

STATE OF TEXAS
COUNTY OF HARRIS

SS.

90954

WITNESS ALL MEN BY THESE PRESENTS:

WA 380 MAR 200

That The Champion Paper and Fibre Company, an Ohio Corporation, hereinafter called Grantor, for and in consideration of the sum of One and No/100 dollars-1(\$1.00) cash in hand paid to it by Sam Houston Electric Cooperative, Inc. hereinafter called Grantee, the receipt of which payment is by Grantor acknowledged, does hereby grant and convey unto Grantee a certain right of way and easement in two portions as set forth and particularly described in Exhibit A attached hereto, incorporated by reference herein, and made a part hereof, over and across the lands particularly described in said Exhibit A hereof. Said right of way and easement is fully shown and identified on the drawings attached hereto as Exhibit B, also incorporated by reference herein and made a part hereof.

Said right of way and easement is granted for the sole and exclusive purposes of constructing, maintaining, operating, altering, repairing, replacing and removing distribution power line(s) over, through and across the lands particularly described in said Exhibit A hereof.

TO HAVE AND TO HOLD said right of way and easement unto the Grantee, its successors and assigns, subject to the following provisions for so long as the Grantee, its successors and assigns shall faithfully keep, perform and observe all of the provisions, covenants, undertakings and conditions hereof:

I.

This grant is made subject to the rights and interest, if any, of other persons in or with respect to the right of way area and nothing herein contained shall affect the right of Grantor, or its successors or assigns, to go upon or across the right of way herein granted at any time for any purpose whatsoever, and to the extent that such use will not unreasonably burden or interfere with Grantee's rights hereunder. Grantor may make any proper reasonable use of the right of way area, including specifically the use thereof for roads, bridges, fire breaks, and telephone or telegraph lines, and Grantee accepts the rights granted to it hereunder burdened with any such present or prospective reasonable use by Grantor, or its successors or assigns.

II.

Grantee agrees that all timber cut or destroyed is to be limbed and left in tree lengths near the edge of said right of way in such manner that it can be salvaged easily and that all such timber cut or destroyed is to remain the property of Grantor to be utilized as it sees fit.

III.

In exercising its rights hereunder, Grantee may use the roads and bridges on the lands of Grantor, but Grantee as its own sole cost and expense, to the extent that Grantee's use and employment of such roads and bridges shall or may otherwise render them unusable, shall keep and maintain the same in repair and upon cessation of any such use thereof, Grantee will promptly repair all damage or deterioration caused by Grantee's use. If Grantee desires to cut any fences of Grantor, Grantee shall first obtain the written approval of Grantor's local representatives and shall brace, keep and restore any such fence in a prompt, workmanlike and proper manner. Grantee will not cause or create or permit to continue on the surface any unsightly or hazardous condition and will continuously employ, in the course of its use and enjoyment of this right of way, effective fire suppression and control measures. If Grantee elects to keep clear the right of way area, Grantee shall keep such area free of any such conditions which may be caused or created by others than Grantor.

If Grantee desires to remove any hazardous trees adjacent to said right of way Grantee shall first obtain approval of Grantor, in writing, and after receipt of such approval and the payment to Grantor of damages for the timber and other forest products to be so removed, may proceed to cut and remove such trees and other forest products to the place or places, and in the manner prescribed by Grantor. Such timber and other forest products shall remain Grantor's sole property.

IV.

Grantee assumes all liability for and agrees to indemnify, defend and hold harmless Grantor against any and all damages or claims for damage of whatsoever nature whether to the person or property of any third party which may be caused or alleged by any such third party to have been caused by Grantee or its agents, servants, employees or independent contractors in

the course of the exercise by Grantee of any right of claim of right hereunder. The phrase "third party" as herein used shall include but shall not be limited to the agents, servants, employees and independent contractors of Grantor. Grantee also assumes all liability for and agrees to hold Grantor harmless against any and all damages of whatsoever nature to Grantor and persons claiming under Grantor including but not limited to damages to any property, fixtures, equipments, improvements or rights. With respect to any such damages to the property, fixtures, improvements or rights of Grantor or persons claiming under Grantor, if the amount thereof cannot be mutually agreed between the parties within sixty (60) days from the time when Grantor received notice thereof, the issue will be submitted by the parties to arbitration in the State of Texas in accordance with the Rules of the American Arbitration Association and the result of such arbitration shall be final, conclusive and binding upon the parties.

V.

Grantee agrees that poles are to be located on the center line of said right of way and that at pole locations, only a single pole and appurtenances will be used and all poles and guys will be maintained so as to form the least possible interference to the use of said lands by Grantor, so long as it does not materially increase the cost of construction.

Grantee further agrees that it will construct its distribution power line(s) in such a manner as to maintain the wires a sufficient height above the ground to permit the passage of vehicles used in normal logging operations beneath such wires and that where distribution power line(s) must cross any roads or other arteries of transportation of whatsoever nature, construction will be such as not to interfere with such arteries of transportation and that Grantee assumes all liability for any and all damages which might result to said distribution power line(s) as a result of the use of such arteries of transportation. Grantee further holds Grantor harmless from any damage to said distribution power line(s) from falling timber, fire, or acts of any nature save those due to willful negligence on the part of Grantor.

Grantee agrees to clean up the debris caused by its construction of said distribution power line(s), in a workmanlike manner, so as to leave

the right of way and easement free from fire hazards and in such a condition as will not cause the spread of timber-depredating insects.

It is distinctly understood and agreed that this instrument does not in any manner purport to convey any right, title or interest in or to the land or to any timber, forest products, crops, improvements, fixtures or other property or in or to the oil, gas, water, sulphur, lignite or other minerals, in, on and under said land. Further if the right of way should at any time interfere with Grantor's development and enjoyment of said land, timber, crops, fixtures, property, minerals or with any other reasonable operation of Grantor and it becomes necessary to relocate said distribution power line(s), Grantee agrees to relocate same at its own expense, provided, that Grantor agrees to furnish at no cost to Grantee such new right of way as is necessary for the relocation and such new right of way will be the most feasible possible consistent with Grantor's operations.

VII.

Grantee shall be required before doing any work or making any repairs which will interfere with any roads or other arteries of transportation or interfere in any way with the operations of Grantor, its agents or assigns, to notify the local representatives of Grantor in writing of such intent at least ten (10) days prior to commencement of work. Grantee agrees that such work and/or repairs shall be completed as expeditiously as possible; provided, however, that Grantee shall conduct all of its operations in, along and upon said right of way and easement and hereunder, including, but not limited to operations of Grantee in crossing any of Grantor's operations, including but not limited to Grantor's lands, in a manner which will not interfere with Grantor's timber stand improvement work, logging, cutting removing or processing logs, cord wood or other forest products.

VIII.

The Grantee shall have the right of ingress and egress, over and across said lands and other lands of the Grantor to and from said right of way and easement. After the payment to Grantor, as hereinabove provided, of damages for the removal of timber and other forest products, in the initial clearance of this right of way, Grantee shall have the right from

time to time to cut and remove all trees, undergrowth and other obstructions on the right of way area that may injure, endanger or interfere with the construction, operation, maintenance and repair of said distribution power line(s).

IX.

It is agreed and understood that the right of way and easement hereby granted is for the sole and limited purpose, and no other, of enabling Grantee to construct, operate, repair and maintain a distribution power line (s) upon and with respect to the lands herein described. If Grantee, its successors or assigns, shall within twelve (12) months from the date hereof fail to establish and operate such a distribution power line(s) or, within said twelve (12) month period, having established and placed in operation such a distribution power line (s) Grantee, its successors or assigns shall thereafter cease for a period of twelve (12) consecutive calendar months to maintain and operate such line, or if Grantee, its successors and assigns shall use the lands covered by this grant for any other purpose, then and in any of such events, the grant herein made shall become null and void and said premises shall revert absolutely to Grantor and all payments made hereunder shall be forfeited by Grantee to Grantor.

X.

In addition to the reverter provided in Paragraph IX, if Grantee its successors or assigns shall fail faithfully and timely to keep, observe, perform and comply with any of the covenants, conditions, undertakings or provisions hereof, then and in that event Grantor at its sole election may give notice in writing to Grantee its successors or assigns that unless such failure, omission or breach shall within sixty (60) days from the receipt of such notice be cured and remedied the Grantor may thereupon by notice in writing to Grantee its successors or assigns declare this right of way and easement to be null and void and of no further force and effect and said premises with all and sundry improvements, fixtures and property thereon shall revert absolutely to Grantor and all payments made hereunder by Grantee to Grantor shall be forfeited.

XI.

In the event of reversion to Grantor of the right of way and easement herein granted under the provisions of Paragraph IX hereof, Grantee shall have the right to remove said distribution power line(s) and other

removable installations and facilities therewith provided that Grantee shall be obliged to restore the land with the exception of timber and other forest products removed hereunder to its original condition. Grantor at its election may in writing request Grantee to remove said distribution power line (s) and other connected facilities and to restore said land with the exception of timber and other forest products removed hereunder, to its original condition. In the event Grantee shall fail or refuse to remove such distribution power line(s) and other connected facilities within a period of twelve (12) months from the receipt of said written request then all of said property shall be forfeited to and become the property of Grantor and Grantee shall have no other or further rights hereunder.

XII.

In the event a dispute shall arise between the parties hereunder, including but not limited to the question whether Grantee has failed faithfully and timely to keep, observe, perform and comply with any of the covenants, conditions, undertakings or provisions hereof, the issue shall be submitted by the parties to arbitration in the State of Texas in accordance with the Rules of the American Arbitration Association and the result of such arbitration shall be final, conclusive and binding upon the parties.

XIII.

Any notice to be given by one party to the other hereunder may be delivered or deposited postage prepaid and addressed to the following:

GRANTOR: The Champion Paper and Fibre Company, Huntsville, Texas.

GRANTEE: Sam Houston Electric Cooperative, Inc., Livingston, Texas.

In the event there shall be any assignment by Grantee of the right of way and easement herein granted or in the event there shall be a change in ownership of the lands concerned, notices given under the provisions hereof by one party to the other shall continue to be binding nevertheless on the successor in interest to the party concerned unless and until the successor in interest shall have notified the other party in writing of such assignment or change in ownership as the case may be.

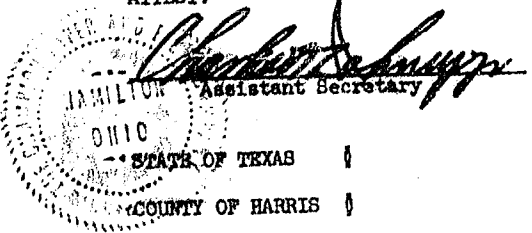
IN TESTIMONY WHEREOF, Grantor has executed this conveyance this 9th day of October, 1953

THE CHAMPION PAPER AND FIBRE COMPANY

PEK
KAY

ATTEST:

By W.P. Brute
Vice President



STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, a notary public in and for said county and State, on this day personally appeared H. R. Crute, known to me (or proved to me on the oath of _____) to be the person whose name is subscribed to the foregoing instrument and acknowledge to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this the 9th day of October A. D. 1953.

Marilyn C. Clarkson
Notary Public, Harris County, Texas.
MARILYN C. CLARKSON



EXHIBIT "A"

Description of Right-of-Way and Easement from The Champion Paper and Fibre Company (Grantor) to Sam Houston Electric Cooperative, Inc. (Grantee).

Said right-of-way and easement extends upon, over and across a certain tract of land owned by Grantor, situated in the Jonathan C. Pitts Survey, Abstract No. 28, in Montgomery County, Texas, fully described in Volume 252, Page 113, Deed Records of Montgomery County, Texas, to which reference is hereby made for description. Starting at a point 3410 feet, S. 53° E from said company's NW corner and J. S. Hunt Lumber Company's SE corner, an easement twenty (20) feet wide, lying ten (10) feet on each side of a center line described as follows: 150 feet N 54° E to pole location. Thence an easement ten (10) feet wide, lying five (5) feet on each side of a center line described as follows: 244 feet N 50° W to pole location and Dead End. Thence an easement twenty (20) feet wide, lying ten (10) feet on each side of a center line described as follows: 392 feet N 54° E to pole location and Dead End of line.

Recorded
December 16,

11 30
5:30

J. D. Hunt