

EASEMENT AGREEMENT

This agreement is entered into by Donald H. Roberts and Ermal M. Roberts ("Grantors"), whose address is 782 Soldier Creek Road, Sheridan, Wyoming, 82801 and Sheridan Area Water Supply Joint Powers Board ("SAWSJPB"), whose address is 224 South Main Street, Sheridan, Wyoming 82801 and the City of Sheridan, Wyoming ("City"), whose address is 55 East Grinnell, P.O. Box 848, Sheridan, Wyoming 82801 ("Grantees").

1. Grant of Easement. For value received, Grantors grant to Grantees the right to survey, lay, construct, install, inspect, operate, maintain and repair a single thirty (30) inch diameter underground pipeline across the following described property:

See attached Exhibits "A" and "B" which bear Grantor's initials.

2. Pipeline. The pipeline shall be buried to a depth of at least five (5) feet.

3. Notification. Grantees will notify Grantors prior to any entry upon Grantors' land for any purpose which would disturb the surface.

4. Restoration. Grantees shall return all areas disturbed during construction or otherwise to as near original condition as possible and as soon as possible after construction has been completed, including, without limitation, compacting, contouring and reseeding the disturbed area. The disturbed area shall be leveled as to grade and slope previously existing, and Grantees shall correct and bring to grade any disturbed areas which settle as a result of Grantees' operations on the premises.

As a part of its construction procedures, the Grantees or their agents shall remove and temporarily stockpile any existing topsoil and, subsequent to water line installation, return the topsoil to its original location and depth. Any boulders and coarse gravel that were not previously upon the surface prior to construction shall be removed from the surface.

5. Grantors' Operations. Grantees and their agents shall not interfere with irrigation of pasture or crops by Grantors, and if such irrigation is interfered with by Grantees or their agents and damage results, Grantees shall compensate Grantors for all such damage. Grantees shall also conduct any operations under this easement so as, to the extent possible, not interfere with calving, haying, or normal ranch and agricultural operations of the Grantors. Grantees will not damage or disturb any buildings or other structures on the property. Grantors may construct roads and streets and utilities over the pipeline as a part of Grantors' development and use of the property.

6. Fences. If any fencing is removed during construction, Grantees or their agents shall replace it with fencing using sturdy brace posts on either side of the right of way, said brace posts to be butt-treated 3½ feet, set at least three (3) feet in the ground and to be braced and cross-braced as required. All existing fences which interfere with construction by Grantees shall be maintained by Grantees until completion of the work affected thereby. If any fences are damaged by Grantees' operations, Grantees shall repair all such damage.

7. Access. During construction, unless otherwise agreed in writing by Grantors, the access to the easement shall be over and across the strip of property described on Exhibit "A" only. After completion of construction, access to the easement for inspection, operation, maintenance and repair shall, to the extent practicable, be across the said strip of land, however, upon request of Grantees, Grantors shall designate existing roads and trails for Grantees' use for access to the easement to reduce difficulty and surface damage that would result from limiting access to being over and across said easement. Grantors shall and do retain and reserve the power to redesignate existing roads and trails at Grantors' convenience, with such redesignation to be binding upon grantees upon delivery of written notice of such redesignation to grantees.

8. Warranty. In entering into this agreement, Grantors make no warranty of title, condition, quality or otherwise in connection with the property. Grantees have had full opportunity to investigate and inspect the property. Grantees accept the easement "AS IS".

9. Consideration. Grantees shall pay to Grantors the sum of \$10,000.00 as severance damages as consideration for this easement agreement. The consideration paid for this easement is merely for the purposes of securing the easement and for aforesaid temporary loss of crop value. Grantors shall also be fully reimbursed for any and all damages, loss and costs sustained by Grantors

as a result of the construction or laying of the water line or the maintenance, repair, replacement, or removal thereof, to the extent that such damages, losses and costs result from Grantees' use of Grantors' lands by reason of this easement agreement. Grantees do not in any manner waive their rights to sovereign immunity as provided to them under the laws of the State of Wyoming or the laws of the United States of America. If the parties are unable to agree as to the amount of such damages, losses and costs, Grantors have the right, if necessary, to institute legal action against Grantees for said damages, losses, and costs. Reimbursement for damages and losses shall be at a fair and reasonable market value at the time of the damage and losses.

10. To the extent permitted by law, Grantees shall require all contractors, performing work under a contract awarded to such contractor(s) after competitive bidding, to indemnify and hold Grantors harmless from any and all claims, loss, damages or expenses arising out of or related in any way to the contractor's activities or operations under this agreement.

11. Compliance with Law. Grantees shall comply with all applicable laws, rules and regulations pertaining to the use of the property and shall not discharge any toxic or hazardous substances, wastes or chemicals on Grantors' premises.

12. Enforcement Costs. If either party defaults under this agreement, the other party may recover all costs and expenses, including attorney fees, incurred in enforcing this agreement.

13. Restriction on Use. Neither Grantees nor any of Grantees' agents or contractors may bring animals or weapons on Grantors' property. Grantees will see that no trash, garbage, rubbish or debris is left on Grantors' premises at any time by Grantees or anyone exercising Grantees' rights under this agreement. Grantees shall not fence the easement or right of way granted hereunder. Grantees shall promptly investigate and repair any leaks which occur in the pipeline.

14. Binding Effect. This easement and right-of-way and all rights appertaining thereto shall be binding upon and inure to the benefits of the parties, their successors and/or assigns, until said 30" waterline shall be abandoned and shall cease to be used for public purposes, it being understood and agreed that these covenants and agreements shall run with the land.

DATED this 5 day of December, 1994.

Donald H. Roberts
Donald H. Roberts
Ermal M. Roberts
Ermal M. Roberts

Sheridan Area Water Supply
Joint Powers Board

Attest:
Paul D. Balch
Its: Secretary

By: [Signature]
Its: Chairman

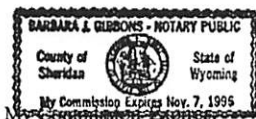
Attest:
Randy W. Hunsley
Its: Asst. Clk. - Treasurer

City of Sheridan, Wyoming
By: Della Hicket
Its: Mayor

STATE OF WYOMING)
) ss.
County of Sheridan)

The foregoing instrument was acknowledged before me this 9th day of December, 1994, by Donald H. Roberts and Ermal M. Roberts.

Witness my hand and official seal.



Barbara J. Gibbons
Notary Public

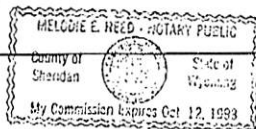
STATE OF WYOMING)
) ss.
County of Sheridan)

The foregoing instrument was acknowledged before me this 2nd day of DECEMBER, 1994, by KENNETH D. KEENS, CHAIRMAN of the Sheridan Area Water Supply Joint Powers Board.

Witness my hand and official seal.

Melodie E. Reed
Notary Public

My Commission Expires:



STATE OF WYOMING)
) ss.
County of Sheridan)

The foregoing instrument was acknowledged before me this 29 day of November, 1994, by Della Herbst, MAYOR of the City of Sheridan, Sheridan County, Wyoming.

Witness my hand and official seal.

Thomas J. Schmitt
Notary Public

My Commission Expires:



EXHIBIT "A"

A perpetual water line easement thirty (30) feet wide, being fifteen (15) feet each side of the following described centerline situated in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 1, Township 55 North, Range 85 West, SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, Township 56 North, Range 85 West, SW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, and the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 31, Township 56 North, Range 84 West, 6th P.M., Sheridan County, Wyoming, said centerline being more particularly described as follows:

Commencing at northeast corner of said Section 1; thence S84°08'09"W, 743.26 feet to the POINT OF BEGINNING of the herein described easement, said point lying on a east-west fence line; thence along said centerline through a curve to the right, having a radius of 2500.00 feet, a central angle of 01°40'54", an arc length of 73.37 feet, a chord bearing of N31°15'55"E, and a chord length of 73.37 feet to a point, said point lying on the north line of said NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 1 and being S86°55'11"W, 701.41 feet from said northeast corner of Section 1; thence along said centerline through a curve to the right, having a radius of 2500.00 feet, a central angle of 28°42'35", an arc length of 1252.69 feet, a chord bearing of N46°27'39"E, and a chord length of 1239.63 feet to a point; thence N60°48'56"E, 641.88 feet along said centerline to a point; thence along said centerline through a curve to the left, having a radius of 2500.00 feet, a central angle of 09°00'00", an arc length of 392.70 feet, a chord bearing of N56°18'56"E, and a chord length of 392.30 feet to a point; thence N51°48'56"E, 1587.72 feet along said centerline to a point; thence along said centerline through a curve to the left, having a radius of 2500.00 feet, a central angle of 11°00'00", an arc length of 479.97 feet, a chord bearing of N46°18'56"E, and a chord length of 479.23 feet to a point, thence N40°48'56"E, 1375.77 feet along said centerline to a point; said point lying on a north-south fence line and being S40°40'50"W, 2192.16 feet from the northeast corner of said Section 31; thence N40°48'56"E, 244.16 feet along said centerline to the POINT OF TERMINUS of said easement, said point lying on the east line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 31 and being S40°39'49"W, 1947.99 feet from said northeast corner of Section 31.

The above described easement is subject to any rights-of-way and/or easements, reservations and encumbrances.

In addition, a temporary construction easement will be required, being a strip of land twenty five (25) feet wide, the southeasterly line of said strip being the northwesterly line of said perpetual thirty (30) foot wide easement, and also a strip of land twenty five (25) feet wide, the northwesterly line of said strip being the southeasterly line of said perpetual thirty (30) foot wide easement.

Said temporary construction easement, will become null and void upon completion of installation of the line. *[Signature]*

Basis of Bearings is Wyoming State Plane (East Central Zone).

EXHIBIT "B" WATERLINE EASEMENT

