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Recorded at the request of
Kern River Gas Transmission Company

When Recorded Mail to:
Kern River Gas Transmission Company
1615 W. 2200 S. Suite C
Salt Lake City, UT 84119
Attention: Document Specialist

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10/23/2001 04:27 PM 16.00
Book - 8515 Pg - 2250-2253
GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
KERN RIVER GAS TRANSMISSION CO
1615 W 2200 S SUITE C
SLC UT 84119
BY: RDJ, DEPUTY - WI 4 P.

Space above this line for Recorder's Use

**KERN RIVER GAS TRANSMISSION COMPANY
FACILITY EASEMENT**

Parcel I.D. Number 14-11-200-017-0000

STATE OF UTAH)

COUNTY OF SALT LAKE)

On this, the 23rd day of October, 2001, for Ten Dollars (\$10.00) and other valuable consideration, NANILOA INVESTMENT COMPANY, LTD., ("Grantor"), whose address is 780 South 5600 West Salt Lake City, Utah 84104, does hereby grant, sell and convey to KERN RIVER GAS TRANSMISSION COMPANY, P.O. Box 58900, Salt Lake City, Utah 84158-0900 ("Grantee"), its successors and assigns, a exclusive facility easement ("Easement") in order to locate, survey, construct, entrench, maintain, repair, replace, protect, inspect and operate a Mainline Block Valve Facility and/or appurtenances including but not limited to aboveground valves, and related facilities ("facilities") that are necessary for the operation and maintenance of the pipeline for the transportation of natural gas and/or other related products, on, over, above and through the land described below. Grantor warrants that it is the owner in fee simple of the land, situated in the County of Salt Lake, State of Utah, to wit: A portion of the East ½, Section 11, Township 1 South, Range 2 West, S.L.B. & M.

The legal description of the Mainline Block Valve Facility is described in Exhibit "A" attached and made a part of this agreement. The Easement is located in close proximity to the existing pipeline and shall be parallel and adjacent to the existing valve site location and shall be approximately 11,250 square feet; .26 acres. The description of the facilities are as follows.

The Mainline Block Valve Facility will consist of below and above ground piping, above ground valves, metering equipment, building, fenced area and related facilities.

This Easement conveys to Grantee the right of ingress and egress to and from, and access on and within said right-of-way, with the right to use existing and future roads, for the purposes of surveying, constructing, inspecting, repairing, protecting, operating and maintaining said facilities, and the removal or replacement of same at will, either in whole or in part ("work"). Grantee shall have the right of exclusive use of any portion of said property occupied by Grantee's improvements which may be constructed on or above the surface. Grantee may use such portions of the property along and adjacent to said Easement as may be reasonably necessary during construction of the facilities, and as clearly defined and shown in Exhibit "A".

Grantee shall have the right to cut and keep clear without payment of damages all trees, brush, native growth or foliage and other obstructions that may, in the Grantee's opinion, endanger, hinder or conflict with the construction, operation, inspection, protection, maintenance and use of said facilities within the Easement area. Specific conditions which shall apply to the initial construction of facilities are described and attached in Exhibit "B" and made a part of this agreement. P40

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

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

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

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

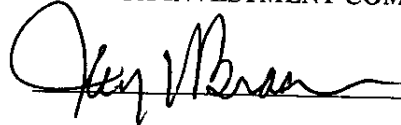
Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax or other lien on said land and shall be subrogated to such lien and rights.

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

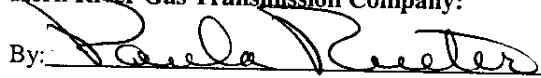
The terms, conditions and provisions of this agreement shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors and assigns of the parties.

IN WITNESS WHEREOF the parties have EXECUTED THIS CONVEYANCE AND AGREEMENT THIS 23 DAY OF OCTOBER, 2001.

NANILOA INVESTMENT COMPANY, LTD.



Kern River Gas Transmission Company:

By: 

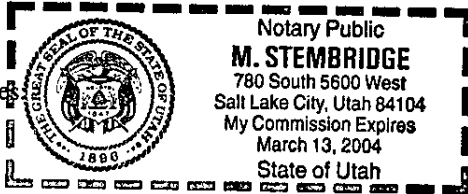
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF Utah)
COUNTY OF Salt Lake)

On the 23rd day of OCT, 2001, Gay BRASHER personally appeared before me and being by me duly sworn, did say that he is the General Partner, and said Gay Brasher acknowledged to me that he as such General Partner executed the same.

My Commission Expires: 3/13/04

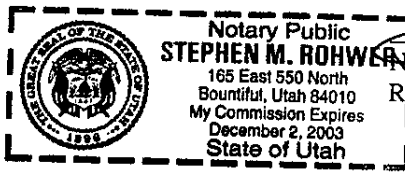


M. Stembridge
Notary Public in and for Salt Lake State Auction
County, State of Salt Lake, Utah

STATE OF Utah)
COUNTY OF Salt Lake)

On the 23 day of October, 2001, Paula Reeder personally appeared before me and being by me duly sworn, did say that she is the Attorney-in-Fact for Kern River Gas Transmission Company, and said Paula Reeder acknowledged to me that she as such Attorney-in-Fact executed the same.

My Commission Expires: Dec 2, 2003



Stephen M. Rohwer
Notary Public
Residing at:
Salt Lake, Ut.

EXHIBIT "A"

The legal description and survey plat of the parcel of land is defined as follows.

Section 11, Township 1 South, Range 2 West of the Salt Lake Base and Meridian, being that portion of the East 1/2, lying North of the property owned by Western Pacific Railroad Company as conveyed by warranty deed recorded April 20, 1906, Book 7 "O" of deeds, page 2 and 3, Entry No. 207046 and also conveyed by warranty deed, recorded March 12, 1917, Book 9 "V" of deeds, pages 427 and 428, as Entry No. 375163. Less and excepting therefrom: That property conveyed to Utah Power and Light Company, a Corporation, by warranty deed, recorded August 31, 1965 as Entry No. 2107655, in Book 2371, at Page 20, Salt Lake County Recorder's Office. Together with reservations as set forth in that certain warranty deed between Joseph K. Knorr and Belva P. Knorr, as Grantor, and Utah Power and Light Company, a Corporation, as Grantee, recorded August 31, 1965, as Entry No. 2107655, in Book 2371, at Page 20, Salt Lake County Recorder's Office.