

Job No: 919003
Parcel No: 30A & 30B
299 & 29C
278(1)
32B

OPTION AND EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereinafter referred to as Grantor, (whether one or more), for and in consideration of the sum of Sixty Dollars (\$60.00) and other valuable consideration, the receipt of which is hereby acknowledged, do hereby grant, and convey unto Utilicorp United Inc., a Delaware Corporation, DBA Northern Minnesota Utilities having its office at 910 Cloquet Avenue, Cloquet, Minnesota, 55720, hereinafter referred to as Grantee, and to its successors and assigns, an option for nine months from the date hereof to purchase for the additional sum of Three Thousand, Six Hundred, Forty Dollars (\$3,640.00), a right of way and easement with the terms and conditions herein to construct, operate, inspect, repair, maintain, reconstruct, replace, re-size and remove, in whole or in part, pipelines, and related appurtenances thereto, on, over, under, across and through the following described lands situated in the County of Wadena and State of Minnesota, to-wit:

1. The West 150 feet of the North 150 feet of the Southeast Quarter of the Southwest Quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 20, T 138N, R 35W.

The rights granted herein shall be limited to all that part of the above described property lying northwesterly of a line beginning at the southwesterly corner of said above described property; thence northeasterly to the northeasterly corner of said above described property.

2. Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 8, Township 138N, Range 35W, except the North 50 feet thereof for county roadway purposes and East Half of the Northeast Quarter (E $\frac{1}{2}$ NE $\frac{1}{4}$) in Section 8, Township 138N, Range 35W, except south 50 feet for road.
3. The West Half of the Northwest Quarter (W $\frac{1}{2}$ NW $\frac{1}{4}$) of Section 4 Township 138N, Range 35W.
4. The East Half of the Southeast quarter (E $\frac{1}{2}$ SE $\frac{1}{4}$) of Section 5, Township 138N, Range 35W.
5. The SW $\frac{1}{4}$ of Section 28, T 139N, R 35W.

The rights granted herein shall be limited to all that part of the above described parcels 2, 3, 4 and 5, as follows:

- a. The Easterly 50 feet of the Westerly 68 feet of the above described parcels #3 and #5.
- b. The Southerly 100 feet of the Westerly 33 feet of the above described parcel #3.
- c. The Northerly 100 feet of the Easterly 33 feet of the above described parcel #4.
- d. The Westerly 50 feet of the Easterly 68 feet of the above described parcels #2 and #4.

It is further agreed as follows:

1. Grantee shall also have the right of ingress to and egress from said easement strip over and across the adjoining lands of Grantor for the purpose of exercising the rights granted herein. Grantee shall also have the right from time to time to cut or clear trees, brush and other obstructions on said easement strip that might

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interfere with the safe operation or maintenance of Grantee's facilities.

2. Grantor retains the right to use the surface of the easement strip conveyed herein for all timber production purposes, pasturage, or other similar purposes; provided, however, that Grantor shall not change the ground elevation of said easement strip or construct or permit to be constructed upon said easement strip any improvement or perform any other act which would interfere with Grantee's exercise of the rights granted herein or with the safe operation of Grantee's pipelines.

3. During any construction, maintenance or removal of any pipeline Grantee may utilize an additional strip of land not more than Ten feet (10') in width on each side of the easement strip referred to above for working space only.

4. During construction Grantee will bury all pipe to provide a minimum cover of 54" inches except in rock where a minimum cover of NA inches will be provided.

5. Grantee will pay for any damages to Grantor's growing crops, grasses, trees, shrubbery, fences, buildings or livestock caused by Grantee's exercise of the rights granted herein, provided that Grantee shall not be obligated to pay for any such damages to trees, brush, or other obstructions when such damages arise from the exercise by Grantee of the rights granted in paragraph one above.

6. The Grantee shall protect, indemnify, defend and hold harmless the Grantor and its agents and employees from and against all claims, damages, losses and expenses arising out of or resulting from the placement of the natural gas line within the easement area, except for those damages incurred as a result of negligent acts by agents and/or employees of said Grantor.

7. Grantee will restore the surface to its original contour as nearly as practicable and will replace or rebuild to the reasonable satisfaction of Grantor or of Grantor's representative any and all damaged parts of all drainage or irrigation systems, the damage to which shall be occasioned by the construction, maintenance or operation of said pipelines under and through the above-described land.

8. This instrument may be executed in counterparts and Grantor shall receive payment hereunder in such proportion as their respective interests bear to the fee simple title.

9. In the event Grantee shall elect to exercise this option, it shall do so by delivering to or mailing to the Grantor designated below, before the expiration hereof, at the address specified below the additional sum specified in the first paragraph hereof. Upon such exercise, the terms and conditions herein shall constitute the easement from Grantor to Grantee. Grantor's mailing address for purposes of this paragraph is as follows:

Grantor Potlatch Corporation
 Address 105 Arch Street
 City Cloquet
 State MN Zip Code 55720

The recording of this Option and Easement shall be deemed to be notice of the proper exercise of the option granted herein.

10. The rights granted herein to Grantee may be assigned in whole or in part.

11. This instrument contains the entire agreement of the parties; there are no other or different agreements or understandings between Grantor and Grantee or its agents; and Grantor, in executing

and delivering this instrument, has not relied upon any promises, inducements, or representations of Grantee or its agents or employees, except such as are set forth herein.

This instrument and the covenants and agreements herein contained shall inure to the benefit of and be binding and obligatory upon the heirs, executors, administrators, successors and assigns of the parties hereto.

Dated this 17th day of February, 19 92.

POTLATCH CORPORATION
A Delaware Corporation

By: Thomas J. Smrekar
Its: Vice President

(Corporate Acknowledgement)

STATE OF MINNESOTA)
COUNTY OF CARLTON) ss.

The foregoing instrument was acknowledged before me this 17th day of February, 1992, by Thomas J. Smrekar and _____ the Vice President and _____ of Potlatch Corporation a Delaware Corporation on behalf of the _____ Corporation.

Joeyette F. Nelson
Notary Public

This instrument was drafted by:

Evergreen Land Services Company
6200 Shingle Creek Parkway
Suite #415
Brooklyn Center, MN 55430



166231

County Recorder)
Winona Co., Minn.)

I hereby certify that the within instrument was filed in this office this

17th day of February, 1992.

at Winona, Minn.

and was duly recorded in Book 23

at 147

_____ Deputy

Tract 2a
Grantor 2a
Grantee 2a
Compared 2a

Winona County Record #23

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