribute or cause to be contributed, that share of the maintenance and resurfacing occasioned by such use as hereinafter provided. During periods when a Road, or a portion thereof, is being used solely by one party, such party shall maintain that portion of the Road so used at a standard no less than the standards existing at the time use commenced. During periods when more than one party or its Permittees, is using a Road, or a portion thereof, the parties hereto shall meet and establish necessary maintenance provisions. Such provisions shall include, but not be limited to:
 - (a) The appointment of a maintainer, which may be one of the parties hereto or any third party, who will perform or cause to be performed at a reasonable and agreed upon rate, the maintenance of the Road or the portion thereof being used; and
 - (b) A method of payment by which each party shall pay its pro rata shares of the cost incurred by said maintainer in maintaining the Road or portion thereof.

For the purposes of the Road Easements, "maintenance" is defined as the work normally necessary to preserve and keep the roadway, Road structure and Road facility as nearly as possible in their present condition or as hereafter improved.

- 4. **Road Damage**. Each party using any portion of a Road shall repair or cause to be repaired, at its sole cost and expense, that damage to the Road occasioned by it which is in excess of that which it would be caused through normal and prudent usage of the Road. Should inordinate damage to a Road occur which is not caused by an authorized user of the Road, the parties hereto shall meet to agree on the cost of replacement and the shares of replacement cost to be borne by each user of the Road.
- 5. **Road Improvements**. Unless the parties agree in writing to share the cost of any Road improvements in advance of such improvements being made, said Road improvements shall be solely for the account of the improver.

[END OF EXHIBIT C]

EXHIBIT "D"

PROPERTY PROTECTION COVENANTS

- 1. <u>Generally.</u> Grantee shall not perform any disorderly conduct or commit any nuisance on the Property, and shall maintain the Property in an orderly, clean and sanitary manner as required by Grantor. Grantee shall carry on all activities on the Property in a careful manner and shall comply, at Grantee's expense, with all laws, regulations and permits of any municipal, state, or federal authority that are applicable to Grantee's activities, except where federal or state law excuses compliance.
- 2. Reporting. Grantee shall promptly report to Grantor any violations of any laws, regulations, or permits relating to the activities by Grantee or its Permittees of which Grantee has knowledge and shall promptly send to Grantor a copy of any notice of violation received by Grantee that relates to the activities. A copy of all citations or other written documents Grantee receives from any agency shall accompany the notice of violation.
- 3. <u>Safety</u>. Grantee and its Permittees shall comply with all applicable federal, state, and local safety and health laws, regulations and standards. Grantee is responsible for safety and health conditions in connection with its activities and has primary and ultimate responsibility for instructing and supervising its Permittees on safe work practices. Grantee shall immediately notify Grantor and others at the Property whenever Grantee becomes aware of a hazard that Grantee cannot remove or correct immediately.
- 4. <u>Water Bodies</u>. Grantee will exercise every reasonable precaution to prevent damage and sedimentation to rivers, streams, lakes, riparian areas and other environmentally sensitive areas of which it has knowledge or discovers in the course of carrying out its activities under this Agreement. To that end, the Grantee will take all protective measures reasonably necessary to control dispersal of surface water to minimize muddy water from entering water bodies.
- Hazardous Substances. Grantee and its Permittees shall not dump, spill or release any Hazardous Substances on the Property in violation of applicable law, and will comply with all applicable law regarding use, storage, and handling of Hazardous Substances. Grantee and its Permittees shall not bring Hazardous Substances onto the Property except to the extent, and in quantities necessary, to exercise its rights under this Agreement. In the event of a spill or release of Hazardous Substances in violation of applicable law, Grantee shall promptly comply with all federal, state, and local spill notification and response requirements and shall notify Grantor of the spill event. Grantee shall be responsible for the response and removal costs associated with any release of Hazardous Substances in connection with this Agreement, and shall indemnify, defend, and hold harmless the Grantor Indemnified Persons from any liability arising from claims or damages in connection with such release. As used in this Agreement, the term "Hazardous Substance" means and includes each substance defined, designated or classified as a hazardous waste, hazardous substance, hazardous material, solid waste, pollutant, contaminant or toxic substance under any Environmental Law. "Environmental Law" means all national, state, municipal and local laws, statutes, ordinances, permits, orders, court decisions, rules and regulations issued or enacted by any governmental authority having appropriate jurisdiction pertaining to the prevention of pollution or protection of the environment, including the federal Clean Air Act, as amended, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Federal Water Pollution Control Act, as amended, the Occupational Safety and Health Act, as amended, the Resources Conservation and Recovery Act, as amended, the Safe Drinking Water Act, as amended, the Toxic Substances Control Act, as amended, the Superfund Amendment and Reauthorization Act of 1986, as amended, the Hazardous Materials Transportation Act, as amended, and comparable state and local laws. For the avoidance of doubt, if any pollutant, Hazardous Substance, contaminated waste or solid waste is released by Grantee upon the Property or any other Property of Grantor or any of its Permittees in violation of applicable law,

Grantee shall be responsible for and timely pay all costs of clean-up, remediation, and other costs related to and arising from the event, including, but not limited to fines and penalties.

- 6. <u>Timber</u>. Except for any timber which Grantee has purchased pursuant to a separate written agreement with Grantor and except as provided in this Agreement, Grantee shall not unnecessarily damage trees or other vegetation while conducting the activities, and shall not cut trees. If it is necessary for Grantee to cut, damage or remove any timber or trees located outside the Non-Timbered Corridor on the Property, then Grantee shall provide Grantor written notice detailing the circumstances giving rise to the damage or the necessity to cut or remove such timber or trees. Upon giving such notice, the parties shall meet and agree upon the disposition of the timber or trees and Grantee's payment of the full value of damage to such timber or trees to Grantor pursuant to the timber damage provisions set forth in this Agreement.
- 7. <u>Weed Control Measures</u>. Grantee shall throughout the term of this Agreement implement and continuously maintain aggressive weed control measures in the effort to prevent the spread of noxious weeds and other invasive vegetation from the Non-Timbered Corridor of the Pipeline Easement onto timbered portions of the Pipeline Easement and onto adjacent Property. Without limiting the generality of such terms, the phrases "noxious weeds" and "invasive vegetation" shall include, but shall not be limited to Scotch broom, blackberry, and blue blossom.
- 8. <u>Hours of Operation</u>. Grantee shall conduct its non-emergency activities on the Property only during daylight hours. Any night or non-daylight hour work (other than emergency work deemed necessary in Grantee's sole discretion) shall require the prior consent of Grantor.
- Roads and Gates. Grantee shall repair all road damage caused by Grantee and its employees, permittees, agents, and contractors and maintain the roadway, road structure and road facilities as nearly as possible in their present condition or as hereafter improved. If any water bars are traversed, Grantee shall maintain and, if necessary, repair all damages caused by traveling across such water bars. Grantee shall obey all posted traffic and speed regulations on Grantor's roads. If any portion of the Property requires access through a locked gate owned or maintained by Grantor, Grantor shall issue copies of key(s) needed to open gates for the activities herein. Grantee shall not copy the key(s) provided by Grantor unless permitted to do so in writing by Grantor. Grantee shall return any key(s) issued by Grantor at the termination or expiration or termination of this Agreement or if Grantor replaces locks and issues new keys to Grantee. Grantee shall pay one hundred dollars (\$100) fee per key for any key(s) issued to Grantee that is not returned when required. Grantee shall keep gates closed and locked unless otherwise instructed by a Grantor representative.
- Fire Prevention and Suppression. Grantee shall exercise the highest degree of care and shall exercise every reasonable precaution to prevent the occurrence of fires on the Property or any other lands adjacent to the Property crossed by the Grantee in connection with its activities under this Agreement. Grantee shall observe all fire-prevention requirements and maintain all fire-fighting equipment required by applicable law (including, but not limited to, ORS Chapter 477 and OAR 629-042 and 043) and shall further comply with the Company Division Fire Prevention and Suppression Rules set forth in Annex 1 to this Exhibit "D," except that Grantee shall not be required to cease operation of the Pipeline under Annex 1. During periods when excessive fire risk exists on the Property or adjacent property, Grantee's logging, land clearing, construction, and non-emergency maintenance and repair activities under this Agreement may be temporarily suspended by Grantor with notice to Grantee. If a fire should start in or near the Property and it is known to Grantee or its Permittees, Grantee and its applicable Permittees shall undertake a statutory "reasonable effort" response and immediately notify Grantor and the applicable state or federal dispatch authority. Grantee, unless prevented by circumstances over which it has no control, shall place its appropriately trained employees and equipment at the disposal of any authorized forest officer of the state, federal government, inter-agency district, or Grantor for the purpose of fighting forest fires on or which threaten any lands of Grantor. If the fire is one for which the Grantee or its Permittees are legally responsible, the Grantee shall be solely responsible for all costs of suppression and will indemnify, defend

and reimburse Grantor and its shareholders, directors, officers, employees, affiliates, successors and assigns for, from and against any liability for such costs (including loss or damage of timber, and fire suppression costs) resulting from fires caused by Grantee's or its Permittees' activities even if not attributable to negligence) in accordance with the indemnification provisions of this Agreement.

ANNEX 1 TO EXHIBIT "D"

Company

Fire Prevention and Suppression Rules

I. Introduction:

The following rules are established for the purpose of fire protection and are applicable by policy and law to all contractors, permittees, and guests on Company property in the Division located in Douglas, Jackson and Klamath Counties, Oregon. Where required by contract, permit, easement, or other agreement in privity with Company and as a matter of Company policy, persons and entities are required to review and comply with these rules while traveling on or performing services on Company lands.

II. Report Fire:

REPORT FIRES TO ODF DISPATCH FIRST COMPANY EMPLOYEE.

III. General Fire Season Requirements for Commercial Forestry and Construction Operations:

The following Oregon Department of Forestry (ODF) requirements are in place at all times during the declared fire season:

Required Hand Tools (477.655, 629-43-0025):

- Supply hand tools for each operation Site 1 tool per person or a minimum of 4 tools on each site. An even mix of Pulaski's axes, shovels and hazel hoes are required.
- Store all hand tools for fire in a sturdy box clearly identified as containing firefighting tools. Supply at least one box to each operation area.

Required Fire Extinguishers (477.655, 629-43-0025)

• Each internal combustion engine used in an operation, except power saws, shall be equipped with a chemical fire extinguisher rated as not less than 5 lbs ABC (1-A;10-B:C)

Required Pump, Hose and Water Supply (477.650, 477.625, 629-043-0026, 629-43-0020):

- Supply a pump hose and water supply for equipment used on an operation.
- Pump must be maintained and ready to operate and capable of providing a discharge of not less than 20 gallons per minute when pumping through 50 feet of hose equipped with a nozzle 1/4" in diameter at pump level.
- Minimum water supply shall be 300 gallons if supply is self-propelled
- Minimum water supply shall be 500 gallons if not self-propelled (i.e. pond, stream, tank, sump, etc.)
- A minimum of 500 feet of hose of not less than ¾ of an inch inside diameter is required

• The water supply, pump, and at least 250 feet of hose and the attached nozzle shall be maintained connected and ready for immediate use while on operation site.

No smoking allowed (477.510):

No smoking while working on or traveling in or across an operation area

No warming or camp Fires allowed!

IV. Additional Fire Season Requirements for Operation of Equipment:

The following Oregon Department of Forestry requirements apply to operation of machinery on all Company lands:

Power Saws (477.640, 629-043-0036)

- Each power saw must be equipped with an exhaust system which retains at least 90% of carbon particles over .023" in diameter. A standard exhaust screen with .023" holes meets this requirement.
- Power saws on industrial operations must meet <u>spark arrester guide</u> specifications
- The following shall be immediately available for the prevention and suppression of fire:
 - o A fire extinguisher of at least 8 oz. capacity
 - 1 round pointed shovel at least 8 inches wide with a handle at least 26 inches long
- The power saw must be moved at least 20 feet away from the place of fueling before it is started.

Spark Arresters and Mufflers (477.645, 629-043-0015)

- All non-turbo charged engines must be equipped with an approved spark arrester that meets Spark Arrestor Guide specifications.
- Exceptions to the Spark Arrester Guide requirements are as follows:
 - Engines in motor vehicles operating on public roads must be equipped with an adequate muffler and exhaust system
 - Water pumping equipment used exclusively for fighting fire is exempt from this requirement
 - Engines of 50 Cubic inch displacement or less, except ATV's and motorcycles, shall be equipped with an adequate muffler and an exhaust system.
 - Engines in light trucks (26,000 GVW or less) must be equipped with an adequate muffler and exhaust system.
 - Engines in heavy trucks (greater than 26,000 GVW) must be equipped with an adequate muffler and exhaust system. If the engine is not fully turbo-charged, then the exhaust must extend above the cab and discharge upward or to the rear, or to the end of the truck frame.

 Engines in ATV's and motorcycles must be equipped with an adequate muffler and exhaust system or an approved screen, which completely encloses the exhaust system.

V. ADDITIONAL COMPANY RESTRICTIONS ASSOCIATED WITH FIRE CATEGORY:

Low Fire Danger:

• 1-hour fire watch per ODF regulations

Moderate fire Danger:

 2-hour fire watch -- per ODF regulations (a waiver for reduced hours may be able to be acquired from ODF)

High Fire Danger:

- 3-hour fire watch per ODF regulations (a waiver for reduced hours may be able to be acquired from ODF) plus the following equipment restrictions...
 - High speed rotary saw:
 - Humidity/Wind combo shutdown of 10%/10mph, 15%/15mph, etc.
 - Walk-behind OR operator self-inspect (ALL areas where machine has operated that day must be visually inspected after <u>every hour</u> of machine operation)
 - A self-propelled water supply of not less than 300 gallons OR blade available within 5 minutes of saw location
 - Tracked machine:
 - Humidity/Wind combo shutdown of 10%/10mph, 15%/15mph, etc.
 - Operator self-inspection (ALL areas where machine has operated that day must be visually inspected after every 3 hours of machine operation)
 - A waiver can generally be obtained from ODF for manufacturing and loading of logs, so long as the tracked equipment is confined to existing landings/roads and moves are limited.
 - No added restrictions for rubber-tires, shear heads, or chainsaws

Extreme Fire Danger:

 Cease all logging, land clearing, construction, and non-emergency maintenance and repair activities on Company lands until Company provides notice of release from Extreme Fire Danger stop work conditions.

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