

**CONCERNING THE GRANTING OF A NON-EXCLUSIVE EASEMENT
TO THE PUBLIC SERVICE COMPANY OF COLORADO**

BOOK 2868 PAGE 423

WHEREAS, the City of Grand Junction believes it is the owner of certain real property situate in the Northwest ¼ of the Northwest ¼ of Section 20 and in the North ½ of the Northwest ¼ of Section 21, all in Township 1 South, Range 2 East of the Ute Meridian, County of Mesa, State of Colorado; and

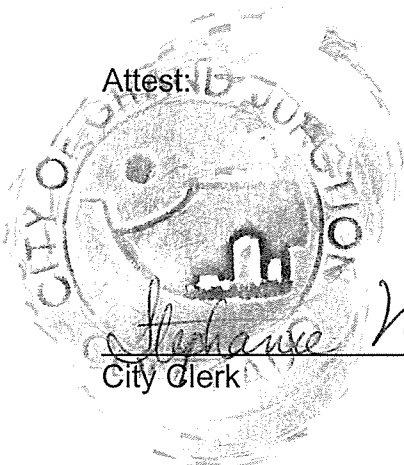
WHEREAS, the Public Service Company of Colorado requires an easement across the above-mentioned City property for the purposes of installing, operating, maintaining and repairing a six-inch high pressure natural gas pipeline and facilities and appurtenances related thereto.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

That the City Manager is hereby authorized to execute the attached Easement Agreement conveying to the Public Service Company of Colorado a non-exclusive easement for the purposes aforescribed within the limits of the City property described therein.

PASSED and ADOPTED this 2nd day of May, 2001.

Attest:



Stephanie Nye
City Clerk

Gene Kenney
President of the Council

EASEMENT AGREEMENT

This Easement Agreement ("Agreement") is made and entered into as of the 31st day of May, 2001, by and between The City of Grand Junction, a Colorado home rule municipality ("City"), whose address is 250 North 5th Street, Grand Junction, Colorado 81501, and Public Service Company of Colorado, a Colorado corporation ("Public Service"), whose address is Seventeenth Street Plaza, 1225 17th Street, Denver, Colorado 80202-5533.

RECITALS

- A. The City believes it is the owner of certain real property situate in the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 20 and in the North $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of Section 21, all in Township 1 South, Range 2 East of the Ute Meridian, County of Mesa, State of Colorado ("City Property"). The City Property is presently leased to Clifford V. Davis and Judy L. Davis, doing business as Broken Spoke Ranch ("the Davises").
- B. Public Service is proposing to install, operate and maintain a six-inch high pressure natural gas pipeline between the towns of Whitewater and Palisade, known as the East Grand Junction Reinforcement ("the Project"). Public Service has determined that the Project is necessary and appropriate to meet the demands for natural gas in the Grand Junction vicinity caused by growth in Grand Junction and adjoining communities.
- C. Public Service has filed applications with the Bureau of Land Management and the County of Mesa to obtain permits required by such agencies for the installation, operation and maintenance of the Project. In addition, Public Service is pursuing the acquisition of easements required for the Project, including easements across the City Property.
- D. The parties desire to provide for the conveyance of two (2) non-exclusive easements required for the Project pursuant to the terms and conditions stated in this Agreement.

NOW, THEREFORE, in consideration of the recitals above and the terms, covenants, conditions, restrictions, duties and obligations contained herein, the parties agree as follows:

1. Grant. The City hereby grants and conveys to Public Service, by quit claim, two (2) non-exclusive easements on, along, over, under, through and across the limits of the City Property described and depicted in Exhibits "A", "B" and "C" attached hereto and incorporated herein by reference ("Easements"), and Public Service accepts such grants and conveyances subject to the terms and conditions of this Agreement.
2. Consideration. For and in consideration of the grant and conveyance, Public Service shall pay to the City the sum of Eight Thousand Two Hundred and 00/100 Dollars (\$8,200.00). Said sum shall be due and payable to the City within thirty (30) days of the day and year first above written. In the event said sum has not been tendered within said thirty

(30) day period, this Agreement shall automatically terminate and the Easements shall automatically revert to the City.

3. Term. The initial term of this grant shall be twenty-five (25) years from the day and year first above written.
4. Option to Extend. Subject to the provisions of paragraph 5 below, Public Service shall be entitled to exercise successive extensions of this grant and conveyance, and the City hereby grants such right, for additional twenty-five (25) year periods ("later terms"). If the grant is extended for later terms, each such later term shall be upon the same terms and conditions of this Agreement.
5. Abandonment/Automatic Termination. In the event of permanent abandonment of the Easements by Public Service Grantee, all rights, privileges and interests herein granted shall automatically terminate. Permanent abandonment shall have occurred if Public Service shall fail to use the Easements for any twelve (12) consecutive month period.
6. Express Limitations. Public Service's utilization of the Easements shall be specifically limited to the installation, operation, maintenance and repair of one (1) six-inch high pressure natural gas pipeline and facilities directly related or appurtenant thereto. The easement rights herein granted do not include the right to expand utilization of the Easements for any other purposes or to increase the size of the natural gas pipeline to be installed within the Easements, unless such uses are authorized by subsequent conveyance instrument(s).
7. Stipulations Merge. The stipulations of any permit issued with regard to the Project by the United States Bureau of Land Management and the County of Mesa, by reference, are hereby merged into and made a part of this Agreement.
8. General Indemnification. Public Service hereby releases, covenants not to bring suit and agrees to indemnify, defend and hold the City, its officers, employees, agents and assets harmless from any and all claims, costs, judgements, awards or liability, including reasonable attorneys' fees and costs (except those caused by the City's gross negligence or its willful or wanton acts) to any person or with regard to any property, including claims arising from injury or death, resulting from Public Service's gross negligence or willful act or failure to act pursuant to this Agreement. The foregoing indemnification obligations shall extend to claims which are not reduced to a suit and any claim which may be compromised by Public Service prior to the culmination of any litigation or the institution of any litigation.
9. Default. Should Public Service (a) default in the performance of this Agreement and any such default continue for a period of ninety (90) days after written notice thereof is given by the City to Public Service, or (b) be declared bankrupt, insolvent, make an assignment for the benefit of creditors, or if a receiver is appointed, or (c) fail to timely cure such default, the City, at its option, may file an action to cancel and annul this Agreement and obtain an order from a court of competent jurisdiction to enter and take possession of

the Easements. This Agreement shall then terminate upon such occupation, except the provisions paragraph 8 shall survive such event. Nothing herein shall prejudice or be to the exclusion of any other rights or remedies which the City may have against Public Service, including, but not limited to, the right of the City to obtain injunctive relief. If the City succeeds in such effort, Public Service shall pay the City's reasonable attorneys' fees.

10. Public Service Acceptance Subject to Existing Conditions.

10.1 Public Service has inspected the Easements and accepts the same in their present condition and location. Public Service agrees that the condition of the Easements is sufficient for the purposes of Public Service. The City makes no warranties, promises or representations, express or implied, that the Easements are sufficient for the purposes of Public Service. If the Easements are damaged due to fire, flood or other casualty, or if the Easements are damaged or deteriorate to the extent that they are no longer functional for the purposes of Public Service, the City shall have no obligation to repair the Easements nor to otherwise make the Easements usable or occupiable, since such damages shall be at Public Services' own risk.

10.2 The City makes no representations or warranties regarding the presence or existence of any toxic, hazardous or regulated substances on, under or about the Easements, except to the extent that the City states it has not deposited or caused to be deposited any toxic, hazardous or regulated substances on, under or about the Easements.

11. Consent of Lessee. This Agreement shall be valid only after Public Service has received written consent of the City's grant and conveyance from the City's Lessee, Clifford V. Davis and Judy L. Davis, doing business as Broken Spoke Ranch, and a written waiver from the Davises for any claim to compensation or damages.

12. Weed Management. Public Service agrees to participate in the Lands End Weed Management Program, which has been formed to prevent the spread of noxious and invasive weeds in the area where the City Property and the Easements are located.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

14. Total Agreement, Applicable to Successors. This Agreement contains the entire agreement between the parties and, except for automatic termination or expiration, cannot be changed or modified except by a written instrument subsequently executed by both parties. This Agreement and the terms and conditions hereof apply to and are binding upon the successors and authorized assigns of both parties.

IN WITNESS WHEREOF, the parties hereto have each executed and entered into this Easement Agreement as of the day and year first above written.

Attest:

The City of Grand Junction, a Colorado home rule municipality

Stephanie Hye
City Clerk

[Signature]
City Manager



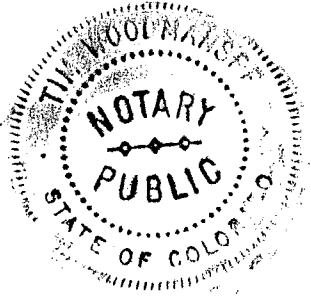
Public Service Company of Colorado,
a Colorado corporation

By Nicholas B. Faes
Nicholas B. Faes, Manager,
Siting and Land Rights,
Xcel Energy Services, Inc., Agent for
Public Service Company of Colorado

State of Colorado)
)ss.
County of Mesa)

The foregoing instrument was acknowledged before me this 21st day of May, 2001, by Kelly Arnold as City Manager and attested to by Stephanie Nye as City Clerk of the City of Grand Junction, a Colorado home rule municipality.

My commission expires: 5/11/2002
Witness my hand and official seal

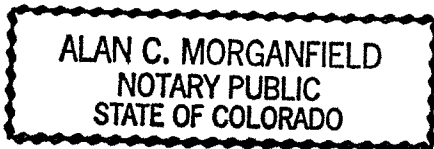


Tim Woodmansee
Notary Public

State of Colorado)
)ss.
City and County of Denver)

The foregoing instrument was acknowledged before me this 31st day of May, 2001, by Nicholas B. Faes, Manager, Siting and Land Rights, Xcel Energy Services, Inc., Agent for Public Service Company of Colorado, a Colorado corporation.

My commission expires: _____
Witness my hand and official seal



My Commission Expires 07/21/2004

Alan C. Morganfield
Notary Public

Exhibit "A"**Easement No. 1**

A fifty-foot wide non-exclusive easement situated in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20, Township 1 South, Range 2 East of the Ute Meridian, County of Mesa, State of Colorado, said easement lying twenty-five feet on each side of the following described centerline:

Beginning at a point on the West line of the SW $\frac{1}{4}$ of said Section 20, whence the aluminum cap PLS 28662 for the West $\frac{1}{4}$ corner of said Section 20 bears N $00^{\circ}14'39''$ W a distance of 642.77 feet;
thence N $54^{\circ}01'29''$ E a distance of 1.79 feet;
thence N $80^{\circ}20'41''$ E a distance of 273.35 feet;
thence N $54^{\circ}16'57''$ E a distance of 799.61 feet;
thence N $61^{\circ}20'00''$ E a distance of 236.99 feet;
thence N $54^{\circ}07'20''$ E a distance of 36.54 feet to a point on the North line of the SW $\frac{1}{4}$ of said Section 20, said point being the Point of Termination of the centerline herein described, from whence the West $\frac{1}{4}$ corner of said Section 20 bears S $89^{\circ}42'07''$ W a distance of 1160.43 feet,
the sidelines of said easement to be shortened or extended to close at deflection points and to terminate at the intersecting property lines.

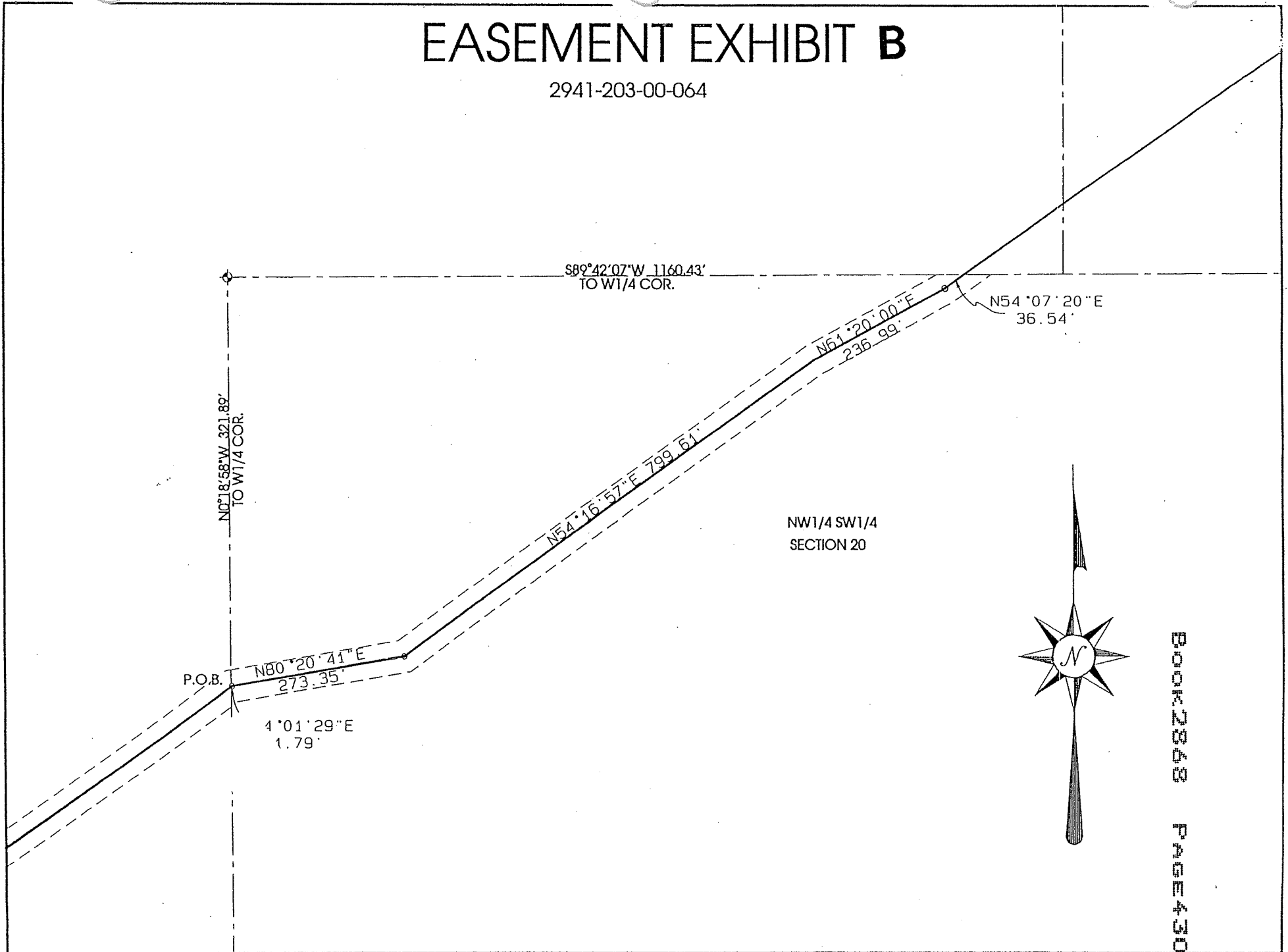
Easement No. 2

A fifty-foot wide non-exclusive easement situated in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 21, Township 1 South, Range 2 East of the Ute Meridian, County of Mesa, State of Colorado, said easement lying twenty-five feet on each side of the following described centerline:

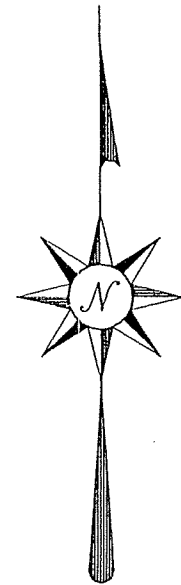
Beginning at a point on the West line of the NW $\frac{1}{4}$ of said Section 21, whence the No. 5 rebar for the Northwest corner of said Section 21 bears N $00^{\circ}21'47''$ W a distance of 904.13 feet;
thence N $71^{\circ}31'16''$ E a distance of 150.60 feet;
thence N $67^{\circ}37'13''$ E a distance of 306.44 feet;
thence N $71^{\circ}41'11''$ E a distance of 1481.52 feet;
thence N $78^{\circ}25'09''$ E a distance of 385.37 feet;
thence S $87^{\circ}04'24''$ E a distance of 222.59 feet;
thence N $76^{\circ}23'36''$ E a distance of 166.16 feet to a point on the East line of the NW $\frac{1}{4}$ of said Section 21, said point being the Point of Termination of the centerline herein described, from whence the No. 5 rebar and cap for the North $\frac{1}{4}$ corner of said Section 21 bears N $00^{\circ}48'06''$ W a distance of 171.10 feet,
the sidelines of said easement to be shortened or extended to close at deflection points and to terminate at the intersecting property lines.

EASEMENT EXHIBIT B

2941-203-00-064



NW1/4 SW1/4
SECTION 20



EASEMENT EXHIBIT "C"

2941-212-00-106/107

