



EASEMENTS

THESE EASEMENTS, made and entered into this 1st day of August, 1997, by and between the STATE OF NEVADA, acting through the Division of State Lands, hereinafter referred to as GRANTOR, and PAIUTE PIPELINE COMPANY, a Nevada Corporation, hereinafter referred to as GRANTEE.

WITNESSETH:

FOR AND IN CONSIDERATION of the rents hereinafter described and other good and valuable consideration contained herein, GRANTOR does hereby grant to GRANTEE two (2) non-exclusive easements along State Route 757 (Muller Lane) for the existing eight (8) inch and twelve (12) inch steel natural gas pipelines and appurtenances crossing the east and west forks of the Carson River, with the right to construct, install, operate, inspect, maintain, reconstruct and remove said pipelines and appurtenances together with rights-of-ways therefore and right of ingress thereto and egress therefrom, across, upon, in, over and under the real property shown on Exhibits "A" and "B" attached hereto and by reference made a part hereof and described as follows, to-wit:

PARCEL ONE (EXHIBIT "A")
EAST FORK OF THE CARSON RIVER CROSSING
NATURAL GAS PIPELINE EASEMENT

That certain strip of land twenty (20) feet in width situate, lying and being within a portion of the bed and banks, below the ordinary and permanent high water mark, of the east fork of the Carson River and within a portion of the southeast one-quarter (SE1/4) of the southwest one-quarter (NW1/4) of Section 24, Township 13 North, Range 19 East, M.D.M., County of Douglas, State of Nevada, more particularly described by metes and bounds as follows:

Commencing at the southeast corner (SE COR) of said Section 24 shown on the Record of Survey for Slash Bar H Investments as recorded in the Official Records of Douglas County under Document Number 357502; thence North 74° 30' 23" West, a distance of 3,233.27 feet, more or less, to a point of intersection with the ordinary and permanent high water mark on the westerly bank of the east fork of the Carson River and the TRUE POINT OF BEGINNING; thence North 48° 51'33" West, along the said ordinary and permanent high water mark, a distance of 31.42 feet, more or less, to a point of angle; thence South 88° 23'26" East, a distance of 120.66 feet, more or less, to a point of intersection with the ordinary and permanent high water mark on the easterly bank

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1 of the east fork of the Carson River; thence South $19^{\circ} 55' 36''$ East, along the said ordinary and
 2 permanent high water mark, a distance of 21.50 feet, more or less, to a point of angle; thence North
 3 $88^{\circ} 23' 26''$ West, a distance of 104.32 feet, more or less, to the point of intersection with the
 4 ordinary and permanent high water mark on the westerly bank of the east fork of the Carson River
 and the TRUE POINT OF BEGINNING.

5 The end lines of said strip of land are to be shortened or extended so as to terminate at their
 6 point of intersection with the ordinary and permanent high water mark of the easterly bank and
 westerly bank of the east fork of the Carson River.

7 The above described strip of land contains an area of 2,250 square feet or .05165 acres of
 8 land, more or less, and is subject to and together with all easements, rights-of-way and reservations
 of record.

9
 10 **PARCEL TWO (EXHIBIT "B")**
 11 **WEST FORK OF THE CARSON RIVER CROSSING**
NATURAL GAS PIPELINE EASEMENT

12 That certain strip of land twenty (20) feet in width situate, lying and being within a portion
 13 of the bed and banks, below the ordinary and permanent high water mark, of the west fork of the
 14 Carson River and within a portion of the southeast one-quarter (SE1/4) of the southwest one-quarter
 15 (SW1/4) of Section 23, Township 13 North, Range 19 East, M.D.M., more particularly described
 by metes and bounds as follows:

16 Commencing at the southeast corner (SE COR) of said Section 24 shown on the Record of
 17 Survey for Slash Bar H Investments as recorded in the Official Records of Douglas County under
 18 Document Number 357502; thence North $83^{\circ} 15' 07''$ West, a distance of 8,394.31 feet, more or
 19 less, to a point of intersection with the ordinary and permanent high water mark on the westerly
 20 bank of the west fork of the Carson River and the TRUE POINT OF BEGINNING; thence North
 21 $34^{\circ} 33' 33''$ West, along the said ordinary and permanent high water mark, a distance of 24.70 feet,
 22 more or less, to a point of angle; thence South $88^{\circ} 37' 19''$ East, a distance of 41.43 feet, more or
 23 less, to a point of intersection with the ordinary and permanent high water mark on the easterly bank
 of the west fork of the Carson River; thence South $36^{\circ} 45' 12''$ East, along the said ordinary and
 permanent high water mark, a distance of 25.43 feet, more or less, to a point of angle; thence North
 $88^{\circ} 37' 19''$ West, a distance of 42.63 feet, more or less, to the point of intersection with the
 ordinary and permanent high water mark on the westerly bank of the west fork of the Carson River
 and the TRUE POINT OF BEGINNING.

24 The end lines of said strip of land are to be shortened or extended so as to terminate at their
 25 point of intersection with the ordinary and permanent high water mark of the easterly bank and
 westerly bank of the west fork of the Carson River.

26 The above described strip of land contains an area of 841 square feet or .01931 acres of land,
 27 more or less, and is subject to and together with all easements, rights-of-way and reservations of
 record.

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1 FOR AND IN CONSIDERATION of these two (2) easements and rights-of-ways for pipeline
2 purposes, GRANTEE, its successors and assigns, hereby agrees to continue to pay annual rental fees
3 in the amount of FIVE HUNDRED DOLLARS (\$500.00) per year to the State of Nevada. Pursuant
4 to Division of State Lands construction authorization dated October 3, 1996, said fees to be paid
5 annually in advance, commencing on November 1, 1996, and on or before November 1, every year
6 thereafter. The State of Nevada reserves the right to reassess and adjust the rental fees every FIVE
7 (5) years.

8
9 In further consideration for the grant of these easements and rights-of-ways, GRANTEE
10 agrees to the following conditions:

11 1. These easements and rights-of-ways are subject to the acquisition of all local,
12 regional, state and federal permits and approvals.

13
14 2. GRANTEE, its successors and assigns, agrees to pay for and be responsible for all
15 damages to the real property, improvements and personal property of the State of Nevada caused
16 by GRANTEE, or its contractor(s) while constructing, installing, operating, inspecting, maintaining,
17 reconstructing or removing the natural gas pipelines and appurtenances.

18
19 3. GRANTEE, its successors and assigns, agree to indemnify and hold harmless the
20 State of Nevada and its agents from and against any and all liability for personal injuries, property
21 damage, or for loss of life or property resulting from, or in any way connected with the condition
22 or use of the premises covered herein, including any hazard, deficiency, defect or other matter,
23 known or unknown, arising out of or connected with the construction, installation, operation,
24 inspection, future maintenance, reconstruction or removal of the natural gas pipelines and
25 appurtenances.

26
27 4. GRANTEE, its successors and assigns, agree that all construction and installation
28 related activities, operation, inspection, maintenance, reconstruction or removal of the natural gas

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1 pipelines and appurtenances will not be a hazard or obstruction to navigation, fishing or other
2 recreational uses of the Carson River by the general public.

3 5. GRANTEE, its successors and assigns, understand and agree that at no time shall any
4 chemical products, petrochemicals or foreign debris of any kind be discharged, deposited or allowed
5 to enter into the river channel.
6

7 6. GRANTEE, its successors and assigns, understand and agree that the natural gas
8 pipelines and appurtenances must be maintained in good repair at all times.

9 7. GRANTEE, its successors and assigns, understand and agree that a permit is required
10 from the Division of State Lands prior to commencement of any future maintenance, reconstruction
11 or removal of the natural gas pipelines and appurtenances whenever such work or related activities
12 may affect or impact the bed or banks of the Carson River below the ordinary and permanent high
13 water mark.
14

15 8. GRANTEE, its successors and assigns, understand and agree that if one and/or both
16 parcels of property herein described, together with any improvements placed upon said parcels of
17 property by GRANTEE, shall be abandoned or shall cease to be used by GRANTEE, all rights title
18 and interest in said property shall revert to GRANTOR, who may require the removal of all
19 improvements by GRANTEE.
20

21 9. GRANTEE, its successors and assigns, understand and agree that failure to concur
22 with or comply with any of the conditions contained herein will cause these easements and rights-of-
23 ways to become invalid and will require the removal of the natural gas pipelines and appurtenances.

24 These easements and rights-of-ways shall continue so long as the same may be necessary and
25 required for the purpose for which granted to GRANTEE and if at any time GRANTEE should
26 discontinue use for a period of ONE (1) year, said easements and rights-of-ways shall thereupon
27 terminate and all right, title and interest of GRANTEE herein shall revert to GRANTOR.
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GRANTEE will release and abandon said easements and rights-of-ways by instrument to GRANTOR, at the time of discontinuance of use, without claim or demand of any kind from GRANTOR.

The provisions of this grant shall be binding upon and inure to the benefit of the parties hereto, together with their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have subscribed these easements on the day and year first above written.

GRANTOR:

STATE OF NEVADA
DIVISION OF STATE LANDS

By: *Pamela B. Wilcox*
PAMELA B. WILCOX
Administrator and Ex-Officio
State Land Registrar

GRANTEE:

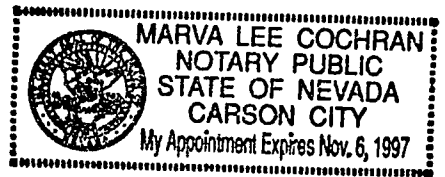
PAIUTE PIPELINE COMPANY
A NEVADA CORPORATION

By: *Clay Crockett*
CLAY CROCKETT
Supervisor/Engineering
Northern Nevada Division

STATE OF NEVADA)
CITY OF CARSON CITY) ss.

On *August 1*, 1997, personally appeared before me, a notary public, PAMELA B. WILCOX, Administrator and Ex-Officio State Land Registrar, Division of State Lands, who acknowledged that she executed the above instrument.

Marva Lee Cochran
NOTARY PUBLIC



APPROVED as to Form:

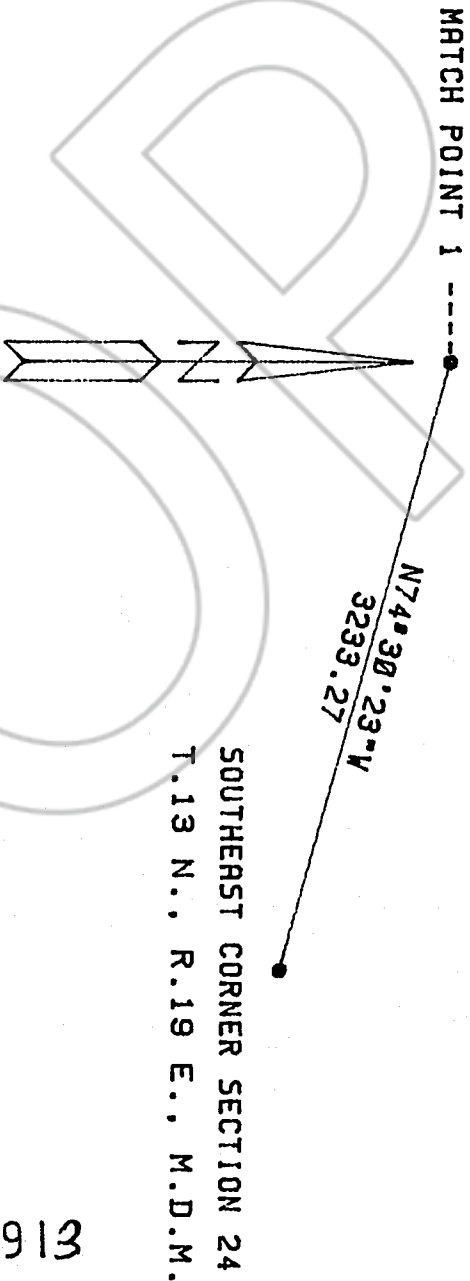
FRANKIE SUE DEL PAPA
Attorney General

By: *George H. Taylor*
GEORGE TAYLOR
Deputy Attorney General

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EXHIBIT "A"

EAST FORK OF THE CARSON RIVER



SCALE: 1"=1000'

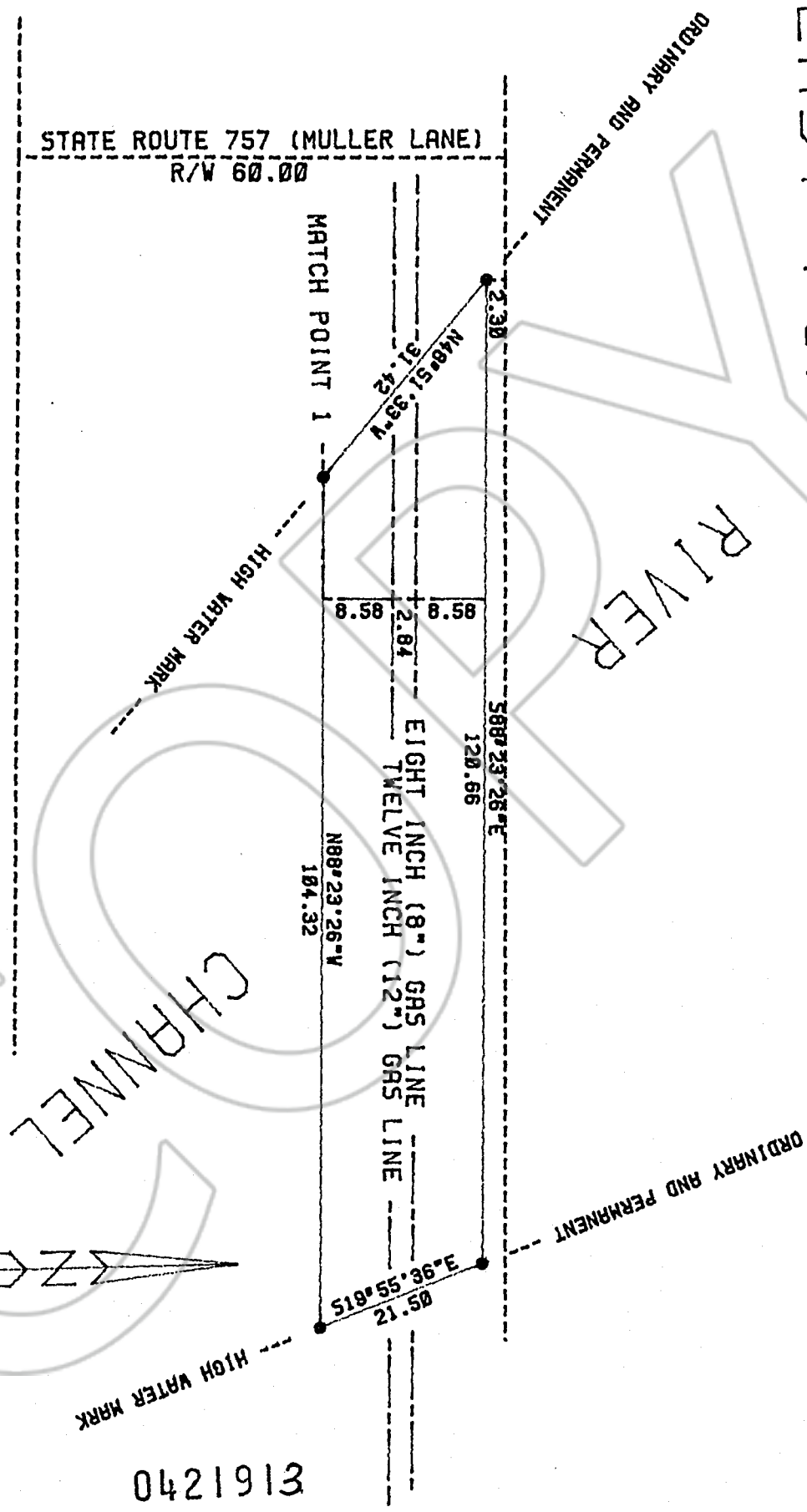
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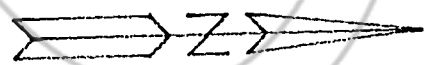
ERASEMENT AND RIGHT-OF-WAY
STATE OF NEVADA TO PAIUTE PIPELINE COMPANY
A PORTION OF THE SOUTHWEST QUARTER (SW1/4) SECTION 24
TOWNSHIP 13 NORTH, RANGE 19 EAST, M.D.M.

EAST FORK OF THE CARSON RIVER

RIVER



CHANNEL



SCALE: 1"=20'

BY: E. W. BITTLESTON

PLAUTE PIPELINE COMPANY

JULY 21, 1997

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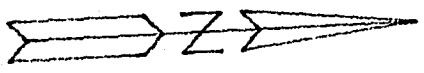
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EXHIBIT "B"

WEST FORK OF THE CARSON RIVER

MATCH POINT 2 ----- NB3°15'07"W
8394.31

SCALE: 1"=2000'



SOUTHEAST CORNER SECTION 24
T.13 N., R.19 E., M.D.M.

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EASEMENT AND RIGHT-OF-WAY
STATE OF NEVADA TO PAIUTE PIPELINE COMPANY
A PORTION OF THE SOUTHWEST QUARTER (SW1/4) SECTION 23
TOWNSHIP 13 NORTH, RANGE 19 EAST, M.D.M.

BY: E.W. BITTLESTON PAIUTE PIPELINE COMPANY

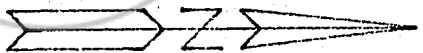
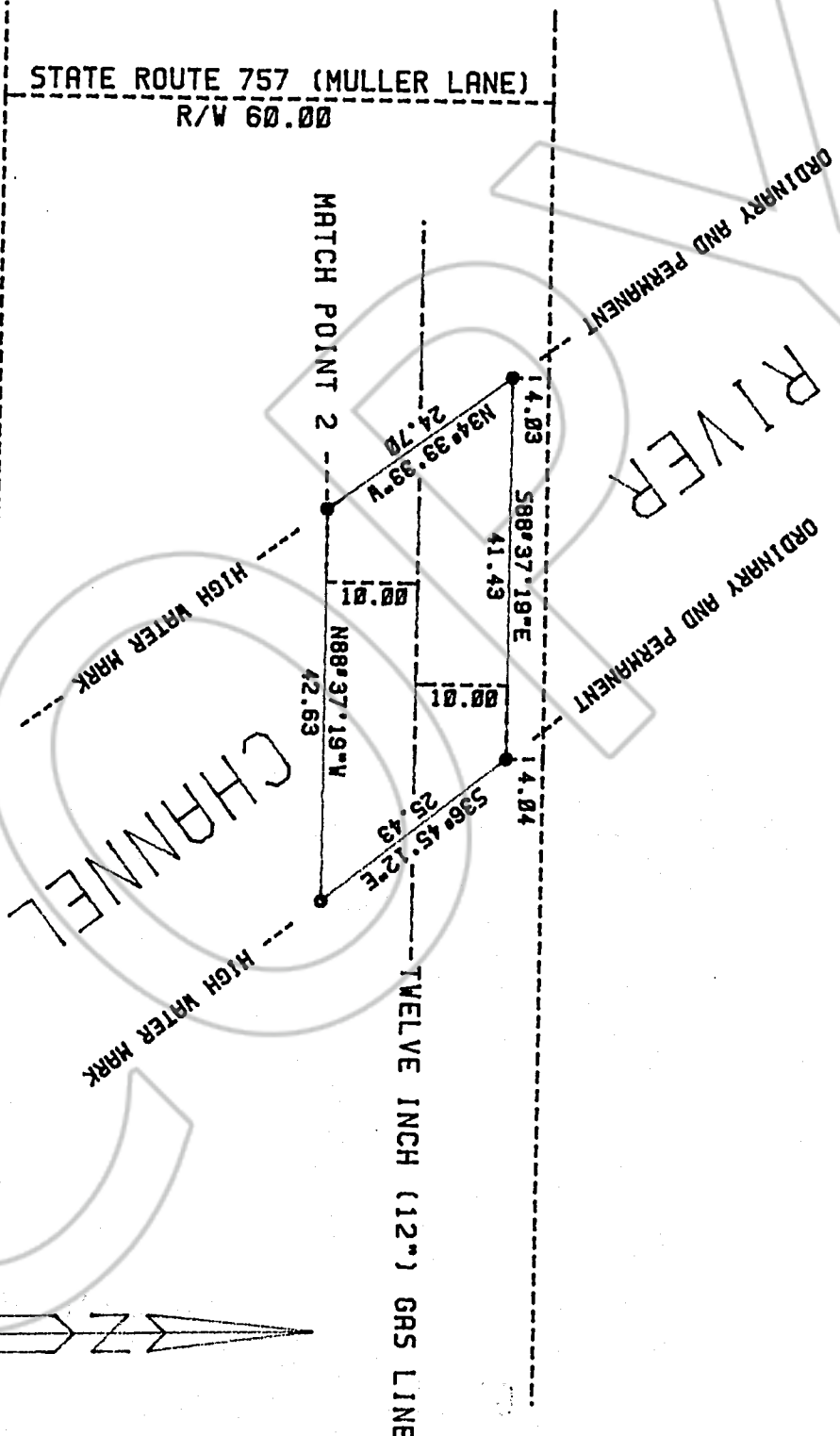
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WEST FORK OF THE CARSON RIVER

RIVER



SCALE: 1"=20'

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COPY

REQUESTED BY
Sainte Pipeline Co
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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LINDA SLATER
RECORDER
\$16.⁰⁰ PAID *OK* DEPUTY