

EASEMENT AGREEMENT

This agreement is made by Donald H. Roberts ("Roberts") and Wild Rose Water Improvement District ("WR").

1. Roberts grants to WR a nonexclusive easement to construct and maintain a reservoir as described in the Final Report of Alliance Lateral Ditch Level II Rehabilitation Study dated November, 1986, on that portion of the tract described on Exhibit A attached hereto; provided, however, this document grants the right to use the tract of land described on Exhibit A for reservoir purposes only to the extent of the high water line of the reservoir formed by the dam to be placed on this tract. The reservoir may only be used to store water for residential irrigation purposes on lands within the Wild Rose Water Improvement District as presently constituted or the Don Ena Estates Subdivision as presently constituted. The reservoir may not be used for any other purpose, including, without limitation, swimming, recreational uses, or fishing.

2. Roberts also grants WR a nonexclusive easement for construction, maintenance and repair of a water pipeline on the lands described in attached Exhibits B and C with an additional 7-1/2 feet on each side of this easement for initial construction and installation of the pipeline.

3. Roberts shall have the right to fully use and enjoy said premises, except as the same may be necessary for the purposes herein granted WR, and to cultivate, plant and irrigate the same; but Roberts agrees not to build, create or construct any obstruction, works or other structure over said pipeline, nor grant permission for the same to be done by others, except as may be agreed to in writing by WR.

4. It is expressly understood and agreed between the parties that it is fully contemplated and recognized that at some future date there are likely to be residential, commercial or industrial developments in the area, and if and when such time comes, WR hereunder at its own expense, willingly and without undue delay will relocate or replace the line installed under this easement, either in whole or in part, with a line which will be so located as to conform with the planned development of the area relative to subdivisions, buildings, roadways and alleyways, services and utilities. In no way will the existence of the present line, or any relocated part thereof, be allowed to interfere with or deter the agricultural, residential, commercial, industrial or other development of the area.

5. As part of the consideration for the right-of-way granted hereby the parties agree as follows:

(a) WR hereby agrees to pay any damages which may arise to crops, pasture, fences or buildings of said Roberts from the exercise of the rights herein granted, whether arising from the original construction of said line or lines, and any fixtures appurtenant thereto, any future construction which might be agreed upon by the parties, or the maintenance, repair, operation or removal thereof.

(b) WR agrees that any pipeline or lines constructed under said right-of-way shall, at the time of the construction thereof, be buried to a depth of at least three (3) feet, and will return the areas covered by its right-of-way and used during construction in as near the original condition as possible, after construction has been completed. All trenching shall be done in

such a manner that top-soil and sub-soil shall be separately piled in order that the sub-soil can be returned to the bottom of the trench, and the top-soil replaced to the top thereof. All meadowlands, hay lands and pasture lands will be reseeded after construction is completed and the cost of seeding, fertilizing, watering, and the labor associated with the same, including effective weed control, shall be considered as one of the elements of damage and the obligation of WR. Any boulders or coarse gravel that were not originally upon the surface of the right-of-way shall be removed. All terracing cut, removed or otherwise damaged, shall be returned to its original or better condition.

(c) Before any division or cross fence belonging to Roberts is cut, WR shall cause sturdy braced posts to be placed on either side of the right-of-way, said braced posts to be butt-treated 3-1/2 feet, set at least 3 feet in the ground, and braced and crossbraced as requested by Roberts. All existing fences which interfere with the construction operation shall be maintained by WR until the completion of the work affected thereby, unless written permission is obtained from the owner to dismantle such fence for any agreed period of time; and upon completion of construction work, WR shall cause all fences to be restored to their original or to a better condition in quality.

(d) WR agrees as a part of its construction procedure, to push its pipe under all main ditches, streams, and roads and in the event its pipe is not pushed under secondary ditches, then all disturbed soil within a distance of triple the width of the ditch from the center thereof shall be thoroughly tamped as the soil is being replaced.

(e) Except as otherwise agreed between the parties during construction, WR and its agent shall enter and leave the fee property of Roberts along the right-of-way line, and shall install and use gates in entering and leaving the property of Roberts.

(f) WR agrees that it will cooperate as far as possible to the end that the construction, or maintenance and repair, of the pipeline or lines under said right-of-way will not interfere with the irrigation of crops, and that if such interference does occur, Roberts will be compensated for any damage resulting.

6. In the event WR ceases to use and operate said pipeline for a period of two (2) consecutive years, this right-of-way agreement shall terminate and WR shall have no further right hereunder, except that if said right-of-way is terminated by reason of non-use or by express agreement of the parties, then upon written notice from Roberts, WR shall, within six months from the date said written notice is postmarked, remove such pipeline from the premises of Roberts or his successors in interest and in the event WR fails to effect such removal within said period, then Roberts or his successors in interest shall become full owners of said pipeline and WR shall have no further interest therein.

7. The consideration recited in this right-of-way agreement is merely for the purpose of securing said right-of-way and that in addition to the consideration herein recited, Roberts shall be fully reimbursed for any and all damages, losses and costs sustained by Roberts as a result of the construction and laying of said pipeline or the maintenance, repair, or removal

thereof, together with the damage, if any, resulting to the lands of Roberts by reason of said pipeline easement, and that in the event the parties hereto are unable to agree as to the amount of such damages, losses and costs, Roberts reserves the right, if necessary to institute legal action against WR for said damages, losses and costs.

8. WR shall pay to Roberts prior to any construction on the land described on the attached Exhibits A, B, and C, the sum of \$1,000.00. WR shall also pay to Roberts the sum of \$100.00 annually for the use of this easement. The annual payment shall be subject to being increased in accordance with the Consumer Price Index in each year. The annual payment shall be adjusted in accordance with the following provisions:

(a) The Consumer Price Index for the first month of this agreement shall be designated as the Base Price Index.

(b) As of the anniversary date of this agreement in each year, the annual payment set forth above shall be adjusted by multiplying such annual payment by a fraction, the numerator of which is the Consumer Price Index for the month preceding the month in which the adjustment is to be made, and the denominator of which is the Base Price Index.

(c) For the purposes of this agreement, the Consumer Price Index referred to shall be that which is presently designated as the all urban consumer average with a base period equaling 100 in 1967, and specifically that portion of the index relating to Casper, Wyoming, published by the United States Department of Labor, Bureau of Labor Statistics. In the event the statistics are not available from that index for Casper, Wyoming, the index of the next nearest city of comparable population to Casper, Wyoming, for which such statistics are available shall be used. If the parties cannot agree upon a comparable city and population, then the statistics for Denver, Colorado shall prevail. In the event the index is changed so that the standards for the additional period to be adjusted differs from that used as of the month in which this agreement commences, the Consumer Price Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. In the event the publication of the Consumer Price Index is modified or discontinued in its entirety, the adjustment provided for herein shall be made on the basis of changes in the most comparable and recognized index of the purchasing power of the United States consumer dollar published by the United States Department of Labor. In the event that the Consumer Price Index contemplated herein is not reported for the months set forth in the fraction above, then the parties agree to utilize the Consumer Price Index reported for the month nearest the date for which said Consumer Price Index is required by the terms of this paragraph.

9. Any material used by WR from barrow areas not within the water containment area will be negotiated with Roberts, and all barrow areas will be reseeded and all slopes will be constructed so as to prevent erosion. Blind construction areas will be reseeded promptly after completion of construction. WR agrees to indemnify and hold Roberts harmless from any and all liability or claims by any person for personal injury, death, property damage, or otherwise arising from WR's use of Roberts' property.

10. WR releases, waives and discharges Roberts, his employees and agents from all liability to WR for any and all loss or damage and any claim or damages resulting therefrom, on account of injury to any person using the property by virtue of this easement, whether or not caused by the negligence of Roberts, his employees or agents.

11. This easement may be used only by the agents, employees, and contractors of WR for the purposes set forth herein.

12. This easement is granted for a term of thirty years from the date of this agreement, and all of WR's rights and interests will terminate on the thirtieth anniversary date of this easement.

13. This easement is binding upon the successors and assigns of the parties.

DATED this 4th day of August, 1987.

Donald H. Roberts
DONALD H. ROBERTS

WILD ROSE WATER IMPROVEMENT DISTRICT

By: Charles L. Simon

By: James A. Veinstra

By: Jack Lovejoy

STATE OF WYOMING)

) ss.

COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 4th day of August, 1987, by DONALD H. ROBERTS.

WITNESS my hand and official seal.

NOTARY
PUBLIC

Don C. Jones
Notary Public

My commission expires: Nov. 26, 1989

STATE OF WYOMING)

) ss.

COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 28th day of July, 1987, by Charles L. Simon, James A. Veinstra and Jack Lovejoy of Wild Rose Water Improvement District.

WITNESS my hand and official seal.

Patricia R. Robinson
Notary Public

My commission expires: Jan. 18, 1990

NOTARY
PUBLIC

EXHIBIT A

A tract of land situated in the SW $\frac{1}{4}$ of Section 30, Township 56 North, Range 84 West and the SE $\frac{1}{4}$ of Section 25, Township 56 North, Range 85 West of the Sixth Principal Meridian, Sheridan County, Wyoming. Said tract of land being described more particularly as follows:

Beginning at a point from which the southwest corner of said Section 30 lies S54-32-55W a distance of 675.5 feet; thence N50-34-59E a distance of 300.0 feet; thence N37-25-01W a distance of 850.0 feet; thence N69-55-01W a distance of 215.0 feet; thence S14-25-01E a distance of 360.0 feet; thence N83-42-09W a distance of 462.2 feet; thence S53-10-01E a distance of 1070 feet to the point of beginning. Said tract of land contains 8.5 acres, more or less.

EXHIBIT BDescription of Easement for 3" Line
From Alliance Lateral Ditch to Pond

A strip of land situated in the SE $\frac{1}{4}$ of Section 25, Township 56 North, Range 85 West of the Sixth Principal Meridian, Sheridan County, Wyoming. Said strip of land being a 15 feet wide easement for a water transmission line extending 7 $\frac{1}{2}$ feet each side of the centerline described more particularly as follows:

Commencing at a point located in the SE $\frac{1}{4}$ of Section 25 from which the southeast section corner of said Section 25 lies S08-47-10E a distance of 1028.9 feet; thence N36-38-03W a distance of 340.2 feet; thence N66-18-33W a distance of 499.0 feet; thence N59-39-55W a distance of 499.4 feet; thence N68-12-26W a distance of 599.8 feet; thence S89-31-53W a distance of 99.8 feet; thence S61-18-22W a distance of 463.5 feet to the point of termination from which the southeast section corner of said Section 25 lies S52-59-58E a distance of 2894.2 feet. Said centerline being 2501.7 feet, more or less, in total length.

EXHIBIT C

Description of Easement for 6" Line
From Pond to Kendrick Municipal Golf Course

A strip of land situated in the N $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 31 and the S $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Section 30, Township 56 North, Range 84 West of the Sixth Principal Meridian, Sheridan County, Wyoming. Said strip of land being a 15 feet wide easement for a water transmission line extending 7 $\frac{1}{2}$ feet each side of the centerline described more particularly as follows:

Commencing at a point located on the East boundary of said N $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 31 from which the North $\frac{1}{4}$ section corner of said Section 31 lies N00-19-31W a distance of 169.4 feet; thence N76-41-52W a distance of 215.2 feet; thence N70-15-04W a distance of 300.0 feet; thence N69-53-13W a distance of 299.4 feet; thence N70-26-04W a distance of 344.0 feet; thence N60-39-52W a distance of 456.1 feet; thence N74-20-48W a distance of 200.0 feet; thence N64-37-50W a distance of 231.6 feet to the point of termination from which the southwest section corner of said Section 30 lies S53-32-18W a distance of 906.1 feet. Said centerline being 2046.3 feet, more or less, in total length.