


GRANT OF EASEMENT

R.E. No. HW 02 (GD 6147)


20040901000490580 Pg 1/9 67.50
Shelby Cnty Judge of Probate, AL
09/01/2004 14:24:00 FILED/CERTIFIED

THIS INDENTURE made in duplicate this 20th day of July, 2004, between HAWAII ERS TIMBERLAND, LLC, a Hawaii limited liability company having its principal place of business at c/o Hancock Forest Management, 3891 Klein Road, Harpersville, Alabama 35078, GRANTOR, and GEOMET, INC., a corporation, having a place of business at 5336 Stadium Trace Parkway, Suite 306, Birmingham, Alabama 35244, GRANTEE.

WITNESSETH, That the Grantor, for the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration to it in hand paid by the Grantee, the receipt whereof is hereby acknowledged, does hereby GRANT, BARGAIN, SELL, CONVEY and TRANSFER to the Grantee an exclusive easement and right-of-way twenty feet (20') in width, (Easement Area), being ten feet (10') on each side of that proposed pipeline centerline being more particularly described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF.)

TOGETHER WITH rights of ingress and egress to and from said Easement Area by such route or routes as shall occasion the least practicable damage and inconvenience to Grantor, including private roads and ways then existing thereon, on foot or by conveyance, with materials, machinery and equipment as may be desirable; provided that, except in emergencies, existing roads and ways thereon shall be used only to the extent that they afford access to and from said Easement Area for any and all purposes necessary and incident to the exercise of Grantee's rights and privileges hereunder;

TOGETHER WITH the right to install cathodic protection test leads and powerlines to serve same, as well as any aerial markers as may be necessary; and, from time to time, the right to change the size of the pipes comprising said pipeline; and

TOGETHER WITH the right and privilege of clearing and keeping cleared from said Easement Area all undergrowth, stumps, roots, brush, overhanging tree branches and structures (other than ordinary fences; but when Grantee requires, such fences may be opened and reclosed, temporarily removed and replaced to the satisfaction of Grantor, or gates may be provided therein by Grantee), and to trim and cut down and clear away any trees in said Easement Area which now or hereafter, in the opinion of Grantee, may pose a hazard to its pipeline or which may interfere with the exercise of Grantee's rights hereunder; provided, however, that all trees Grantee is authorized to cut and remove, if valuable for timber or wood, shall continue to be the property of Grantor, but all branches, brush, stumps, roots, undergrowth and refuse wood shall be burned, removed or chipped and scattered by Grantee;

This Easement is for pipeline purposes in connection with the transportation of oil or gas, or products of oil or gas, over, upon, along, across and/or under that certain tract of land situate, lying and being located in the County of Shelby, State of Alabama, and more particularly described as follows:

(SEE EXHIBIT "C" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF)

TO HAVE AND TO HOLD same, with all rights and appurtenances thereunto belonging, unto Grantee, its successors or assigns, for the purpose of doing all acts necessary for the construction, operation, alteration, inspection, testing, maintenance, repair, renewal or replacement of such pipeline and any other facilities appurtenant thereto, until such time as the use and operation of said pipeline is relinquished or abandoned or ceases to exist; at which time, title to said Easement Area shall revert back to Grantor, its successors or assigns;

PROVIDED, HOWEVER, that:

1. nothing contained herein shall otherwise affect or impair Grantor's rights as fee owner of the property of which said Easement Area is a part and any and all property of Grantor adjacent thereto, especially to the full use and enjoyment thereof;

2. Grantee shall pay to Grantor, on or before the commencement of construction of each additional pipeline placed within said Easement Area, the sum of One and No/100 (\$1.00) Dollars per foot; said additional line or lines to be subject to the same rights, privileges, conditions and/or restrictions as are set forth herein as to the original line;
3. no act shall be committed, either by Grantee or the agents, representatives or assigns of Grantee, that may be detrimental or hazardous to Grantor's use of its property;
4. Grantee, in the exercise of its rights hereunder, shall use only those chemicals which, as determined by the Environmental Protection Agency and/or the Federal Department of Agriculture, are not injurious to humans, domestic animals, fish, game or other forms of wildlife, machinery or other forms of equipment or devices;
5. Grantee shall comply, strictly and in all respects, with all laws, rules, orders, ordinances, directives, regulations and requirements of any and all applicable Federal, State, County and Municipal Authorities, as same may be amended from time to time, as they pertain to the construction, maintenance and operation of, and emergency situations relating to, pipelines and hazardous waste, including but not limited to all Federal, State and local Environmental Protection Laws and Regulations;
6. Grantee agrees to promptly notify said Grantor, its successors or assigns, of any "release" of "oil" or "hazardous materials" as those terms are defined by the aforesaid laws, by forwarding such notice to Hancock Forest Management, the Property Manager of Grantor, 3891 Klein Road, Harpersville, Alabama 35078, and the Law Department, Litigation Division and the Risk Management Department of Grantor at the address provided in the initial paragraph hereof;
7. Grantee shall bury said pipeline to a minimum depth of sixty (60") inches, so as not to interfere with the Grantor's use of its property; and
8. Grantor shall not build, create, construct or permit to be built, created or constructed, any pipeline, building, structure or other improvement on said Easement Area;

IT BEING UNDERSTOOD AND AGREED between the parties hereto that:

1. Grantee shall be responsible for any and all costs and expenses involved in the construction, use and operation of the within pipeline and for the repair of any and all damage caused by Grantee in the exercise of the rights and privileges herein granted, including but not limited to damage to lawn, driveways, shrubbery, trees, fences, tile, irrigation or drainage ditches and/or equipment, and growing crops, if any there be, within said Easement area, or on any property of the Grantor adjacent thereto, and for the restoration, as nearly as possible to its original condition, of all damaged surface area; and if the amount of any such damage cannot be mutually agreed upon, then same shall be determined by a panel of arbitrators composed of three disinterested persons, of whom Grantor and Grantee shall each appoint one and the two arbitrators so appointed shall appoint the third, the award of any two of whom shall be final and a condition precedent to the institution of any legal proceedings hereunder;
2. In the event any erosion and/or drainage problems are caused as a direct result of Grantee's construction, use and operation of the within pipeline, Grantee, within 45 days of notification thereof by Grantor, shall be responsible for all costs and expenses involved in repairing said erosion and/or drainage problem or in correcting any consequential problem(s) relative thereto;
3. In the event of any fires, explosions or other hazards reasonably associated with Grantee's operations on any lands of Grantor, or of any landowner adjacent to Grantor, caused as a direct result of Grantee's operations hereunder, Grantee shall reimburse Grantor and/or such adjoining landowner for any and all costs and expenses reasonably incurred in the fighting thereof and in the consequential cleanup of and reparation from any and all fires, explosions or other hazards caused directly or indirectly by Grantee's acts or omissions, whether through Grantee's own negligence or otherwise.
4. Grantee shall be responsible for obtaining any and all consents, approvals and permits to satisfy all federal state or local regulatory, environmental or other requirements in connection with the activities associated with said pipeline, and shall construct, maintain and operate said pipeline in a good and workmanlike manner; and
5. Grantee agrees to carry, at all times during the construction, use, operation and maintenance of said pipeline and the grace period following cessation of such use and operation as established hereafter, such insurance as Grantor may reasonably require, including but not limited to:
 - a) General Liability Insurance covering personal injuries and property damage of at least \$1,000,000 for each occurrence and \$2,000,000 in the aggregate;

- b) Vehicle Liability Insurance providing \$1,000,000 coverage for each occurrence and \$5,000,000 in the aggregate;
 - c) Pollution Liability Insurance with coverage of at least \$5,000,000 for each occurrence, with the exception of pollution conditions arising out of transported cargo, which is covered at least \$1,000,000 for each occurrence;
 - d) Worker's Compensation Insurance which meets the requirements of the State of Alabama; and
 - e) Employer's Liability Insurance coverage of at least \$1,000,000 for each occurrence.
- The policies providing such insurance shall:
- a) be with an insurance carrier having an A.M. Best's rating of at least A- and of financial size category X, or otherwise be acceptable to Grantor; and
 - b) with respect to a) through c) above, shall name Grantor as Additional Insured thereunder.

Provided further, the Grantee shall maintain acceptable liability insurance protection for Grantor as a named insured on a policy conforming the Grantee's current insurance coverage as set out on Exhibit "D" attached hereto. Grantee agrees to secure and/or maintain the appropriate Master Service Agreements (MSA) as set out on Exhibit "E", with its contractors that are a part of the construction and maintenance of said pipeline.

Any subcontractors must also meet the same insurance requirements except with respect to the coverages required under subsections (a) and (b), the limits must be at a minimum of \$2,000,000 for each such subcontractor rather than the limits stated above; and Grantee is responsible to ensure that these requirements are met.

Grantee shall furnish Grantor with written evidence of insurance, signed and warranted by an authorized representative of the insurance companies issuing same and indicating that these policies are in force, that the premiums therefor have been paid and that the limits thereunder shall not be changed nor the insurance described therein modified or canceled until thirty (30) days after prior written notice of such change of limits, modification or cancellation has been provided to Grantor. Such evidence shall be delivered to Grantor prior to the commencement of any work hereunder by Grantee and annually thereafter. In the event Grantee fails to provide such insurance coverage, or annual evidence thereof, Grantor shall have the right to terminate this Grant of Easement by filing a Notice of such termination in the Office of the Probate Clerk of Shelby County, Alabama.

- 6. In the event Grantee's use and operation of the pipeline ceases for twelve (12) consecutive months, the within pipeline, access easements and rights-of-way, and all rights and privileges pertinent thereto, shall cease and revert back to the Grantor, its successors or assigns; and Grantee shall have an additional twelve (12) months in which to remove its facilities;
- 7. Grantee shall indemnify and hold harmless the Grantor, its agents, employees and/or representatives or assigns, from and against all claims, damages, losses, suits and action, costs and expenses, including but not limited to attorney's fees and costs, arising or resulting from the installation, construction, operation, maintenance, repair, renewal, replacement or removal of said pipeline on, over, along, across and/or under said Easement Area; from the imposition by any Federal or State governmental or regulatory authority of any lien or so-called "Super Lien" upon lands of Grantor or any adjacent landowner(s), from any and all contamination of soils and/or groundwater or any other damage to person(s), property or land and standing timber of Grantor or any adjacent landowner resulting from any explosion or "release" of "oil" or other "hazardous materials," as same may be defined by such Federal, State or local Environmental Laws, regulations, rules or any injuries to or the death of any person or persons or damage to any property of Grantor or third parties; and from all acts performed by or for the Grantee, unless same is caused by the negligence of Grantor, its agents, employees, representatives or assigns;
- 8. The term "Hazardous Materials" when used herein shall be broadly interpreted to mean any substance or material now or hereafter defined or designated as hazardous, toxic, or any other such term as defined by any Federal, State or local Environmental Law, regulation, rule or ordinance presently in effect or promulgated in the future as such laws, regulations, rules or ordinances may hereafter be amended; and it shall be interpreted to include, but not be limited to, any substance which, after its release into the environment will or may reasonably be anticipated to cause sickness, death or disease.

Any and all written notices, which are desired or required to be given hereunder, shall be effective upon receipt and shall be delivered via United States certified or registered mail to the addresses set forth in the initial paragraph of this instrument.

Grantor hereby expressly disclaims any representations, warranties or covenants with respect to the within-described Easement Area. The easement and right-of-way herein Granted is made by Grantor "AS IS, WHERE IS" AND GRANTOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, WHETHER OF TITLE OR MERCHANTABILITY, CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, OR SAFETY OF THE WITHIN-DESCRIBED EASEMENT AREA. Any warranty or covenant by Grantor hereunder is limited to the return of the purchase price, if any, without interest or penalty.

The rights, conditions and provisions of this Grant of Easement shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

This instrument incorporates and describes all of the grants, undertakings, conditions and considerations of the parties. Grantor in executing and delivering this instrument, represents that it has not relied upon any promises, inducements or representations of the Grantee or its agents or employees, except such as are set forth herein.

IN WITNESS WHEREOF, the Grantor has executed the foregoing easement as of the day and year first-above written.

HAWAII ERS TIMBERLAND, LLC

By: Hancock Natural Resource Group, Inc.,
GRANTOR

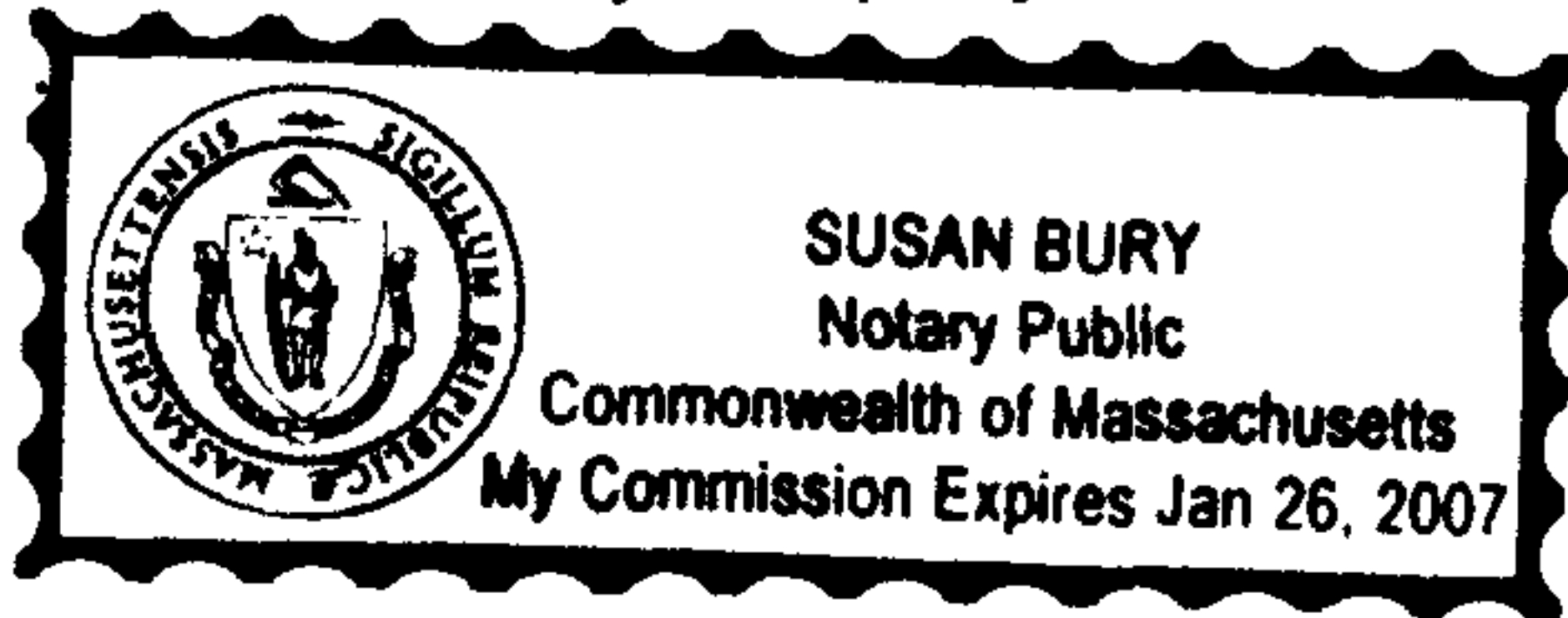
by 
Kevin J. McWilliams, Assistant Treasurer

COMMONWEALTH OF MASSACHUSETTS)

COUNTY OF SUFFOLK)

ss

On this 20th day of July, 2004, before me, Susan Bury, the undersigned Notary Public, personally appeared Kevin J. McWilliams, proved to me through satisfactory evidence of identity, which was that he is known to me personally, to be the person whose name is signed on the preceding attached document, and acknowledged to me that he signed it voluntarily for its stated purpose as an Assistant Treasurer of Hancock Natural Resource Group, Inc., in its capacity as the Manager of Hawaii ERS Timberland, LLC, a Hawaii limited liability company.



Susan Bury, Notary Public
My commission expires: _____

At a meeting of the Board of Directors of HANCOCK NATURAL RESOURCE GROUP, INC., held on November 4, 1997, a quorum being present and acting throughout, it was

VOTED: That the Executive Managing Director, any Managing Director, the President, any Senior Vice President, any Vice President, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Director of Operations and Stewardship, the Director of Acquisitions, the Director of CalPERS account, the Northwest Region Manager, the Manager of Acquisitions, the CalPERS Forest Operations Manager, the South Region Manager, the South Region Forester and the Northeast Region Manager of the Company, or any one of them, are hereby authorized to execute and seal with the corporate seal, acknowledge and deliver any and all instruments required in connection with any authorized investment, sale, loan, pledge, or other transaction managed by the Company on behalf of John Hancock Life Insurance Company or on behalf of its other clients.

On this 20th day of July, 2004, I hereby certify that the above is a true copy of a vote passed November 4, 1997, by the Board of Directors of HANCOCK NATURAL RESOURCE GROUP, INC.; that the same still remains in full force and effect; that this certificate is attached to an instrument required in connection with an authorized transaction managed by the Company on behalf of Hawaii ERS Timberland, LLC; and that Kevin J. McWilliams is an Assistant Treasurer of the Company, an appropriate officer to execute said instrument.

Antoniette Ricci
Antoniette Ricci, (Assistant) Secretary

ACCEPTED BY:

GEOMET, INC., GRANTEE

By J. Neil Walden, Jr.
J. Neil Walden, Jr., President
Walden

EXHIBIT "A"

State of Alabama)
Shelby County)
Bibb County)

Geomet Gas Line R.O.W.

A strip of land for a Right-of-Way located in part of the Northeast quarter, part of the Northwest quarter of the Southeast quarter, and part of the East half of the Southwest quarter, Section 16, part of the Northwest quarter and part of the Northwest quarter of the Southwest quarter, Section 21, all lying in Township 22 South, Range 4 West, Shelby County, Alabama, and part of the Southeast quarter, Section 20, Township 22 South, Range 4 West, Bibb County, Alabama, and being more particularly described with reference to a survey line as described as follows:

Commence at the Northeast corner of the Northeast quarter of the Northeast quarter of Section 16, Township 22 South, Range 4 West; thence run Westerly and along the North line of said quarter-quarter for a distance of 1210.56 feet to the POINT OF BEGINNING; thence with a deflection angle left of 88 degrees 14 minutes, run Southerly for a distance of 8.47 feet; thence with an interior angle left of 162 degrees, 07 minutes, run Southwesterly for a distance of 1062.44 feet; thence with an interior angle left of 171 degrees, 54 minutes, run Southwesterly for a distance of 730.85 feet to a point; thence with an interior angle right of 165 degrees, 25 minutes, run Southerly for a distance of 373.66 feet; thence with an interior angle left of 160 degrees, 07 minutes, run Southwesterly for a distance of 530.45 feet; thence with an interior angle left of 163 degrees, 11 minutes, run Southwesterly for a distance of 344.89 feet; thence with an interior angle right of 170 degrees, 13 minutes, run Southwesterly for a distance of 264.19 feet; thence with an interior angle left of 166 degrees, 11 minutes, run Southwesterly for a distance of 463.15 feet; thence with an interior angle right of 155 degrees, 24 minutes, run Southwesterly for a distance of 347.67 feet; thence with an interior angle left of 168 degrees, 31 minutes, run Southwesterly for a distance of 533.89 feet; thence with an interior angle right of 148 degrees, 16 minutes, run Southerly for a distance of 378.67 feet; thence with an interior angle right of 156 degrees, 29 minutes, run Southerly for a distance of 1430.00 feet; thence with an interior angle left of 89 degrees, 35 minutes, run Westerly for a distance of 166.59 feet; thence with an interior angle left of 149 degrees, 25 minutes, run Westerly for a distance of 141.97 feet; thence with an interior angle right of 159 degrees, 41 minutes, run Westerly for a distance of 153.43 feet; thence with an interior angle right of 143 degrees, 27 minutes, run Southwesterly for a distance of 234.38, thence with an interior angle right of 145 degrees, 19 minutes, run Southerly for a distance of 690.56 feet; thence with an interior angle right of 166 degrees, 26 minutes, run Southerly for a distance of 343.74 feet; thence with an interior angle left of 157 degrees, 09 minutes, run Southwesterly for a distance of 620.86 feet; thence with an interior angle left of 146 degrees, 38 minutes, run Southwesterly for a distance of 151.05 feet; thence with an interior angle right of 155 degrees, 41 minutes, run Southwesterly for a distance of 387.07 feet; thence with an interior angle left of 173 degrees, 14 minutes, run Southwesterly for a distance of 435.93 feet; thence with an interior angle left of 173 degrees, 00 minutes, run Southwesterly for a distance of 534.32 feet; thence with an interior angle right of 160 degrees, 31 minutes, run Southwesterly for a distance of 1083.42 feet; thence with an interior angle left of 114 degrees, 48 minutes, run Westerly for a distance of 2033.65 feet to the POINT OF

ENDING, said point lying on the West line of the Southwest quarter of the Southeast quarter of Section 20, Township 22 South, Range 4 West.

Said strip of land being 20 feet in width and being 10 feet in width either side of and adjacent to the above described survey line.

EXHIBIT B 1 of 2

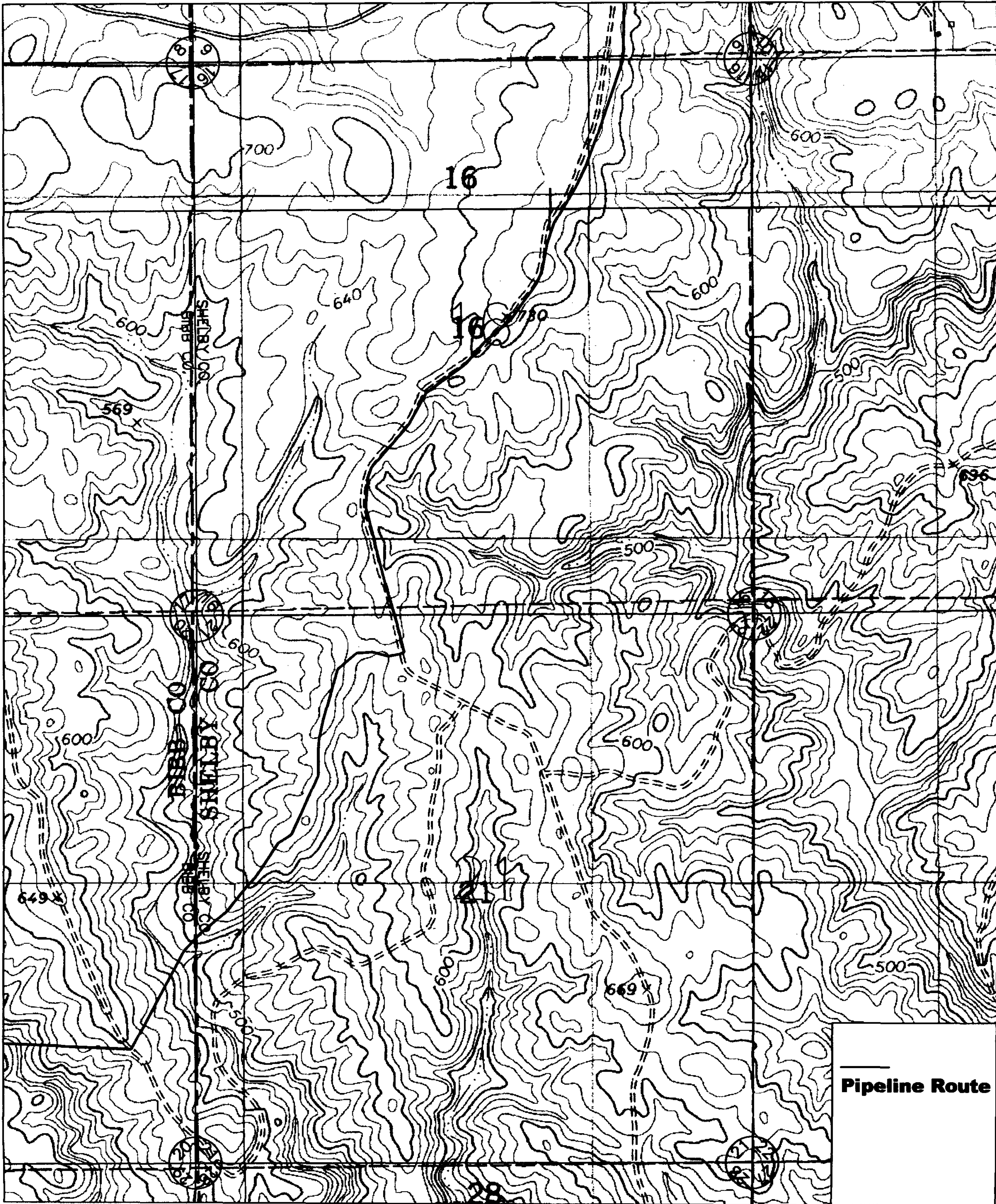


EXHIBIT "C"

TOWNSHIP 22 SOUTH, RANGE 4 WEST, SHELBY COUNTY, ALABAMA

Section 16: The Northeast Quarter (NE $\frac{1}{4}$);
The South Half (S $\frac{1}{2}$); and

Section 21: All,

BEING a portion of the premises conveyed to Grantor by deed dated February 10, 2000,
filed with the Probate Clerk of Shelby County, Alabama, as Instrument No. 2000-
04449.