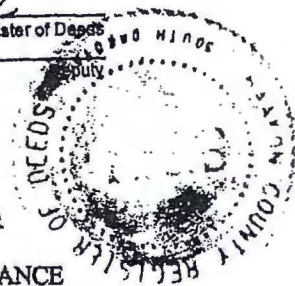


07-096

Prepared for Recording By:
West River/Lyman Jones Rural
Water Systems Inc.
P.O. Box 407
Murdo, S.D. 57559
Phone 1-605-669-2931

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State of South Dakota }
County of Haakon }
Filed for record in this office on the 28 day
of February 2007 at 9:45 o'clock A.M.
and was recorded as Document No. 07-096
on Microfilm *Rayl S. Sidel*
\$14 Pd. By _____
Register of Deeds



TRACT NO. PRDG-COR-261-1-(E)
CONTRACT NO. 07-LA-100-5983

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE
GRANT OF EASEMENT
OGLALA SIOUX RURAL WATER SUPPLY SYSTEM

This Grant of Easement, made this 6th day of October, 2006, pursuant to the Acts of Congress approved June 17, 1902 (32 Stat. 388), October 14, 1940 (34 Stat. 1119), December 22, 1944 (58 Stat. 887), October 24, 1988 (102 Stat. 2566), as amended or supplemented, and other relevant federal statutes, is between

Tract One: Glen H. Hostutler and Carolyn Joyce Hostutler, as tenants in common, each an undivided one half interest.

Tract Two: Glen H. Hostutler, 51% interest and Carolyn Joyce Hostutler, 49% interest as tenants in common.

hereinafter referred to as the GRANTOR and the United States of America, represented by the officer executing this contract hereinafter referred to as the GRANTEE. The acquiring federal agency is the Department of Interior, Bureau of Reclamation.

In CONSIDERATION of the sum of One Dollar, receipt of which is hereby acknowledged, and the mutual covenants and agreements set forth herein, the GRANTOR hereby grants unto the GRANTEE, its assigns, authorized agents, and contractors, a perpetual design, construction, operation, maintenance and replacement Easement for an underground water pipeline and distribution system and any necessary surface appurtenances on, over, under, or across all that real property situated in the County of Haakon, State of South Dakota, and described as follows:

Tract One: Lots One and Two and the South Half of the Northeast Quarter of Section Four in Township Two North, Range Twenty Three East of the Black Hills Meridian, Haakon County, South Dakota.

Tract Two: East Half of Section Thirty Three in Township Three North, Range Twenty Three East of the Black Hills Meridian, Haakon County, South Dakota.

And

South Half of Section Five; North Half of Section Eight all in Township Two North, Range Twenty Three East of the Black Hills Meridian, Haakon County, South Dakota.

Following construction, the easement shall consist of a strip of land being 75 feet wide extending 37.5 feet on each side of the pipeline as constructed. This land shall hereinafter be referred to as the "Premises".

1. The purpose of this underground or buried pipeline easement is to provide for the delivery of water to the West River/Lyman-Jones Rural Water Systems, Inc., to the Oglala Sioux Rural Water Supply System, to the Rosebud Sioux Rural Water Supply System and to the Lower Brule Sioux Rural Water Supply System and others in the manner, quantity and of a quality as provided for by Public Law 100-516, as amended. This easement grants to the GRANTEE the perpetual easement and right-of-way to locate, lay out, survey, construct, use, inspect, operate, maintain, repair, patrol, replace and/or remove an underground or buried pipeline and related facilities for a municipal, rural, and industrial water distribution system and any necessary surface appurtenances including, but not limited to, surface vents, vacuum blowoff vents or reliefs, hydrants or valves and manholes on, over, under, or across the Premises described above.



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2. The grant of easement herein contained is subject to existing rights-of-way of any nature recorded in the Haakon County records.

3. The GRANTOR, his successors or assigns, shall have the right to cultivate, use, and occupy said Premises for any purposes which will not, by the determination of the GRANTEE, interfere with the easement rights herein granted or endanger any of its property, but said right of cultivation, use, and occupancy shall not extend to or include the erection of any structure(s), planting of trees on, or the drilling of any wells in, or the removal of material from or placement of material on said Premises without advance written permission from the GRANTEE.

4. GRANTOR grants and guarantees to give the GRANTEE the perpetual right of ingress and egress during the period of design and construction and at any such time thereafter as may be necessary for the inspection, operation, maintenance, or replacement of the above-mentioned water pipeline and distribution system.

5. As part of the consideration for the Grant of Easement the GRANTEE agrees to provide for the delivery of water to West River/Lyman Jones Rural Water Systems, Inc. in the manner, quantity, and of a quality as provided for by Public Law 100-516 as amended, and any agreements entered into between the West River/Lyman Jones Rural Water Systems, Inc., and the Bureau of Reclamation representing the Secretary of the Interior, pursuant to said Act. The GRANTOR hereby releases the GRANTEE, its successors and assigns of all obligations to have an appraisal prepared to determine the amount of just compensation for the easement rights herein granted.

6. The GRANTEE, its successor and assigns, further agrees

a. to reclaim the Premises and improvements disturbed by the design, construction, operation, maintenance, and replacement of the above mentioned water pipeline and distribution system and restore the land and any improvements as near as reasonably possible to its' condition prior to the disturbance. Improvements include, but may not necessarily be limited to fences, roads, structures, and curbs. The Grantee agrees that in locating and installing its pipeline and facilities it will endeavor to route the line along side of roadways, streets, ditches, fences, hedgerows, etc., so as to cause the least interference to the Grantor and his use of said land(s); and that if, in the design, construction, operation, maintenance or replacement of said pipeline, and facilities, any injury is necessarily done to the appurtenances, it will repair or replace the same and/or will pay the Grantor for such injury.

b. to exercise due care and diligence in the exercise of the rights and privileges herein granted.

7. This easement and provisions hereof shall constitute covenants running with the land for the benefits of the parties, their successors, and assigns forever. Title to the Oglala Sioux Rural Water Supply System shall be held by the United States in trust for the Oglala Sioux Tribe and shall not be transferred or encumbered without a subsequent Act of Congress. By acceptance of this grant of easement, the GRANTEE does not intend to diminish any claim that the easement area is "Indian Country." By this grant of easement, the GRANTOR does not intend to make or recognize the easement as "Indian Country."

8. No abandonment by the GRANTEE of said underground water distribution pipeline system and rights-of-way herein granted shall be deemed to have occurred, unless a subsequent Act of Congress declares it to be so, and provides that the easement herein granted shall end, cease, and terminate.

9. The GRANTOR warrants that the GRANTOR has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the United States the right to annul this contract. This warranty shall not apply to commissions payable by contractors upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the GRANTOR for the purpose of securing business with others than the United States.

10. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise here from, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

11. Where the operations of the contract extend beyond the current fiscal year, it is understood that the contract is made contingent upon Congress making the necessary appropriation for expenditures there under, after such current year has expired. In case such appropriation as may be necessary to carry out

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this contract is not made, the GRANTOR hereby releases the GRANTEE from all liability due to failure of Congress to make such appropriation.

Special Conditions

1.) The Grantor and Grantee acknowledge that terms and conditions including location for a storage reservoir are addressed under separate agreement of this same date and take precedence over any conflicting agreement herein.

2.) No above ground pipeline appurtenances, specifically blow off hydrants or air release valves, will be located in existing cropland fields.

GRANTOR(S):

Glen H. Hostetter 10-6-06 date
Carolyn Joyce Hostetter 10-6-06 date

UNITED STATES OF AMERICA:
Dennis E. Britzman, Area Manager 11/13/06 Date

ACKNOWLEDGMENT

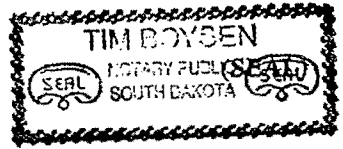
STATE OF SOUTH DAKOTA)
COUNTY OF Haakon)

On this 6th day of October in the year 2006, before me, a Notary Public, personally appeared

Glen H. Hostetter
Carolyn Joyce Hostetter
known to me or satisfactorily proven to be the person(s) who executed the within instrument, and acknowledged that they executed the same.

In Witness whereof I hereunto set my hand and official seal.
Tim Boyesen
Notary Public for South Dakota
Residing at Pierre
My Commission Expires

MY COMMISSION EXPIRES: 12-26-09



ACKNOWLEDGMENT

STATE OF NORTH DAKOTA)
COUNTY OF Burleigh)

On this 13th day of November in the year 2006, before me, a Notary Public, personally appeared

Greg Gure
known to me or satisfactorily proven to be the person(s) who executed the within instrument, and acknowledged that he executed the same. In Witness whereof I hereunto set my hand and official seal.

Noreen Olson
Notary Public for North Dakota
Residing at Bismarck
My Commission Expires 9-8-2010

