June 17, 2014

Kinder-Morgan Sierrita Pipeline Project

Background

Kinder-Morgan, doing business as Sierrita Gas Pipeline, LLC, has proposed to construct a new 36-inch pressurized natural gas pipeline conveying natural gas from the United States to Puerto Libertad and Guaymas, Mexico. A number of alternatives existed for connecting gas transmission facilities between the United States and Mexico. The first, and most preferable option, would have been to augment existing pipeline infrastructure along the federally designated utility corridor adjacent to Interstate 19 in the Santa Cruz Valley connecting to Nogales.

Another alternative was to construct a new, 60-mile long pipeline through Altar Valley. The Altar Valley alternative had two locations examined for pipeline construction. The first location (East route) was adjacent to State Route 286, which connects Robles Junction (Three Points) and Sasabe. The second (West route) was to follow a portion of State Route 286 and then deviate north of the Buenos Aires National Wildlife Refuge (Refuge) running the pipeline route immediately west of the Refuge.

While the County would have preferred the augmentation of existing facilities in the Santa Cruz Valley, the Altar Valley alternative was pursued. Of the Altar Valley alternatives, the County argued strongly for the East route location adjacent to the existing disturbed highway corridor as the less damaging route. However, the US Fish and Wildlife Service objected to this location. By default, the only available alternative was the West route, west of the Refuge. The County has been in consultation with a number of interested parties, private land owners, and ranchers in the Altar Valley, the Altar Valley Conservation Alliance, Tohono O’odham Nation and others who have expressed concerns regarding both short- and long-term impacts of this location alternative.

Mitigating Adverse Impacts of Pipeline Location, Construction and Operation

Our largest concern regarding this new pipeline alignment is that it will create a 60-plus mile long and 150 foot wide swath of cleared land extending from the Mexican border northward through Altar Valley into the western urban area of Pima County. This cleared swath disturbs habitats in a nearly pristine Altar Valley and creates significant potential for unauthorized and illegal surface use of the corridor.

From our perspective, the most important element in our discussions with Kinder-Morgan has been to assure both short- and long-term mitigation. The original requirement from the agency that regulates this activity, the Federal Energy Regulatory Commission (FERC), has been to hold Kinder-Morgan responsible for successful revegetation and mitigation of other
adverse effects for a period of only five years. We believe this timeframe is entirely too short given the natural ecosystem recovery of Sonoran Desert environments. Given the current weather drought conditions, such a mitigation obligation must be extended to a much longer time period to be effective and reduce to a manageable level the real impacts of pipeline development.

We have expressed concerns about habitat losses as well as degradation of the valley’s ecosystem, watershed conditions, and illegal activities such as drug smuggling and trafficking. These concerns are real and potentially permanent if not properly managed by Kinder-Morgan. For this reason, we have been very active in negotiating a long-term monitoring plan with Kinder-Morgan.

Originally, the County requested a mitigation fund that could be drawn upon if adverse habitat losses were not mitigated, if erosion corrective action was necessary, or if illegal trails required closing and/or restoration. Kinder-Morgan has agreed to a long-term monitoring plan that takes the place of the mitigation fund. Given Kinder-Morgan will provide long-term monitoring and management of adverse impacts for a period of 20 years, the mitigation fund is no longer necessary.

Key Elements of the Long-term Monitoring Plan

The long-term monitoring plan has a number of baseline evaluations that provide a mix of qualitative and quantitative environmental information that can be utilized to determine the existing conditions at the time of initial pipeline construction and for up to 20 years after construction. Having a robust program is vital to measuring the success of mitigation and is crucial in helping to identify those areas that are vulnerable or in a state of decline because of the failure of measures implemented by others to control illegal access, creation of trails, pathways and roadways allowing the County to request, as necessary, assistance from federal, state or local law enforcement agencies to prevent same. The interim monitoring plan will be submitted to FERC and must be incorporated into their final project approval.

In addition, the County will have direct, legally enforceable rights associated with the long-term monitoring plan because it is referenced as a condition of County property conveyance to Kinder-Morgan. The key components of this long-term monitoring plan include:

- Documentation of baseline vegetative cover and topography through aerial photography, photogrammetric mapping, and LiDAR mapping prior to clearing of the right of way and construction.

- Plots for monitoring of vegetation restoration and recovery in Years 6 through 20 will be used to assess cover and composition to measure restoration success. Kinder
Morgan will continue to monitor and report on revegetation until vegetation targets achieve 70 percent of mean composition and cover and of off-right of way areas adjacent to the pipeline corridor.

- Implementation of adaptive management strategies and remediation measures such as reseeding to facilitate successful revegetation. Pima County will participate in determining if success measures have been met.

- Annual aerial monitoring (and follow-up ground monitoring, if necessary) for erosion in washes and elsewhere along the corridor and remedial action if erosion exceeds 12 inches from the baseline mapping.

- Annual aerial monitoring by the County of impacts resulting from illegal trafficking, drug smuggling and associated law enforcement activities in and adjacent to the right of way.

- Continued noxious weed monitoring and treatment if the percent cover is greater in the right of way than the percent cover of the same species outside the right of way.

- Data on all of these efforts will be provided to Pima County for periodic review. The County can request information from Kinder-Morgan at any time within appropriate scheduling timeframes convenient to the parties.

**Conservation Compensation**

The Conservation Land System (CLS) adopted by the Board of Supervisors was founded on the principle of conserving large intact landscapes; preventing fragmentation and habitat losses that are avoidable. In the case of unavoidable losses, a compensation strategy has been to ensure conservation of a certain amount of land that is proportional to the ecological values destroyed because of the unavoidable impact. Kinder-Morgan has avoided making commitments to mitigate habitat losses, citing federal preemption. In this particular case, most habitat losses occur on State Trust lands that are required for the pipeline corridor right of way. Hence, the County request is more tenuous in this case.

That said, we do have an obligation to ask that even federal actions meet local mitigation obligations. As public policy evolves in law, this will be the appropriate standard even though federal or even state supremacy is often cited by applicants and, in some cases, federal and/or state regulators. Such is shortsighted and ignores the local preferences and standards developed in response to real world experiences at the actual level of impact.

Regarding this evolving public policy principle, Kinder-Morgan has agreed to provide monetary compensation for the County to purchase lands that could be used to offset permanent habitat losses. Kinder-Morgan also argues that their long-term monitoring plan and specific agreements on vegetation, erosion protection and prevention, and ecological restoration reduce and/or minimize the permanent loss of habitat. Such is a plausible argument, but highly debatable. Given that it may take decades for the pipeline corridor to
 recover its native vegetative cover and habitat value, Kinder-Morgan has offered $1 million
to the County to purchase conservation lands to offset environmental degradation and
permanent losses to minimize long-term impacts.

Pursuant to the County’s Riparian Habitat Ordinance, Kinder-Morgan is required to provide
in-lieu fees for loss of classified riparian vegetation. The last submittals to the Regional
Flood Control District indicate there are 210 wash crossings that will be crossed by the
pipeline that contain certain areas of riparian habitat. In addition, the County has required
that the pipelines be buried deeper in certain locations crossing major washes to ensure
pipeline stability and minimize long-term adverse erosion problems. These deeper
excavations require more mitigation because of increased habitat losses. The County has
agreed that, in order to expedite Kinder-Morgan approval, a lump sum in-lieu fee of $3.0
million for riparian losses is acceptable.

The U.S. Fish and Wildlife Service is requiring mitigation for the direct loss and damage to
Pima pineapple cactus habitat, and Kinder-Morgan has also agreed to purchase 487 Pima
pineapple cactus mitigation credits from a privately owned Pima pineapple cactus
mitigation bank. This acquisition is supported by the County and will mitigate the loss of
Pima pineapple cactus habitat.

Cultural Resources Protection Concerns

The Tohono O’odham Nation has expressed some concerns over the protection of cultural
resources that may be in the vicinity of the pipeline or may be impacted by the lack of
restoration and/or other activities. We understand there is a Memorandum of
Understanding between FERC, Kinder-Morgan and the Arizona State Historic Preservation
Office (SHPO) that may only be provided to the Tohono O’odham Nation on June 13, 2014.

We attempted to insert language regarding the protection of cultural resources our Long-
term Monitoring Agreement. Kinder-Morgan objected to this language.

Further, we have not been made aware of or participated in any consultation that may have
occurred between SHPO, Kinder-Morgan and the Tohono O’odham Nation. We want to
support the Tohono O’odham Nation in their efforts and concerns. However, we have no
authority to compel cooperative, consultative processes.

Recommendation

I recommend the Board of Supervisors:

1. Approve the Mitigation Agreement and Agreement for Easements between Pima
   County, the Pima County Regional Flood Control District, and Sierrita Gas Pipeline,
   LLC, which incorporates the Long-term Monitoring Plan, Permanent Easements from
Pima County and the Pima County Regional Flood Control District, and Temporary Construction Easements from the County and Regional Flood Control District; and

2. Grant a public utility license to Sierrita Gas Pipeline, LLC.

Respectfully submitted,

C.H. Huckelberry
County Administrator

CHH/mjk – June 12, 2014

Attachments

c: Linda Mayro, Director, Office of Conservation and Sustainability
Diana Durazo, Special Staff Assistant to the County Administrator
Neil Konigsberg, Manager, Real Property Services
SIERRITA GAS PIPELINE LLC
MITIGATION AGREEMENT AND AGREEMENT FOR EASEMENTS

1. PARTIES. THIS MITIGATION AGREEMENT AND AGREEMENT FOR EASEMENTS (the “Agreement”) is entered into this ______ day of ____________, 2014, by and between Sierrita Gas Pipeline LLC, a Delaware limited liability company (“Sierrita”) Pima County, Arizona, a body politic of the State of Arizona (“Pima County”), and Pima County Regional Flood Control District, a body politic of the State of Arizona (“District”). Pima County and District are sometimes collectively referred to herein as “Grantor”.

2. RECITALS. Sierrita, Pima County and District acknowledge and agree that:

2.1. Pima County owns the real property described on Exhibit A-1 attached hereto (the “County Easement Property”);

2.2. District owns the real property described on Exhibit AA-1 attached hereto (the “District Easement Property”). The County Easement Property and the District Easement Property are hereinafter collectively referred to as the “Easement Properties”;

2.3. Pima County has agreed to grant a perpetual easement to Sierrita across the County Easement Property in the form attached hereto as Exhibit A (the “County Easement”), to allow Sierrita to construct, install, operate and maintain one or more pipelines, valves, and other appurtenances (the “Facilities”) on the County Easement Property.

2.4. District has agreed to grant a perpetual easement to Sierrita across the District Easement Property in the form attached hereto as Exhibit AA (the “District Easement”), to allow Sierrita to construct, install, operate and maintain one or more pipelines, valves, and other appurtenances (the “Facilities”) on the District Easement Property;

2.5. Pima County has agreed to convey to Sierrita the right and privilege of using as temporary working space certain parcels of land described in Exhibit B-1 (the “County TCE Property”), in accordance with a Temporary Construction Easement in the form of Exhibit B attached hereto (the “County TCE”);
2.6. District has agreed to convey to Sierrita the right and privilege of using as temporary working space certain parcels of land described in Exhibit BB-1, (the “District TCE Property”) in accordance with a Temporary Construction Easement in the form of Exhibit BB attached hereto (the “District TCE”);

2.7. Pima County, District and Sierrita have agreed to the terms and conditions of the County Easement, District Easement, County TCE, and District TCE (collectively the “Easements”), which are attached hereto as Exhibits A, AA, B, and BB as provided in section 16.5 of this Agreement, and which are hereby incorporated into this Agreement.

3. DURATION OF AGREEMENT. The effective date of this Agreement (the “Effective Date”) is the date it is executed by Sierrita, County and District. This Agreement, excluding obligations of indemnity which will survive the termination of this Agreement, shall terminate twenty (20) years after the in-service date of the pipeline (the “Termination Date”) but the termination of this Agreement will not affect the validity of the Easements. Sierrita shall provide written notice to County within thirty (30) days after the in-service date of the pipeline stating the in-service date (the “In-Service Date”).

4. EASEMENTS. After execution of this Agreement by Sierrita and Grantor, Sierrita shall execute and deliver the Easements and the County Fees and District Fees to County and District. Upon receipt of the foregoing fees and documents, County and District shall, within 5 business days, execute and record the Easements.

5. COUNTY FEES. Sierrita agrees to pay the following amounts to Pima County (collectively the “County Fees”):

5.1. County Easement Fee. The sum of SIXTEEN THOUSAND SEVEN DOLLARS ($16,007.00) as compensation for the value of the County Easement.

5.2. County TCE Fee. The sum of TWO THOUSAND FIVE HUNDRED TWENTY-SIX DOLLARS ($2,526.00) as compensation for the value of the County TCE.

5.3. Conservation Land System Fee. The sum of ONE MILLION DOLLARS ($1,000,000.00) for the preservation of important habitat values in the Conservation Land System (CLS).

5.4. Conservation Fund. In lieu of paying an amount to Pima County to establish a conservation fund, Sierrita has agreed to a Long-Term Monitoring Plan as defined in Section 7.1 below.

6. DISTRICT FEES. Sierrita agrees to pay the following amounts to District (collectively the “District Fees”):

6.1. In Lieu Mitigation. The sum of THREE MILLION DOLLARS ($3,000,000.00) for in lieu mitigation of lost vegetation values in riparian areas.
6.2. **District Easement Fee.** The sum of TEN THOUSAND NINE HUNDRED FIFTY DOLLARS ($10,950.00) as compensation for the value of the District Easement.

6.3. **District TCE Fee.** The sum of TWO THOUSAND EIGHT HUNDRED THIRTY-SEVEN DOLLARS ($2,837.00) as compensation for the value of the District TCE.

7. **SIERRITA OBLIGATIONS.** Sierrita has the following obligations (the "Sierrita Obligations") during the term of this Agreement:

7.1. **Monitoring.** Sierrita agrees to monitor the revegetation progress and remediate any restoration failures and erosion on the Easement Properties and the pipeline corridor defined as the entire length of the pipeline, a distance of approximately 60.5 miles, and for the full width of the right of way corridor, as well as any areas disturbed by construction of the pipeline. Such monitoring and remediation shall occur for the first five (5) years following the In-Service Date in accordance with Sierrita’s Post-Construction Vegetation Monitoring Document, appended to the Final Environmental Impact Statement as Appendix H. Sierrita agrees to file with the Federal Energy Regulatory Commission a Long-Term Monitoring Plan prior to the In-Service Date as set forth in **Exhibit C** attached hereto. The Long-Term Monitoring Plan sets forth Sierrita’s vegetation monitoring and restoration procedures and outlines its obligations for years six through twenty following the In-Service Date.

7.2. **Community Betterment Budget.** Sierrita agrees to establish a community betterment budget and to fully disburse that amount in support of community betterment to various schools and other charitable and community organizations that are located in the vicinity of the proposed route of the Sierrita Pipeline.

7.3. **Permits.** Sierrita shall obtain all required permits and comply with all applicable laws, ordinances, rules and regulations and shall pay all applicable permit fees, costs and expenses normally and customarily payable to County or District, in exercising its rights and performing its obligations under the Easements.

7.4. **Ground Disturbance.** No ground disturbance may occur until all required approvals have been provided by the Federal Energy Regulatory Commission to Sierrita for the Facilities. Sierrita, its employees, contractors and agents shall comply with all applicable cultural resources and historic preservation statutes, regulations, ordinances, policies and guidelines prior to and during any ground disturbance within the Easement areas.

8. **CONFIDENTIALITY.**

8.1. **Confidential and Proprietary Information.** This Agreement requires the disclosure of information by Sierrita that may be confidential and proprietary information. As used in this Agreement, the term “Confidential and Proprietary Information” shall mean any information that may disclose the location of the Facilities. The term “Confidential and Proprietary Information shall not, however, include any information relating to any
remediation conducted in accordance with this Agreement, including but not limited to
the Long-Term Monitoring Plan, provided that such information does not disclose the
location of the Facilities.

8.2. **Public Records Law.** The parties acknowledge that the County is subject to the Arizona
Public Records Law, A.R.S. sections 39-121 through 39-128, and that the County may
receive one or more public records requests to which all or part of the Confidential and
Proprietary Information in the County’s possession may be responsive. If the County
receives such a public records request, the County will notify Sierrita of the request in
writing. The County will be free to disclose to the requestor any responsive or arguably
responsive Confidential and Proprietary Information, without liability to any Party under
this Agreement or otherwise, unless Sierrita, within ten (10) days after the date of
County’s written notification, obtains an order from a court of competent jurisdiction
enjoining the County from disclosing the Confidential and Proprietary Information.

9. **COUNTY AND DISTRICT PERMITS.** Pima County and District will timely process
permits upon receipt of appropriate applications and supporting documentation and fees, in
compliance with A.R.S. §§ 11-1602 to 1610. Permits shall be issued by Pima County and the
District as quickly as commercially practicable. Pima County and District shall not unreasonably
withhold issuance of permits to Sierrita or its contractors. Pima County and District shall provide
timely notice to Sierrita of all application and supporting documentation deficiencies, if any, in
order to support the requested permits.

10. **INDEMNIFICATION.**

10.1. Sierrita agrees to defend, indemnify and hold harmless Pima County and District, their
officers, officials, agents and employees ("**Indemnified Group**") for liability from and
against claims, damages, losses and expenses of any nature whatsoever (including but not
limited to reasonable attorney fees, court costs, the costs of appellate proceedings, and all
claim adjusting and handling expense), relating to, arising out of, resulting or alleged to
have resulted from Sierrita’s acts, errors, mistakes or omissions relating to any action or
inaction of Sierrita under this Agreement, including but not limited to work or services in
the performance of this Agreement by any contractor, subcontractor or anyone directly or
indirectly employed by or contracting with Sierrita or a subcontractor or anyone for
whose acts any of them may be liable. However, nothing herein shall require Sierrita to
indemnify the Indemnified Group for the errors or omissions or intentional or criminal
acts of the Indemnified Group.

10.2. If any covered claim, action or proceeding is brought against the Indemnified Group, by
reason of any event that is the subject of this Agreement, Sierrita (at its sole cost and
expense) shall pay, resist or defend such claim or action on behalf of the Indemnified
Group by the attorney of Sierrita’s choice, or if covered by insurance, Sierrita’s insurer,
all of which must be approved by Pima County and District, which approval shall not be
unreasonably withheld or delayed. Pima County and District shall cooperate with all
reasonable efforts in the handling and defense of such claims.
10.3. Any settlement of claims covered by this Agreement must fully release and discharge the Indemnified Group from any liability for such claims. The release and discharge shall be in writing and shall be subject to approval by Pima County and District, which approval shall not be unreasonably withheld or delayed.

10.4. The indemnity provisions of this Agreement shall survive the termination of this Agreement.

11. DEFAULT. Failure or unreasonable delay by any party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured.

12. REPRESENTATIVES. To further the cooperation of the parties in implementing this Agreement, Pima County, District and Sierrita each shall designate and appoint a representative to act as a liaison between District, Pima County and its various departments and Sierrita. The initial representative for Pima County and District (the “Pima County Representative”) shall be the Pima County Administrator or his designated representative, and the initial representative for Sierrita shall be its Director of Land Department, as identified by Sierrita from time to time (the “Sierrita Representative”). The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this Agreement.

13. MEDIATION. In the event there is a dispute hereunder that the parties cannot resolve between themselves, the parties agree there shall be a forty-five (45) day moratorium on litigation during which time the parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The matter in dispute shall be submitted to a mediator mutually selected by Sierrita and Pima County (on behalf of Pima County and District). In the event that the parties cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, Pima County and Sierrita shall request the presiding judge of the Superior Court in and for the county of Pima, State of Arizona, to appoint an independent mediator. The cost of any such mediation shall be divided equally between Pima County (on behalf of Pima County and District) and Sierrita. The results of the mediation shall be nonbinding on the parties, and any party shall be free to initiate litigation subsequent to the moratorium.

14. REMEDIES. In the event of a default hereunder by any party which is not resolved by mediation pursuant to section 11 of this Agreement, the non-defaulting party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

15. CONFLICT OF INTEREST; REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

15.1. Conflict of Interest. This contract is subject to the provisions of A.R.S. §38-511 which provides in pertinent part:

The state, its political subdivisions or any department of either may, within
three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivision, or any of the departments or agencies or either if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies or either is, at any time, while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract with respect to the subject matter of the contract.

In the event Pima County or District exercises its rights pursuant to the provisions of A.R.S. §38-511, it will return to Sierrita the Conservation Land System fee and the In Lieu Mitigation Fee.

15.2. **No Personal Liability.** No member, official or employee of Pima County or District shall be personally liable to Sierrita, or any successor or assignee, (a) in the event of any default or breach by Pima County or District, (b) for any amount which may become due to Sierrita or its successor or assign, or (c) pursuant to any obligation of Pima County or District under the terms of this Agreement.

16. **MISCELLANEOUS PROVISIONS.**

16.1. **Notices.** All notices and communications provided for herein, or given in connection herewith, shall be made in writing and delivered personally or sent by registered or certified United States Postal Service mail, return receipt requested, postage prepaid to:

If to Pima County:  Pima County Administrator  
130 W. Congress Street, Floor 10  
Tucson, AZ 85701

Clerk of the Board of Supervisors  
130 W. Congress Street, Floor 5  
Tucson, AZ 85701

Director, Office of Sustainability and Conservation  
201 N. Stone Avenue, Floor 6  
Tucson, AZ 85701

Real Property Services Manager  
201 North Stone Avenue, Floor 6  
Tucson, AZ 85701

If to District:  General Manager  
Pima County Regional Flood Control District  
130 W. Congress Street, Floor 10  
Tucson, AZ 85701
Clerk of the Pima County Regional Flood Control District
130 W. Congress Street, Floor 5
Tucson, AZ 85701

Director, Pima County Regional Flood Control District
97 E. Congress Street, Floor 3
Tucson, AZ 85701

If to Sierrita: Sierrita Gas Pipeline LLC
P.O. Box 1087
Colorado Springs, CO 80944

or to such other addresses as either party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective. Notices given by mail shall be deemed the date on which the change is to become effective. Notices given by mail shall be deemed delivered seventy-two (72) hours following deposit in the United States Postal Service in the manner set forth above.

16.2. **Waiver.** No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or of any other provision of this Agreement.

16.3. **Headings.** The descriptive headings of the paragraphs of this Agreement are inserted for convenience only, and shall not control or affect the meaning or construction of any of the provisions of the Agreement.

16.4. **Authority.** The undersigned represent to each other that they have full power and authority to enter into this Agreement, and that all necessary actions have been taken to give full force and effect to this Agreement. Sierrita represents and warrants that it is duly qualified to do business in the State of Arizona and is in good standing under applicable state laws. Sierrita, District and Pima County warrant to each other that the individuals executing this Agreement on behalf of the respective parties are authorized and empowered to bind the party on whose behalf each individual is signing.

16.5. **Entire Agreement.** This Agreement, including the following exhibits, constitutes the entire agreement between the parties:

16.5.1. Exhibit A: County Utility Easement

16.5.2. Exhibit A-1: County Easement Property

16.5.3. Exhibit AA: District Utility Easement

16.5.4. Exhibit AA-1: District Easement Property
16.5.5. Exhibit B: County TCE

16.5.6. Exhibit B-1: County TCE Property

16.5.7. Exhibit BB: District TCE

16.5.8. Exhibit BB-1: District TCE Property

16.5.9. Exhibit C: Long Term Monitoring Plan

17. AMENDMENT. This Agreement may be amended, in whole or in part, only with the mutual written consent of all the parties to this Agreement or by their successors in interest or assigns.

18. SEVERABILITY. If any provision(s) of this Agreement is declared void or unenforceable, such provision(s) shall be severed from this Agreement, and the remaining provisions shall otherwise continue in full force and effect.

19. GOVERNING LAW. The laws of the State of Arizona shall govern the interpretation and enforcement of this Agreement. The parties agree that venue for any action commenced in connection with this Agreement shall be proper only in a court of competent jurisdiction located in Pima County, Arizona, and the parties hereby waive any right to object to such venue.

20. ATTORNEYS’ FEES AND COSTS. If any party brings a legal action either because of a breach of this Agreement or to enforce a provision of this Agreement, the prevailing party will be entitled to their reasonable attorneys’ fees and court costs.

21. NO THIRD-PARTY BENEFICIARIES. There are no third-party beneficiaries to this Agreement, and no person or entity not a party hereto shall have any right or cause of action hereunder.

22. NO AGENCY CREATED. Nothing contained in this Agreement shall create any partnership, joint venture, or agency relationship between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth below.

SIERRITA GAS PIPELINE LLC

By: ____________________________
Name: Mark A. Kissel
Title: President
PIMA COUNTY:

Chair, Pima County Board of Supervisors

PIMA COUNTY FLOOD CONTROL DISTRICT:

Chair, Board of Directors

ATTEST:

Clerk of the Board of Supervisors

Clerk of the Board of Directors

APPROVED AS TO FORM:

[Signature]

Deputy Pima County Attorney for Pima County

APPROVED AS TO FORM:

[Signature]

Deputy Pima County Attorney for Pima County Flood Control District
When recorded, return to:

Pima County Real Property Services
201 N. Stone Avenue, 6th Floor
Tucson, AZ 85701-1215

NATURAL GAS PIPELINE EASEMENT

1. Grant of Easement. PIMA COUNTY, a political subdivision of the State of Arizona ("Grantor"), for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration paid by SIERRITA GAS PIPELINE LLC, a Delaware limited liability company ("Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell, and convey unto Grantee, its successors and assigns, a permanent fifty-foot (50') wide natural gas pipeline easement (the "Easement") over and across the real property described on the attached Exhibit "A" and depicted on the attached Exhibit "A-1" (the "Property").

2. Background and Purpose.

2.1. Grantor and Grantee have entered into an agreement titled “Sierrita Gas Pipeline LLC Mitigation Agreement and Agreement for Easements” (the “Mitigation Agreement”).

2.2. Pursuant to the terms of the Mitigation Agreement, Grantor has agreed to convey the Easement to Grantee according to the terms and conditions of this Easement.

3. Permitted Uses. The following uses are permitted on the Property by Grantee (the “Permitted Uses”):

3.1. to locate and survey a route, construct, trench, maintain, operate, protect, and replace a natural gas pipeline with cathodic equipment thereto, and in connection therewith (being hereinafter collectively called the "Facilities") and for the transportation of natural gas over, under, and through the Property; and

3.2. the right of ingress and egress to and from, and access on and over the Easement, with the right to use existing roads designated by Grantor, for the purposes of constructing, inspecting, repairing, protecting, maintaining, and replacing the
Facilities. The pipeline may be replaced or removed by Grantee, its successors or assigns at will, either in whole or in part, and with either like or different size pipe.

4. **Obligations of Grantee.**

4.1. No ground disturbance may occur until all required certificates and final approvals have been provided by the Federal Energy Regulatory Commission to Grantee for activities on the Property;

4.2. Grantee shall restore all disturbed areas in accordance with the terms of the Mitigation Agreement, including but not limited to the Long-Term Monitoring Plan attached as Exhibit C to the Mitigation Agreement.


4.4. Grantee shall pay to Grantor damages to Grantor's growing crops, timber, and personal property caused by the construction, maintenance, protection, repair, replacement, or removal of the Facilities. Existing roads impacted by pipeline construction will be restored to as good or better condition when construction is complete;

4.5. All equipment, excess materials and trash shall be removed from the Property within seven (7) days of project completion;

4.6. Grantee shall obtain all necessary permits required for construction activities that alter an existing drainage channel from the applicable Federal, State, and local regulatory agencies.

4.7. Grantee shall keep all gates closed and insure its contractors do the same.

4.8. Grantee shall use existing roads for temporary construction access unless approved otherwise in writing by Grantor. When using existing roads, on a temporary basis, Grantee may make them passable by Grantee but shall otherwise not expand them.

4. **Regulation of Property.** County shall have the right to establish and enforce regulations concerning use of the Property consistent with the terms of this Easement.

5. **Use of Property by Grantor.** Grantor may use the Property for any purpose consistent with the Permitted Use, except that:

5.1. Grantor shall not hinder, conflict, or interfere with Grantee's surface or subsurface rights thereunder or disturb its Facilities;

5.2. No road, reservoir, excavation, obstruction, or structure shall be constructed, created, or maintained on, over, under, or within the Easement; and
5.3. Grantor agrees not to increase or decrease the elevation of the earth within the Easement Right of Way without Grantee's prior written consent.

6. Non-exclusive. Nothing in this Easement shall be construed to limit the rights of the Grantor to issue compatible additional easements over and across this easement.

7. Runs With the Land. The Easement is a covenant that runs with the land. All grants, covenants and conditions of these easements shall inure to the benefit of and be binding upon the successors in interest to Grantor and Grantee.

8. Abandonment by Grantee. Upon the permanent abandonment of the Easement, Grantee shall, upon Grantor's written request, execute and record the reconveyance and release hereof, whereupon this Easement and all rights and privileges herein mutually granted shall be fully canceled and terminated.

9. Cultural Resources Compliance. Consistent with Pima County Board of Supervisors Policy No. C 3.17, Grantee, its employees, contractors and agents shall comply with all applicable federal, state and local cultural resources and historic preservation statutes, regulations, ordinances, policies and guidelines prior to and during any ground disturbance within the Easement area. Grantee shall coordinate with the Pima County Office of Cultural Resources and Historic Preservation when planning and designing construction and when implementing cultural resource compliance activities. Grantee is solely responsible for all costs related to cultural resource compliance activities arising from Grantee's activities within the Easement area.

10. Indemnity. Grantee shall indemnify, defend and hold harmless from any and all present or future claims, demands and causes of action in law or equity caused by the negligent or intentionally wrongful acts of Grantee’s agents, employees or contractors in connection with Grantee’s use of the Easement area.
WITNESS THE EXECUTION HEREOF this ____ day of _______________, 2014.

ATTEST: 

GRANTOR: Pima County, a political subdivision of the State of Arizona

By: ___________________________ 
Sharon Bronson, Chair, Board of Supervisors

Robin Brigode, Clerk of the Board of Supervisors

APPROVED AS TO FORM:

__________________________
Tobin Rosen
Deputy County Attorney

STATE OF ARIZONA )
) ss
COUNTY OF PIMA )

The foregoing instrument was acknowledged before me this ____ day of ____________, 2014, by the Chair of the Pima County Board of Supervisors, a political subdivision of the State of Arizona.

(Seal) 

Notary Public

__________________________
GRANTEE: Sierrita Gas Pipeline, L.L.C.,
a Delaware limited liability company

BY: ____________________________

As: ____________________________

The foregoing instrument was acknowledged before me this ___ day of __________, 2014, by ____________________________ as ____________________________ of Sierrita Gas Pipeline LLC,
a Delaware limited liability company.

(Seal)  Notary Public

| Board of Supervisors Approval: |
| Agent: | File #: | Activity #: | P [ ] De [ ] Do [ ] E [ ] |
DESCRIPTION OF PERMANENT EASEMENT 1:

THE CENTERLINE OF A 50.00 FOOT WIDE STRIP OF LAND BEING A PORTION OF PIMA COUNTY AND ALSO A PART OF THE MILLSTONE INDUSTRIAL DISTRICT NO. 1, RECORDED IN BOOK 13 PAGE 51, LOCATED IN SECTION 1, TOWNSHIP 15 SOUTH, RANGE 11 EAST, GILA & SALT RIVER B. & M., COUNTY OF PIMA, STATE OF ARIZONA, SAID 50.00 FOOT WIDE STRIP OF LAND BEING 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE SOUTH RIGHT OF WAY LINE OF SNYDER HILL ROAD IN SAID SECTION 1, FROM WHICH THE NORTH ONE-QUARTER CORNER OF SAID SECTION 1 BEARS NORTH 87°43'33" WEST, A DISTANCE OF 1327.55 FEET;

TENENCE OVER AND ACROSS SAID PARCEL THE FOLLOWING TWO (2) COURSES AND DISTANCES:
1. SOUTH 00°00'09" WEST, A DISTANCE OF 102.82 FEET;
2. SOUTH 89°02'58" WEST, A DISTANCE OF 896.04 FEET, MORE OR LESS, TO A POINT ON THE EAST LINE OF PARCEL 71A, LOT 1, BLOCK 2 AS SHOWN ON THE ASSESSOR'S RECORD MAP, SAID POINT BEING THE POINT OF TERMINUS, FROM WHICH THE NORTH ONE-QUARTER CORNER OF SAID SECTION 1 BEARS NORTH 68°24'47" WEST, A DISTANCE OF 463.06 FEET.

THE TOTAL LENGTH OF THE ABOVE DESCRIBED CENTERLINE IS 998.86 FEET (60.54 RODS), CONTAINING 1.146 ACRES (49,943 SQUARE FEET) OF LAND, MORE OR LESS.

THE SIDE LINES OF THIS EASEMENT ARE LENGTHENED OR SHORTENED TO MEET AT ANGLE POINTS AND TERMINATE AT SAID SOUTH RIGHT OF WAY LINE OF SNYDER HILL ROAD AND SAID EAST LINE OF PARCEL 71A. SAID PERMANENT EASEMENT DESCRIBED ABOVE BEING BOUNDED WITHIN THE LANDS OF SAID PARCEL NAMED HEREON.

[CONTINUED ON SHEET 2 OF 2]

NOTES:

1. THIS EXHIBIT WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT, THEREFORE CH2M HILL HAS NOT RESEARCHED OR SHOWN ANY OTHER EASEMENTS, RIGHTS-OF-WAY, VARIANCES AND OR AGREEMENTS OF RECORD EXCEPT AS SHOWN HEREON.

2. ALL DISTANCES SHOWN HEREON ARE INTERNATIONAL FOOT (GRID).

3. SEE EXHIBIT B BY WHICH THIS REFERENCE IS MADE PART HEREOF.

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SIERRITA GAS PIPELINE LLC

EXHIBIT A

PIMA COUNTY

SECTION 1, TOWNSHIP 15 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER B. & M.

DRAWN BY: SDL                  DATE: 01/29/13
SHEET: 1 OF 3                  PIMA COUNTY, AZ

CH2M HILL
1901 W. FOUNTAINHEAD PKWY., SUITE 401
TEMPE, AZ 85282
480-377-5238

DRAWING NUMBER
PIMA COUNTY
REV.
DESCRIPTION OF PERMANENT EASEMENT 2:

THE CENTERLINE OF A 50.00 FOOT WIDE STRIP OF LAND BEING A PORTION OF THE PIMA COUNTY, AND ALSO A PART OF THE
MILLSTONE INDUSTRIAL DISTRICT NO. 1, RECORDED IN BOOK 13 PAGE 51, LOCATED IN SECTION 1, TOWNSHIP 15 SOUTH,
RANGE 11 EAST, GILA & SALT RIVER B. & M., COUNTY OF PIMA, STATE OF ARIZONA, SAID 50.00 FOOT WIDE STRIP OF LAND
BEING 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WEST LINE OF PARCEL 71A, LOT 1, BLOCK 2 OF SAID MILLSTONE INDUSTRIAL DISTRICT NO.
1 AS SHOWN ON THE ASSESSORS RECORD MAP, FROM WHICH THE NORTH ONE QUARTER CORNER OF SAID SECTION 1
BEARS NORTH 47°09'14" WEST, A DISTANCE OF 256.44 FEET;

THENCE OVER AND ACROSS SAID PARCEL SOUTH 89°52'08" WEST, A DISTANCE OF 1155.01 FEET, MORE OR LESS, TO A POINT
ON THE EAST LINE OF PARCEL 58A, LOT 2, BLOCK 1, AS SHOWN ON THE ASSESSOR'S RECORD MAP, SAID POINT BEING THE
POINT OF TERMINUS, FROM WHICH THE NORTH ONE QUARTER CORNER OF SAID SECTION 1 BEARS NORTH 78°40'46"
EAST, A DISTANCE OF 986.01 FEET.

THE TOTAL LENGTH OF THE ABOVE DESCRIBED CENTERLINE IS 1155.01 FEET (70.00 RODS), CONTAINING 1.326 ACRES (57,750
SQUARE FEET) OF LAND, MORE OR LESS.

THE SIDE LINES OF THIS EASEMENT ARE LENGTHENED OR SHORTENED TO MEET AT ANGLE POINTS AND TERMINATE AT
SAID WEST LINE OF PARCEL 71A AND SAID EAST LINE OF PARCEL 58A, SAID PERMANENT EASEMENT DESCRIBED ABOVE
BEING BOUNDED WITHIN THE LANDS OF SAID PARCEL NAMED HEREON.

DESCRIPTION OF PERMANENT EASEMENT 3:

THE CENTERLINE OF A 50.00 FOOT WIDE STRIP OF LAND BEING A PORTION OF THE PIMA COUNTY, AND ALSO A PART OF THE
MILLSTONE INDUSTRIAL DISTRICT NO. 1, RECORDED IN BOOK 13 PAGE 51, LOCATED IN SECTION 1, TOWNSHIP 15 SOUTH,
RANGE 11 EAST, GILA & SALT RIVER B. & M., COUNTY OF PIMA, STATE OF ARIZONA, SAID 50.00 FOOT WIDE STRIP OF LAND
BEING 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WEST LINE OF PARCEL 58A, LOT 2, BLOCK 1 OF SAID MILLSTONE INDUSTRIAL DISTRICT NO.
1 AS SHOWN ON THE ASSESSORS RECORD MAP, FROM WHICH THE NORTH ONE QUARTER CORNER OF SAID SECTION 1
BEARS NORTH 81°15'08" EAST, A DISTANCE OF 1308.23 FEET;

[CONTINUED ON SHEET 3 OF 3]
THENCE OVER AND ACROSS SAID PARCEL SOUTH 89°52'08" WEST, A DISTANCE OF 1319.34 FEET, MORE OR LESS, TO A POINT ON THE EAST RIGHT OF WAY LINE OF CONTINENTAL ROAD, SAID POINT BEING THE POINT OF TERMINUS, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 1 BEARS NORTH 23°41'46" WEST, A DISTANCE OF 191.76 FEET.

THE TOTAL LENGTH OF THE ABOVE DESCRIBED CENTERLINE IS 1319.34 FEET (79.96 RODS), CONTAINING 1.514 ACRES (65,967 SQUARE FEET) OF LAND, MORE OR LESS.

THE SIDE LINES OF THIS EASEMENT ARE LENGTHENED OR SHORTENED TO MEET AT ANGLE POINTS AND TERMINATE AT SAID WEST LINE OF PARCEL 58A AND SAID EAST RIGHT OF WAY LINE OF CONTINENTAL ROAD. SAID PERMANENT EASEMENT DESCRIBED ABOVE BEING BOUNDED WITHIN THE LANDS OF SAID PARCEL NAMED HEREON.

THE BASIS OF BEARING IS THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 1, TOWNSHIP 15 SOUTH, RANGE 11 EAST, OF THE GILA & SALT RIVER B. & M., BASED ON GPS OBSERVATIONS AND PROJECTED TO UTM-12 NORTH, NAD83 (GRID) WHICH BEARS NORTH 00°40'20" WEST AND IS MONUMENTED BY A 1 1/2" ALUMINUM CAP AT THE WEST ONE-QUARTER CORNER AND A 3/8" REBAR AT THE NORTHWEST CORNER OF SAID SECTION 1, AS SHOWN HEREON.

I, THOMAS M. McLEAN, A LAND SURVEYOR, REGISTERED IN THE STATE OF ARIZONA, HEREBY CERTIFY THAT THIS SURVEY WAS DONE BY ME OR UNDER MY DIRECT SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY ABILITY, FURTHERMORE, THIS SURVEY MEETS THE ARIZONA BOUNDARY SURVEY STANDARDS.

THOMAS M. McLEAN, PLS
ARIZONA REGISTRATION NUMBER 17357

EXHIBIT A
PIMA COUNTY

SECTION 1, TOWNSHIP 15 SOUTH
RANGE 11 EAST, GILA AND SALT RIVER B. & M.

DRAWN BY: SDL DATE: 01/29/13
SHEET: 3 OF 3
PIMA COUNTY, AZ

CH2MILLI
1201 W. FOURTH STREET
TEMPE, AZ 85282
480-377-6928

SIERRITA GAS PIPELINE LLC

DRAWING NUMBER
PIMA COUNTY

REV. -
SECTION 1

SECTION CORNER
T14S R11E SEC.35 SEC.36 SEC.35 SEC.31 T15S R11E FOUND 3/8" REBAR

CENTERLINE OF PROPOSED 60' PERMANENT EASEMENT

1/4 CORNER T14S R11E SEC.35 SEC.31 T15S R11E FOUND 2" ALUMINUM CAP "RJS 14145"

RIGHT OF WAY
SNYDER HILL ROAD
BK. 13 PG. 51

N 23°41'46" W 191.76' (SURVEY TIE)

N 81°15'08" E 1308.23' (SURVEY TIE)

S 89°02'09" W 2689.61'

L3 P.O.T. 2 11+55.01
L4 P.O.B. 3 0+00
P.O.T. 3 13+19.34

N 78°40'46" E 986.01' (SURVEY TIE)

75.00' RIGHT OF WAY
CONTINENTAL ROAD
BK. 13 PG. 51

LINE BEARING DISTANCE
L3 S 89°02'58" W 1155.01'
L4 S 89°02'58" W 1319.34'

50' EASEMENT
PERMANENT EASEMENT DETAIL N.T.S.

PIMA COUNTY

NW 1/4
SECTION 1
T15S, R11E, GILA AND SALT RIVER B. & M.

2600.72'
S 89°31'33" W 2675.72'

LEGEND
¢ COMPUTED LOCATION FROM FOUND MONUMENTATION
△ SECTION CORNER
P.O.B. POINT OF BEGINNING
P.O.T. POINT OF TERMINUS

SCALE: 1" = 500'

SEE EXHIBIT A BY WHICH THIS REFERENCE IS MADE PART HEREOF.

SIERRITA GAS PIPELINE LLC

EXHIBIT B
PIMA COUNTY

SECTION 1, TOWNSHIP 15 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER B. & M.

DRAWN BY: SDL DATE: 01/29/13

PIMA COUNTY, AZ

CH2M

1503 W. FOUNTAINHEAD PROPE, SUITE 401
TEMPLE, AZ 85282
480-377-8236

DRAWING NUMBER
PIMA COUNTY

REV.
NATURAL GAS PIPELINE EASEMENT

1. **Grant of Easement.** PIMA COUNTY REGIONAL FLOOD CONTROL DISTRICT, a political taxing subdivision of the State of Arizona ("Grantor"), for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration paid by SIERRITA GAS PIPELINE LLC, a Delaware limited liability company ("Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell, and convey unto Grantee, its successors and assigns, a permanent fifty-foot (50') wide natural gas pipeline easement (the "Easement") over and across the real property described on the attached Exhibit "A" and depicted on the attached Exhibit "A-1" (the "Property").

2. **Background and Purpose.**

   2.1. Grantor and Grantee have entered into an agreement titled "Sierrita Gas Pipeline LLC Mitigation Agreement and Agreement for Easements" (the "Mitigation Agreement").

   2.2. Pursuant to the terms of the Mitigation Agreement, Grantor has agreed to convey the Easement to Grantee according to the terms and conditions of this Easement.

3. **Permitted Uses.** The following uses are permitted on the Property by Grantee (the "Permitted Uses"): 

   3.1. to locate and survey a route, construct, entrench, maintain, operate, protect, and replace a natural gas pipeline with cathodic equipment thereto, and in connection therewith (being hereinafter collectively called the "Facilities") and for the transportation of natural gas over, under, and through the Property; and

   3.2. the right of ingress and egress to and from, and access on and over the Easement, with the right to use existing roads designated by Grantor, for the purposes of constructing, inspecting, repairing, protecting, maintaining, and replacing the
Facilities. The pipeline may be replaced or removed by Grantee, its successors or assigns at will, either in whole or in part, and with either like or different size pipe.

4. **Obligations of Grantee.**

4.1. No ground disturbance may occur until all required certificates and final approvals have been provided by the Federal Energy Regulatory Commission to Grantee for activities on the Property;

4.2. Grantee shall restore all disturbed areas in accordance with the terms of the Mitigation Agreement, including but not limited to the Long-Term Monitoring Plan attached as Exhibit C to the Mitigation Agreement.


4.4. Grantee shall pay to Grantor damages to Grantor's growing crops, timber, and personal property caused by the construction, maintenance, protection, repair, replacement, or removal of the Facilities. Existing roads impacted by pipeline construction will be restored to as good or better condition when construction is complete;

4.5. All equipment, excess materials and trash shall be removed from the Property within seven (7) days of project completion;

4.6. Grantee shall obtain all necessary permits required for construction activities that alter an existing drainage channel from the applicable Federal, State, and local regulatory agencies.

4.7. Grantee shall keep all gates closed and insure its contractors do the same.

4.8. Grantee shall use existing roads for temporary construction access unless approved otherwise in writing by Grantor. When using existing roads, on a temporary basis, Grantee may make them passable by Grantee but shall otherwise not expand them.

4. **Regulation of Property.** County shall have the right to establish and enforce regulations concerning use of the Property consistent with the terms of this Easement.

5. **Use of Property by Grantor.** Grantor may use the Property for any purpose consistent with the Permitted Use, except that:

5.1. Grantor shall not hinder, conflict, or interfere with Grantee's surface or subsurface rights thereunder or disturb its Facilities;

5.2. No road, reservoir, excavation, obstruction, or structure shall be constructed, created, or maintained on, over, under, or within the Easement; and
5.3. Grantor agrees not to increase or decrease the elevation of the earth within the Easement Right of Way without Grantee's prior written consent.

6. **Non-exclusive.** Nothing in this Easement shall be construed to limit the rights of the Grantor to issue compatible additional easements over and across this easement.

7. **Runs With the Land.** The Easement is a covenant that runs with the land. All grants, covenants and conditions of these easements shall inure to the benefit of and be binding upon the successors in interest to Grantor and Grantee.

8. **Abandonment by Grantee.** Upon the permanent abandonment of the Easement, Grantee shall, upon Grantor's written request, execute and record the reconveyance and release hereof, whereupon this Easement and all rights and privileges herein mutually granted shall be fully canceled and terminated.

9. **Cultural Resources Compliance.** Consistent with Pima County Board of Supervisors Policy No. C 3.17, Grantee, its employees, contractors and agents shall comply with all applicable federal, state and local cultural resources and historic preservation statutes, regulations, ordinances, policies and guidelines prior to and during any ground disturbance within the Easement area. Grantee shall coordinate with the Pima County Office of Cultural Resources and Historic Preservation when planning and designing construction and when implementing cultural resource compliance activities. Grantee is solely responsible for all costs related to cultural resource compliance activities arising from Grantee’s activities within the Easement area.

10. **Indemnity.** Grantee shall indemnify, defend and hold harmless from any and all present or future claims, demands and causes of action in law or equity caused by the negligent or intentionally wrongful acts of Grantee’s agents, employees or contractors in connection with Grantee’s use of the Easement area.
WITNESS THE EXECUTION HEREOF this ______ day of ____________, 2014.

ATTEST:

_________________________
Robin Brigode, Clerk of the Board of Directors

GRANTOR: Pima County Flood Control District, a political taxing subdivision of the State of Arizona

By: _______________________
    Sharon Bronson, Chair, Board of Directors

APPROVED AS TO FORM:

_________________________
Tobin Rosen
Deputy County Attorney

STATE OF ARIZONA )
 ) ss
COUNTY OF PIMA )

The foregoing instrument was acknowledged before me this _____ day of ____________, 2014, by the Chair of the Board of Directors of the Pima County Flood Control District, a political taxing subdivision of the State of Arizona.

(Seal) Notary Public

_________________________

Page 4 of 5
GRANTEE: Sicerrita Gas Pipeline, L.L.C.,
a Delaware limited liability company

BY: ____________________________

As: ____________________________

The foregoing instrument was acknowledged before me this ___ day of _________, 2014, by ____________________________ of Sicerrita Gas Pipeline LLC, a Delaware limited liability company.

(Sign)                           Notary Public

Board of Supervisors Approval:

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Page 5 of 5
DESCRIPTION OF PERMANENT EASEMENT 1:

THE CENTERLINE OF A 50.00 FOOT WIDE STRIP OF LAND BEING A PORTION OF MILLSTONE INDUSTRIAL DISTRICT NO. 1, RECORDED IN BOOK 13 PAGE 51, AND ALSO BEING A PORTION OF THE PIMA COUNTY FLOOD CONTROL DISTRICT, LOCATED IN SECTION 1, TOWNSHIP 15 SOUTH, RANGE 11 EAST, GILA & SALT RIVER B. & M., COUNTY OF PIMA, STATE OF ARIZONA, SAID 50.00 FOOT WIDE STRIP OF LAND BEING 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE EAST LINE OF PARCEL 71A, AS SHOWN ON THE ASSESSORS RECORD MAP, FROM WHICH THE NORTH ONE-QUARTER CORNER OF SAID SECTION 1 BEARS NORTH 68°24'47" WEST, A DISTANCE OF 463.06 FEET;

THENCE SOUTH 89°02'56" WEST, A DISTANCE OF 242.59 FEET, MORE OR LESS, TO A POINT ON THE WEST LINE OF SAID PARCEL 71A, AS SHOWN ON THE ASSESSORS RECORD MAP, SAID POINT BEING THE POINT OF TERMINUS, FROM WHICH THE NORTH ONE-QUARTER CORNER OF SAID SECTION 1 BEARS NORTH 47°09'14" WEST, A DISTANCE OF 256.44 FEET.

THE TOTAL LENGTH OF THE ABOVE DESCRIBED CENTERLINE IS 242.59 FEET (14.70RODS), CONTAINING 0.278 ACRES (12,129 SQUARE FEET) OF LAND, MORE OR LESS.

THE SIDE LINES OF THIS EASEMENT ARE LENGTHENED OR SHORTENED TO MEET AT ANGLE POINTS AND TERMINATE AT SAID EAST AND WEST LINES OF PARCEL 71A. SAID PERMANENT EASEMENT DESCRIBED ABOVE BEING BOUNDED WITHIN THE LANDS OF SAID PARCEL NAMED HEREON.

[CONTINUED ON SHEET 2 OF 3]

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NOTES:

1. THIS EXHIBIT WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT, THEREFORE CH2M HILL HAS NOT RESEARCHED OR SHOWN ANY OTHER EASEMENTS, RIGHTS-OF-WAY, VARIANCES AND OR AGREEMENTS OF RECORD EXCEPT AS SHOWN HEREON.

2. ALL DISTANCES SHOWN HEREON ARE INTERNATIONAL FOOT (GRID).

3. SEE EXHIBIT B BY WHICH THIS REFERENCE IS MADE PART HEREOF.

SIERRITA GAS PIPELINE LLC

EXHIBIT A

PIMA COUNTY
FLOOD CONTROL DISTRICT
SECTIONS 1 & 2, TOWNSHIP 15 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER B. & M.

DRAWN BY: SDL DATE: 01/29/13
SHEET: 1 OF 3 PIMA COUNTY, AZ

CH2MILL
1531 W. FOUNTAINHEAD
PROVO, SUITE 401
TEMPLE, AZ 85281
480-377-4519

SIERRITA PIPELINE PROJECT, EPNG LINE 2177
EPNG/KM AFE 59919

PIMA COUNTY_FCD
DESCRIPTION OF PERMANENT EASEMENT 2:

THE CENTERLINE OF A 50.00 FOOT WIDE STRIP OF LAND BEING A PORTION OF MILLSTONE INDUSTRIAL DISTRICT NO. 1, RECORDED IN BOOK 13 PAGE 51, AND ALSO BEING A PORTION OF THE PIMA COUNTY FLOOD CONTROL DISTRICT, LOCATED IN SECTION 1, TOWNSHIP 15 SOUTH, RANGE 11 EAST, GILA & SALT RIVER B. & M., COUNTY OF PIMA, STATE OF ARIZONA, SAID 50.00 FOOT WIDE STRIP OF LAND BEING 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE EAST LINE OF PARCEL 58A, AS SHOWN ON THE ASSESSORS RECORD MAP, FROM WHICH THE NORTH ONE-QUARTER CORNER OF SAID SECTION 1 BEARS NORTH 76°40'46" EAST, A DISTANCE OF 986.01 FEET;

THENCE SOUTH 89°02'58" WEST, A DISTANCE OF 326.22 FEET, MORE OR LESS, TO A POINT ON THE WEST LINE OF SAID PARCEL 58A, SAID POINT BEING THE POINT OF TERMINUS, FROM WHICH THE NORTH ONE-QUARTER CORNER OF SAID SECTION 1 BEARS NORTH 81°15'08" EAST, A DISTANCE OF 1308.23 FEET.

THE TOTAL LENGTH OF THE ABOVE DESCRIBED CENTERLINE IS 326.22 FEET (19.77 RODS), CONTAINING 0.374 ACRES (16,311 SQUARE FEET) OF LAND, MORE OR LESS.

THE SIDE LINES OF THIS EASEMENT ARE LENGTHENED OR SHORTENED TO MEET AT ANGLE POINTS AND TERMINATE AT SAID EAST AND WEST LINES OF PARCEL 58A. SAID PERMANENT EASEMENT DESCRIBED ABOVE BEING BOUNDED WITHIN THE LANDS OF SAID PARCEL NAMED HEREON.

DESCRIPTION OF PERMANENT EASEMENT 3:

THE CENTERLINE OF A 50.00 FOOT WIDE STRIP OF LAND BEING A PORTION OF THE PIMA COUNTY FLOOD CONTROL DISTRICT, LOCATED IN SECTION 2, TOWNSHIP 15 SOUTH, RANGE 11 EAST, GILA & SALT RIVER B. & M., COUNTY OF PIMA, STATE OF ARIZONA, SAID 50.00 FOOT WIDE STRIP OF LAND BEING 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE EAST LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 2, FROM WHICH THE NORTHEAST CORNER OF SAID SECTION 2 BEARS NORTH 00°40'20" WEST, A DISTANCE OF 176.85 FEET;

THENCE OVER AND ACROSS SAID PARCEL SOUTH 89°52'08" WEST, A DISTANCE OF 2617.49 FEET, MORE OR LESS, TO A POINT ON THE WEST LINE OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 2, SAID POINT BEING THE POINT OF TERMINUS, FROM WHICH THE NORTH ONE-QUARTER CORNER OF SAID SECTION 2 BEARS NORTH 00°28'47" WEST, A DISTANCE OF 183.39 FEET.

[CONTINUED ON SHEET 3 OF 3]
[CONTINUED FROM SHEET 1 OF 2]

THE TOTAL LENGTH OF THE ABOVE DESCRIBED CENTERLINE IS 2617.49 FEET (158.64 RODS). CONTAINING 3.004 ACRES (130,874 SQUARE FEET) OF LAND, MORE OR LESS.

THE SIDE LINES OF THIS EASEMENT ARE LENGTHENED OR SHORTENED TO MEET AT ANGLE POINTS AND TERMINATE AT SAID EAST AND WEST LINES OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 2. SAID PERMANENT EASEMENT DESCRIBED ABOVE BEING BOUNDED WITHIN THE LANDS OF SAID PARCEL NAMED HEREON.

THE BASIS OF BEARING IS THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 1, TOWNSHIP 15 SOUTH, RANGE 11 EAST, OF THE GILA & SALT RIVER B. & M., BASED ON GPS OBSERVATIONS AND PROJECTED TO UTM-12 NORTH, NAD83 (GRID) WHICH BEARS NORTH 80°40′20″ WEST AND IS MONUMENTED BY A 1 1/2″ ALUMINUM CAP AT THE WEST ONE-QUARTER CORNER AND A 3/8″ REBAR AT THE NORTHWEST CORNER OF SAID SECTION 1, AS SHOWN HEREON.

I, THOMAS M. McLEAN, A LAND SURVEYOR, REGISTERED IN THE STATE OF ARIZONA, HEREBY CERTIFY THAT THIS SURVEY WAS DONE BY ME OR UNDER MY DIRECT SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY ABILITY, FURTHERMORE, THIS SURVEY MEETS THE ARIZONA BOUNDARY SURVEY STANDARDS.

THOMAS M. McLEAN, PLS
ARIZONA REGISTRATION NUMBER 17357

SIERRITA GAS PIPELINE LLC
EXHIBIT A
PIMA COUNTY
FLOOD CONTROL DISTRICT
SECTIONS 1 & 2, TOWNHIP 15 SOUTH
RANGE 11 EAST, GILA AND SALT RIVER B. & M.

DRAWN BY: SDL
DATE: 01/29/13
SHEET: 3 OF 3
PIMA COUNTY, AZ

CH2MILL
DRAWING NUMBER
PIMA COUNTY_FCD
SECTION 1

1/4 CORNER
T14S R11E SEC 33
T1S R11E
FOUND Z ALUMINUM CAP "RLS 14145"

N 68°24'47" W 463.06'
(SURVEY TIE)

N 89°02'08" E 2645.78'

CENTERLINE OF PROPOSED
50' PERMANENT EASEMENT

L1
P.O.B. 1
2+42.59
71A

L1 S 89°02'58" W 242.59'

S 47°08'14" W 256.44'
(SURVEY TIE)
P.O.T. 1

PIMA COUNTY NE 1/4
SECTION 1
T15S, R11E,
GILA AND
SALT RIVER
B. & M.

LEGEND
△ COMPUTED LOCATION FROM
FOUND MONUMENTATION
△ SECTION CORNER
P.O.B. POINT OF BEGINNING
P.O.T. POINT OF TERMINUS

SCALE: 1" = 500'

SEE EXHIBIT A BY WHICH THIS REFERENCE
IS MADE PART HEREOF.

SIERRITA GAS PIPELINE LLC

EXHIBIT B
PIMA COUNTY
FLOOD CONTROL DISTRICT
SECTIONS 1 & 2, TOWNSHIP 15 SOUTH,
RANGE 11 EAST, GILA AND SALT RIVER B. & M.

DRAWN BY: SDL
DATE: 01/29/13

SHEET: 3 OF 4
PIMA COUNTY, AZ

CH2MILL
1551 W. FOUNTAINHEAD
TEMPE, AZ 85281

DRAWING NUMBER
PIIMA COUNTY_FCD
SIERRITA PIPELINE PROJECT, EPNG LINE 2177

SECTION 1

SECTION CORNER
T14S R11E
SEC.35 SEC.36
SEC.25 SEC.1
T15S R11E
FOUND 3/8' REBAR

CENTERLINE OF PROPOSED 50' PERMANENT EASEMENT

N 78°40'45" E 986.01'
(SURVEY TIE)

N 81°15'06" E 1308.23'
(SURVEY TIE)

N 89°02'09" E 2699.61'

1/4 CORNER
T14S R11E
SEC.35
SEC.1
T15S R11E
FOUND 2" ALUMINUM CAP "RIS 14145"

P.O.B. 3
0+00

P.O.T. 2
3+26.22

L2
58A

P.O.B. 2
0+00

LINE BEARING DISTANCE
L2 S 89°02'58" W 326.22'

50' EASEMENT DETAIL N.T.S.

1/4 CORNER
T15S R11E
SEC.21 SEC.1
FOUND 1 1/2' ALUMINUM CAP

PIMA COUNTY

NW 1/4
SECTION 1
T15S, R11E,
GILA AND
SALT RIVER
B. & M.

2600.72'

S 89°31'33" W 2675.72'

LEGEND
◆ COMPUTED LOCATION FROM FOUND MONUMENTATION
◆ SECTION CORNER
P.O.B. POINT OF BEGINNING
P.O.T. POINT OF TERMINUS

SCALE: 1" = 500'
SEE EXHIBIT A BY WHICH THIS REFERENCE IS MADE PART HEREOF.

SIERRITA GAS PIPELINE LLC

EXHIBIT B
PIMA COUNTY
FLOOD CONTROL DISTRICT
SECTIONS 1 & 2, TOWNSHIP 15 SOUTH,
RANGE 11 EAST, GILA AND SALT RIVER B. & M.

DRAWN BY: SDL
DATE: 01/29/13
SHEET: 4 OF 4

PIMA COUNTY, AZ

CH2MILL

DRAWING NUMBER
PIMA COUNTY_FCD

-
When recorded, return to:

Pima County Real Property Services
201 N. Stone Avenue, 6th Floor
Tucson, AZ 85701-1215

TEMPORARY CONSTRUCTION EASEMENT

1. **Grant of Easement.** For valuable consideration, **Pima County**, a political subdivision of the State of Arizona, (the “Grantor”), grants unto Sierrita Gas Pipeline L.L.C., a Delaware limited liability company (the “Grantee”), over and upon the real property described in the attached Exhibit "A" (the “Property”) a temporary construction easement to enter in and upon the Property of the Grantor for uses associated with constructing the installation of a natural gas pipeline (the “Facilities”), subject to the terms and conditions in this Temporary Construction Easement (“TCE”).

2. **Term.** This TCE shall be effective as of the date it is executed by Grantor, and shall terminate on the earlier of 12 months after its effective date, or (ii) the completion of the use of the Property for construction of the Facilities.

3. **Permitted Uses.** The following uses are permitted on the Property by Grantee (the “Permitted Uses”): uses associated with constructing a natural gas pipeline, including but not limited to access, excavating, stockpiling dirt spoil, stringing and welding pipe and parking.

4. **Obligations of Grantee.**

   4.1. Grantee shall keep the Property in as good order, condition and repair as reasonable use will permit and shall leave the Property free of construction-related trash and debris.

   4.2. Grantee shall grade, level, restore, and revegitate the surface of the Property as close as practical to its original condition.
4.3. Grantee shall be responsible for acquiring all the permits necessary to conduct the Permitted Uses and Grantee shall be responsible for complying with all zoning and code requirements that may apply.

4.4. Barricades or other safety measures will be maintained by the Grantee for the duration of the construction activities. Public and worker safety will be the sole responsibility of the Grantee.

4.5. Grantee shall keep all gates closed and insure its contractors do the same. Grantor reserves the right to require cattle guards if Grantor determines gates are being left open or fencing has been removed or damaged by Grantee, its employees or contractors.

5. **Use of Property by Grantor.** Grantor may use the Property for any purpose consistent with the Permitted Use.

6. **Non-exclusive.** Nothing in this Easement shall be construed to limit the rights of the Grantor to issue compatible additional easements over and across this easement.

7. **Cultural Resources Compliance.** Consistent with Pima County Board of Supervisors Policy No. C 3.17, Grantee, its employees, contractors and agents shall comply with all applicable federal, state and local cultural resources and historic preservation statutes, regulations, ordinances, policies and guidelines prior to and during any ground disturbance within the Property. Grantee shall coordinate with the Pima County Office of Cultural Resources and Historic Preservation when planning and designing construction and when implementing cultural resource compliance activities. Grantee is solely responsible for all costs related to cultural resource compliance activities arising from Grantee’s activities within the Easement area.

8. **Indemnity.** Grantee agrees to indemnify and hold Grantor, its officials, officers, agents and employees, harmless from any and all suits, claims, demands, judgments or liabilities of any type whatsoever, including, but not limited to, injury to any person or damage to any property, arising out of, incidental to or in any way relating to Grantee’s use of, operations upon, maintenance of, or restoration of the Property, including but not limited to any acts of any employees or agents of Grantee. Grantee further agrees to indemnify and hold harmless Grantor from all costs and expenses arising out of any such suit, claim, demand, judgment or liability, including, but not limited to, the reasonable attorney’s fees of Grantor.

9. **County Ordinances Compliance.** Grantee shall be subject to all County ordinances now in force or hereafter adopted. Grantee shall use and operate within the easement in accordance with the regulations applicable to the use of public rights-of-way. Grantee agrees that it will not assert any claim against the County that the provisions of this easement or any applicable County ordinance or regulation in force at the time of execution of this easement are unreasonable, arbitrary or void.
WITNESS THE EXECUTION HEREOF this _____ day of ____________, 2014.

ATTEST:                                  GRANTOR:  Pima County, a political
                                            subdivision of the State of Arizona

Robin Brigode, Clerk of the Board of
Supervisors

By: ________________________________
    Sharon Bronson, Chair, Board of Supervisors

APPROVED AS TO FORM:

________________________
Tobin Rosen
Deputy County Attorney

STATE OF ARIZONA )
) ss
COUNTY OF PIMA )

This instrument was acknowledged before me this ______ day of ______, 2014 by the Chair of the Pima County Board of Supervisors, a political subdivision of the State of Arizona.

My Commission Expires: ____________________________

Notary Public
SIERRITA PIPELINE PROJECT, EPNG LINE 2177
EPNG/KM AFE 59919

SECTION 1

T15S, R11E, GILA AND SALT RIVER B. & M.

PIMA COUNTY

SECTION TWS (AC) ATWS (AC)
1 2.114 0.815
TOTAL 2.114 0.815

SCALE: 1" = 500'

LEGEND
\[\text{SECTION CORNER}\]
\[\text{P.O.B.} \quad \text{POINT OF BEGINNING}\]
\[\text{P.O.T.} \quad \text{POINT OF TERMINUS}\]

NOTES:
1. ALL ADDITIONAL TEMPORARY WORK SPACES SHOWN HEREON ARE 25 FEET IN WIDTH, EXCEPT WHERE NOTED OTHERWISE.
2. TEMPORARY WORK SPACES DESCRIBED HEREON, REFERENCE THE PERMANENT EASEMENT CENTERLINE DESCRIBED AND SHOWN ON THE ACCOMPANYING EXHIBITS A AND B, AND ARE BASED ON THE ASSUMED STATIONING (COMMENCING AT STATION 0+00 AT THE POINT OF BEGINNING).

SIERRITA GAS PIPELINE LLC
TEMPORARY WORK SPACE SKETCH
PIMA COUNTY

SECTION 1, TOWNSHIP 15 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER B. & M.

DRAWN BY: SDL  DATE: 01/29/13
SHEET: 1 OF 2  PIMA COUNTY, AZ

CH2MILL
1601 W. FOUNTAINHEAD
PORT. SUITE 401, TEMPE, AZ 85282
480-377-6230

DRAWING NUMBER  PIMA COUNTY_TGS
REV.
NOTES:

1. ALL ADDITIONAL TEMPORARY WORK SPACES SHOWN HEREON ARE 25 FEET IN WIDTH, EXCEPT WHERE NOTED OTHERWISE.

2. TEMPORARY WORK SPACES DESCRIBED HEREON, REFERENCE THE PERMANENT EASEMENT CENTERLINE DESCRIBED AND SHOWN ON THE ACCOMPANYING EXHIBITS A AND B, AND ARE BASED ON THE ASSUMED STATIONING (COMMENCING AT STATION 0+00 AT THE POINT OF BEGINNING).
EXHIBIT "BB"

When recorded, return to:

Pima County Real Property Services
201 N. Stone Avenue, 6th Floor
Tucson, AZ 85701-1215

TEMPORARY CONSTRUCTION EASEMENT

1. **Grant of Easement.** For valuable consideration, **Pima County Regional Flood Control District**, a political taxing subdivision of the State of Arizona, (the “Grantor”), grants unto Sierrita Gas Pipeline L.L.C., a Delaware limited liability company (the “Grantee”), over and upon the real property described in the attached **Exhibit "A"** (the “Property”) a temporary construction easement to enter in and upon the Property of the Grantor for uses associated with constructing the installation of a natural gas pipeline (the “Facilities”), subject to the terms and conditions in this Temporary Construction Easement (“TCE”).

2. **Term.** This TCE shall be effective as of the date it is executed by Grantor, and shall terminate on the earlier of 12 months after its effective date, or (ii) the completion of the use of the Property for construction of the Facilities.

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7. **Cultural Resources Compliance.** Consistent with Pima County Board of Supervisors Policy No. C 3.17, Grantee, its employees, contractors and agents shall comply with all applicable federal, state and local cultural resources and historic preservation statutes, regulations, ordinances, policies and guidelines prior to and during any ground disturbance within the Property. Grantee shall coordinate with the Pima County Office of Cultural Resources and Historic Preservation when planning and designing construction and when implementing cultural resource compliance activities. Grantee is solely responsible for all costs related to cultural resource compliance activities arising from Grantee’s activities within the Easement area.

8. **Indemnity.** Grantee agrees to indemnify and hold Grantor, its officials, officers, agents and employees, harmless from any and all suits, claims, demands, judgments or liabilities of any type whatsoever, including, but not limited to, injury to any person or damage to any property, arising out of, incidental to or in any way relating to Grantee’s use of, operations upon, maintenance of, or restoration of the Property, including but not limited to any acts of any employees or agents of Grantee. Grantee further agrees to indemnify and hold harmless Grantor from all costs and expenses arising out of any such suit, claim, demand, judgment or liability, including, but not limited to, the reasonable attorney’s fees of Grantor.

9. **County Ordinances Compliance.** Grantee shall be subject to all County ordinances now in force or hereafter adopted. Grantee shall use and operate within the easement in accordance with the regulations applicable to the use of public rights-of-way. Grantee agrees that it will not assert any claim against the County that the provisions of this easement or any applicable County ordinance or regulation in force at the time of execution of this easement are unreasonable, arbitrary or void.
WITNESS THE EXECUTION HEREOF this ___ day of ________________, 2014.

ATTEST: 

__________________________
Robin Brigode, Clerk of the Board of Directors

GRANTOR: Pima County Flood Control District, a political taxing subdivision of the State of Arizona

By: _______________________
Sharon Bronson, Chair, Board of Directors

APPROVED AS TO FORM:

__________________________
Tobin Rosen
Deputy County Attorney

STATE OF ARIZONA 
) ss
COUNTY OF PIMA 
)

This instrument was acknowledged before me this __________day of ________, 2014 by the Chair of the Board of Directors of the Pima County Flood Control District, a political taxing subdivision of the State of Arizona.

My Commission Expires: ______________________
Notary Public

<table>
<thead>
<tr>
<th>Agent:</th>
<th>File #:</th>
<th>Activity #:</th>
<th>P [] De [] Do [] E []</th>
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Board of Supervisors Approval:
**NOTES:**

1. **ALL ADDITIONAL TEMPORARY WORK SPACES SHOWN HEREON ARE 25 FEET IN WIDTH, EXCEPT WHERE NOTED OTHERWISE.**

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Sierrita Pipeline Project
Docket No. CP13-73-000

Long-Term Monitoring Plan

Exhibit C to Sierrita Gas Pipeline LLC Mitigation Agreement and Agreement for Easements

Sierrita Gas Pipeline LLC
Two North Nevada Avenue
Colorado Springs, CO 80903
Contents

1.0 Introduction .......................................................................................................................... 1

2.0 Long-Term Monitoring Goals and Objectives ................................................................. 3

3.0 Monitoring Approach .......................................................................................................... 5

   3.1 Continued Noxious Weed Monitoring .............................................................................. 5

   Noxious and Invasive Weed Treatment and Performance Criteria .................................. 7

   3.2 Monitoring Site Surveys .................................................................................................... 8

   Successful Revegetation ........................................................................................................ 9

   Revegetation Performance Criteria ..................................................................................... 10

   Land Management Agency ..................................................................................................... 10

   3.3 Aerial Monitoring ............................................................................................................ 11

   Baseline Aerial Documentation ............................................................................................ 11

   Annual Aerial Monitoring ...................................................................................................... 11

4.0 Monitoring Reports and Release from Monitoring ......................................................... 12

   Release from Monitoring ...................................................................................................... 12
# Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASLD</td>
<td>Arizona State Land Department</td>
</tr>
<tr>
<td>AVCA</td>
<td>Altar Valley Conservation Alliance</td>
</tr>
<tr>
<td>FERC</td>
<td>Federal Energy Regulatory Commission</td>
</tr>
<tr>
<td>GPS</td>
<td>global positioning system</td>
</tr>
<tr>
<td>OHV</td>
<td>off-highway vehicle</td>
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<tr>
<td>Pima County</td>
<td>Pima County and/or the Pima County Regional Flood Control District</td>
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<td>Project</td>
<td>Sierrita Pipeline Project</td>
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<td>ROW</td>
<td>right-of-way</td>
</tr>
<tr>
<td>Sierrita</td>
<td>Sierrita Gas Pipeline LLC</td>
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</tbody>
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1.0 Introduction

Sierrita Gas Pipeline LLC (Sierrita) proposes to construct approximately 60 miles of 36-inch-diameter, high-pressure pipeline and associated measurement facilities to deliver natural gas from El Paso Natural Gas Company, L.L.C.’s existing pipeline system to an interconnect point at the U.S.-Mexico border near the Town of Sasabe, Arizona (Figure 1) herein referred to as the Sierrita Pipeline (Project). A corresponding pipeline Mexico segment, known as the Sasabe-Guaymas Pipeline, would also be constructed in Mexico by a separate entity not associated with Sierrita. The U.S. and Mexican pipelines would serve to meet increased gas-fired electrical generation needs. Sierrita proposes to use a nominal 100-foot-wide construction right-of-way (ROW) for installation of the pipeline, and a 50-foot-wide permanent ROW to facilitate operation and maintenance of the pipeline, meter stations, and appurtenant installations. Sierrita has no plans for periodic vegetation maintenance of the ROW with the exception of large shrubs or trees located within 10 feet of the pipeline centerline with roots that could compromise the integrity of the pipeline or may interfere with periodic corrosion/leak surveys. Post-construction vegetation clearing would be performed by pedestrian means; no vehicles would be used for vegetation maintenance.

This Long-Term Monitoring Plan provides monitoring procedures that will be implemented over a 20 year period following the in-service date of the pipeline on lands managed by the Arizona State Land Department (ASLD) but will also apply to private lands or Pima County lands, if requested by the owner of the land. Long-Term Monitoring of the Project ROW includes continued noxious weed monitoring and management, surveys of the monitoring sites established during post-construction monitoring, erosion monitoring through annual overflights of the ROW, as well as remediation to ensure successful environmental restoration of impacts from the construction of the pipeline, as described in the following sections.
Figure 1
2.0 Long-Term Monitoring Goals and Objectives

The key goals of the Sierrita Long-Term Monitoring Plan are to continue noxious weed monitoring and management, continue surveying those monitoring sites established during post-construction monitoring, monitor erosion through annual overflights of the entire ROW, and document successful environmental restoration of impacts from the construction of the pipeline.

Vegetation

The establishment of perennial plant composition and cover (herein measures) is essential to achieving soil stability, noxious and invasive weed abatement, and wildlife habitat restoration following Project construction. Meeting thresholds for desirable perennial plant measures will be the indicator of successful restoration. Therefore, the goal of the long-term vegetation monitoring program is to document progress toward meeting revegetation success targets and to identify areas along the Project ROW that require additional treatments. Sierrita is responsible for success along the Project ROW until released by the FERC and ASLD, assuming that such release is not unreasonably withheld.

The long-term monitoring goals will be achieved by the following objectives:

- Conduct vegetation monitoring after in-service. Monitoring prior to the sixth year will occur as described in the Sierrita Post-Construction Vegetation Monitoring Document.
- In the fourth quarter of each year aerial high-definition videography/photography shall be completed of the entire pipeline corridor.
- Annually conduct ground photo documentation of monitoring sites by a qualified biologist (see Section 3.0);
- Identify the potential cause of revegetation efforts that do not meet the success criteria and implement corrective actions (adaptive management);
- Implement adaptive management strategies to achieve continued successful revegetation by coordinating with FERC, ASLD, Pima County, and AVCA. Sierrita will confer annually with FERC, ASLD, Pima County, and AVCA at Sierrita’s offices in Tucson, Arizona regarding the status of revegetation, trends toward meeting success criteria, and appropriate remediation actions that may be required to meet success criteria. If necessary, Sierrita would coordinate site visits with FERC, ASLD, Pima County, and AVCA to visit problem areas and to discuss solutions; and
- Prepare an Annual Long Term Monitoring Report for submittal to FERC, ASLD, Pima County, AVCA, and other agencies as appropriate after annual monitoring actions are completed.
Figure 2. Dominant vegetation communities along the pipeline route.

While this document establishes the long-term monitoring processes that will be used to assess the Project’s ongoing success with restoration, Sierrita remains responsible for overall restoration of the ROW. Should Sierrita personnel, agency personnel, or members of the public identify specific areas of concern on Sierrita’s ROW not included in the monitoring program,
Sierrita will assess the concerns at such locations and will take necessary corrective action, if required.

**Erosion**

Aerial monitoring will focus on the entire ROW, including at all wash crossings and areas both directly adjacent upstream and downstream as well as access roads where they cross the pipeline ROW. Therefore, the erosion monitoring program element will have the following characteristics:

- The entire ROW, including where the pipeline crosses washes and access roads, will be aerially monitored annually as detailed in Section 3.3 below.
- Monitoring will take place in the fourth quarter, after the monsoon season ends, and data will be evaluated prior to the start of the following monsoon season so that any problem spots can be addressed prior to the onset of heavy rains.
- Monitoring and remediation will be ongoing for 20 years after construction.

### 3.0 Monitoring Approach

Long-term monitoring of the Project ROW includes continued noxious weed monitoring and management; visual surveys of monitoring sites established during post-construction monitoring and annual over-flights of the ROW to identify and assess erosion issues and overall revegetation and potential areas of concern. Monitoring specific to noxious weeds and vegetation monitoring locations will be performed using personnel from an organization or company under contract with Sierrita meeting the following requirements:

a. Personnel leading the monitoring activities for a given monitoring team will hold a Bachelor’s of Science degree in botany, range science, or other vegetation-related science field or will have ten years of equivalent professional or academic experience.

b. Personnel should be able to demonstrate knowledge of local flora prior to fieldwork, including the identification of the range of native and non-native plant species expected to be encountered onsite. Personnel should be qualified to identify unknown plant species with a regional dichotomous key and/or herbarium work.

C. A safety and survey protocol meeting will be held prior to field surveys.

### 3.1 Continued Noxious Weed Monitoring

The Project area was surveyed for noxious weeds in 2012. Project biologists conducted field surveys of the Project area from March to May and July to September 2012 to inventory native and non-native vegetation. Table 1 lists the plant species observed in the Project area prior to construction that are non-native, invasive, and/or noxious weed species.
It should be noted that repeated control measures are not always considered successful for certain weed species that are already well established and abundant. For example, most land management agencies recognize that the widespread distribution of some non-native species, such as buffelgrass and some other grasses, precludes the reasonable possibility of regional eradication. For this reason, those certain widespread invasive species that are not classified as noxious, such as Russian thistle, would not be treated unless treatment is needed to ensure the success of Project restoration and revegetation efforts.

Surveys and monitoring would be conducted as part of Project restoration and revegetation to identify areas where these invasive species would need to be treated. Project weed control contractors would treat noxious weed populations and invasive weed populations (not designated as noxious) as identified through such monitoring.

Sierrita will survey for invasive species along the entire pipeline route. Surveys should take place semiannually, once in the spring and once in the fall. Treatment will take place at the same time as surveys. Monitoring and treatment should be ongoing for 10 years following in-service of the Project.
<table>
<thead>
<tr>
<th>Scientific Name</th>
<th>Common Name</th>
<th>Arizona Management Status a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuscuta spp.</td>
<td>Dodder</td>
<td>1, 3</td>
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<tr>
<td>Cynodon dactylon</td>
<td>Bermuda grass</td>
<td>Non-native but not listed by ADA</td>
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<td>Eragrostis lehmanniana</td>
<td>Lehmann’s lovegrass</td>
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<td>Ipomoea sp.</td>
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<td>Ipomoea cocinea</td>
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<td>Mollugo cerviana</td>
<td>Threadstem carpetweed</td>
<td>Non-native but not listed by ADA</td>
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<tr>
<td>Pennisetum ciliare</td>
<td>Buffelgrass</td>
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<td>Salsola tragus</td>
<td>Prickly Russian thistle</td>
<td>Non-native but not listed by ADA</td>
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<tr>
<td>Sorghum halepense</td>
<td>Johnsongrass</td>
<td>Non-native but not listed by ADA</td>
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<tr>
<td>Tamarix ramosissima</td>
<td>Salicedar</td>
<td>Non-native but not listed by ADA</td>
</tr>
<tr>
<td>Tribulus terrestris</td>
<td>Puncturevine</td>
<td>1, 2</td>
</tr>
</tbody>
</table>

a - Arizona Management Status

1 - Prohibited: Noxious weeds (including plants, stolons, rhizomes, cuttings, and seeds) that are prohibited from entry into the state.

2 - Regulated: Noxious weeds (including plants, stolons, rhizomes, cuttings, and seeds) that are regulated and, if found within the state, may be controlled or quarantined to prevent further infestation or contamination.

3 - Restricted: Noxious weeds (including plants, stolons, rhizomes, cuttings, and seeds) that are restricted and, if found within the state, shall be quarantined to prevent further infestation or contamination.

Source: SWCA 2012

Noxious and Invasive Weed Treatment and Performance Criteria

Sierrita will focus its weed survey within the ROW and off-ROW. A weed population will be treated if the percent cover is greater within the ROW than the percent cover of the same species outside of the ROW. In areas where noxious weeds occur in undisturbed areas adjacent to the ROW, Sierrita will control weed densities on the ROW to a level that is at or below levels in adjacent areas. In areas where noxious weeds occur within the ROW, but not off the ROW, Sierrita will target areas for control when the weed cover exceeds 10 percent of the ROW. The percentages will be based on a visual estimate centered on representative weed populations. Sierrita will also monitor invasive species as a part of the long-term monitoring. In areas where weed cover off-ROW exceeds 25 percent, Sierrita will consult with the appropriate land management agencies to determine the need or level of weed control. Sierrita will discuss with the appropriate land management agency suitable noxious weed control methods and timing in these areas.
The need for weed control procedures will be discussed with ASLD and grazing lessees prior to treatment application. Treating weeds on the ROW will not be effective abatement if there is a weed seed source in the immediate vicinity. Sierrita would be responsible for weed treatments on the ROW. Treatments could include physically pulling individual weeds and/or spraying herbicide. The reseeding of the treated area may be necessary to reduce the chances of weed re-establishment after a treatment prescription. In the event that large weed infestations occur or reoccur, an evaluation would be undertaken to determine an appropriate strategy for abatement.

Performance criteria will require total relative cover of noxious and invasive weeds to be less than 10 percent. However, if visual observation of weed cover on lands immediately adjacent to the ROW is greater than 10 percent, then the 10 percent criterion for weed cover on the ROW will not apply. Performance criteria will require total relative cover of noxious and invasive weeds to be less than 10 percent. If herbicides are used, application will be conducted by a certified applicator. All applicable federal and state laws and regulations will be followed. All herbicides will be approved by the ASLD or landowner.

3.2 Monitoring Site Surveys

Long-term monitoring in years six through twenty following the in-service date will continue to occur at the monitoring locations established as part of the Sierrita Post-Construction Vegetation Monitoring Document. Additional photo documentation will occur where restoration has been problematic as described in this section.

Sierrita will conduct visual ground surveys to document continued revegetation performance along the Project ROW after the conclusion of the post-construction monitoring effort. Visual monitoring will be conducted by qualified biologists (see Section 3.0) and will include visual assessment of composition and cover of desirable vegetation both on-ROW and off-ROW (i.e control point). A minimum of two photos will be taken at established photo points (such photo points to remain consistent with photo points established during post-construction monitoring). The qualified biologist will review the photographs and apply field observations to assess and document the current status of revegetation and erosion. Locations where vegetation or erosion concerns are identified will be further assessed for possible corrective actions.

Monitoring of sites will consist of ROW and control (i.e. off-ROW) photo points and random one-meter-square monitoring plots. The photo points will be adjacent to the construction ROW and within the 300-foot biological survey corridor not disturbed by the Project. Photo points will not be located in known cultural sites. The monitoring and control photo points will be GPS located and the same points will be used throughout the long-term monitoring program. A visual and photographic assessment of the status of vegetation and erosion in the ROW and off-ROW will provide a measure of the similarity. Teams will utilize three random one-meter-square plots on the ROW and three random one-meter-square plots off the ROW at each monitoring site.
In addition to the assessment of plant community criteria, qualitative observations of specific disturbances that may hinder vegetation success, such as cattle grazing, off-highway vehicle (OHV) impacts, and pedestrian traffic will be documented at the monitoring sites, as summarized in Table 2.

<table>
<thead>
<tr>
<th>Index Class</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No apparent grazing, fecal droppings, or hoof prints; No OHV tire marks; No evidence of pedestrian traffic.</td>
</tr>
<tr>
<td>2</td>
<td>&lt;25 percent plants grazed, fecal droppings or hoof prints; &lt;25 percent OHV tire marks; &lt;25 percent pedestrian traffic.</td>
</tr>
<tr>
<td>3</td>
<td>25-50 percent plants grazed, fecal droppings or hoof prints; 25-50 percent OHV tire marks; 25-50 percent pedestrian traffic.</td>
</tr>
<tr>
<td>4</td>
<td>50-75 percent plants grazed, fecal droppings or hoof prints; 50-75 percent OHV tire marks; 50-75 percent pedestrian traffic.</td>
</tr>
<tr>
<td>5</td>
<td>&gt;75 percent plants grazed, fecal droppings or hoof prints; &gt;75 percent OHV tire marks; &gt;75 percent pedestrian traffic.</td>
</tr>
</tbody>
</table>

*a - The Project ROW will be roughened from MP 26.0 to MP 59.2 (except for portions of the ROW that abuts and parallels an existing road) to inhibit the use of the ROW by unauthorized vehicles.*

Results and associated adaptive management strategies will be included in Annual Long-Term Monitoring Reports (see Section 4.0).

**Successful Revegetation**

Sierrita will implement an adaptive management strategy to achieve successful revegetation. As part of its adaptive management strategy, Sierrita will meet with FERC, ASLD, Pima County, and AVCA on an annual basis at Sierrita’s offices in Tucson, Arizona. This annual meeting will review and discuss data provided by the aerial surveillance, current status of revegetation, progress toward success, and appropriate action(s) that may be required to achieve success criteria. Actions that would occur to address areas not meeting success criteria may include one or more, but not limited to, the following:

- Evaluating problem areas to determine the reasons for the lack of success including such variables as low precipitation, grazing, surface disturbances, soil crusting, and/or weed colonization;
- Reseeding problem areas with the original seed mix or modifying the seed mix based on the success of the original seeding mix;
- Removing or limiting disturbing influences such as livestock grazing or potential unauthorized access to the ROW. Sierrita will work with grazing lessees to determine if deferment is needed and can be applied to specific locations along the ROW. Other applications, such as limited fencing of the ROW or specification placement of salt licks may be implemented;
• Controlling noxious and/or invasive weeds;
• Implementing methods to improve the capture of surface runoff water from precipitation events; or
• Deciding that no action is appropriate if the area is trending in the right direction or if deferral of action to a later date is deemed practical given current weather, landowner or land managing agency uses, or other on-the-ground conditions.

In the event that at the annual meeting between Sierrita, FERC, ASLD, Pima County, and AVCA, the parties cannot reach agreement on the actions required to achieve success criteria, then Pima County may request mediation pursuant to Section 13 of the Mitigation Agreement and Agreement for Easements, and in that event Sierrita shall participate in the mediation in the manner provided in Section 13 of the Mitigation Agreement and Agreement for Easements.

Revegetation Performance Criteria
Revegetation will be considered successful when vegetation on the restored ROW supports desirable plants that are similar in forb, grass, and woody plant species composition and cover to those growing on adjacent lands within the 300-foot survey corridor undisturbed by construction (Table 3).

The following criteria will be measured and assessed at each plot as well as at the overall long-term monitoring sites by the qualified biologists:

Species composition: Visual assessment of the percentage of the desirable species in the ROW versus off-ROW. The percentage of desirable species in the ROW will be ≥ to 70 percent of the mean number of desirable species located off-ROW.

Percent cover: Visual assessment of the foliar coverage of all species in the ROW versus off-ROW. The percent cover of foliar coverage in the ROW will be ≥ to 70 percent of the mean foliar cover located off-ROW and as documented in baseline aerial photography and vegetation monitoring plots.

A visual and photographic assessment of the status of vegetation and erosion in the ROW and off-ROW will provide a measure of the similarity.

Reseeding may be necessary on some ROW segments over time, as determined by the FERC ASLD, or landowner. Sierrita and AVCA may suggest alternative reseeding timing or alternative areas of the ROW that may need reseeding.

<table>
<thead>
<tr>
<th>Table 3 Revegetation Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Management Agency</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>ASLD</td>
</tr>
</tbody>
</table>
### Table 3
Revegetation Criteria

<table>
<thead>
<tr>
<th>Land Management Agency</th>
<th>Seeded Herbaceous and Shrubs (%)</th>
<th>Noxious Weed Relative Cover (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>percent of the desirable species off-ROW.</td>
<td>present outside of the ROW; Densities on the ROW will be maintained to a level that is at or below levels in adjacent areas.</td>
</tr>
<tr>
<td>ASLD</td>
<td><strong>Percent Cover</strong> - a visual assessment of the foliar coverage of all species in the ROW versus off-ROW. The percent cover of foliar coverage in the ROW will be ≥ 70 percent of the foliar cover located off-ROW.</td>
<td></td>
</tr>
</tbody>
</table>

### 3.3 Aerial Monitoring

As part of overall monitoring program, Sierrita will conduct annual over-flights of the Project ROW in order to document restoration success and erosion and potential remediation actions needed for twenty years following in-service.

### Baseline Aerial Documentation

The pipeline corridor will be flown using aerial color stereo photography and high-density LiDAR survey equipment prior to start of construction and after completion of construction and ROW restoration in order to establish a baseline for future assessment. The resulting photography and LiDAR data will be documented on 1 inch = 100 foot scale map with two (2) foot contours on color digital ortho-rectified imagery.

### Annual Aerial Monitoring

Sierrita will conduct aerial high-definition videography/photography inspection in the fourth quarter of every year following the in-service date of the Project. Data from high-definition videography/photography will be compared to Baseline Aerial Photographic Documentation and reviewed by Sierrita, Sierrita's biological consultant, FERC, ASLD, Pima County, and AVCA to identify potential areas of concern and to develop appropriate corrective action(s). When identified, areas of concern may be flown using aerial color stereo photography and digital terrain modeling using Lidar survey equipment so that a quantitative determination of the amount of change between the observed condition and the baseline can be made. Once the degree of change has been determined appropriate corrective action(s) can be identified and implemented. Other methods to quantify the degree of change between the observed condition and baseline may be used provided the alternative method provides quantitative data suitable for comparison to the baseline. Such corrective actions will be reported to respective landowner(s) or land managing agencies after the corrective action is taken.
4.0 Monitoring Reports and Release from Monitoring

Sierrita will monitor revegetation and erosion for 20 years after the Project is placed into service. For the first five years after in-service, Sierrita will submit an annual report to FERC, ASLD, Pima County, and other agencies as appropriate in accordance with the Sierrita Post-Construction Vegetation Monitoring Document after annual monitoring actions are completed. This report will document revegetation status and will identify current areas of concern as well as where corrective actions are in progress, where they have been implemented, and where they are proposed. In addition to the annual report submitted in accordance with the Sierrita Post-Construction Vegetation Monitoring Document, Sierrita will also submit a report of corrective actions taken as a result of the Aerial Monitoring described in this Long-Term Monitoring Plan. For years six through twenty after in-service, Sierrita will submit an Annual Long Term Monitoring Report in accordance with this Long-Term Monitoring Plan. Contents of this Long Term Monitoring Report will include the identification of current areas of concern as well as where corrective actions are in progress, where they have been implemented, and where they are proposed. Sierrita will report corrective action to FERC, ASLD, and Pima County that might be taken separate from the data provided in the annual report.

The annual monitoring reports will include the following information:

- Noxious weeds and invasive weed locations and percent cover relative to the areas outside of the ROW and proposed actions or corrective actions taken;
- An assessment by a qualified biologist of the status of vegetation in relation to success criteria and erosion at the monitoring sites and generally along the ROW based on the results of the Monitoring Site Visual Surveys and Over-Flights;
- Photographs taken from photograph control points by monitoring biologists during visual surveys of vegetation at each monitoring location;
- Identification of disturbances that may hinder vegetation success along the Project ROW; and
- Areas requiring corrective action and proposed corrective actions or actions taken during the year;

Release from Monitoring

Although a monitoring site will be deemed to be successful once it reaches the vegetation targets outlined in this document, Sierrita will continue to monitor and report on revegetation advancement until it reaches 90 percent of vegetation coverage off-ROW. Once a monitoring site reaches 90 percent of the vegetation coverage that is off-ROW, Sierrita will discontinue monitoring and reporting of that site.