



SEP 14 2006 11:28 P 21

(Drafted by & when filed return to: Magelian Pipeline Company, L.P., P. O. Box 22186, MD 27-4 (S. Guthrie), Taka, Oklahoma 74121-2186, 918/574-7350.)

ENCROACHMENT AGREEMENT

This Encroachment Agreement ("Agreement") is made and entered into by and between Magellan Pipeline Company, L.P., a Delaware limited partnership, whose address is P.O. Box 22186, Tulsa, Oklahoma, 74121-2186, (hereinafter called "Magellan"), and Sanitary and Improvement District No. 530 of Douglas County, Nebraska, its successors, assigns and grantees (hereinafter called "District").

WITNESSETH:

WHEREAS, District has the right to construct, operate and maintain, certain public improvements on certain land (hereinafter "Land") as described on Exhibit "A", attached hereto and made a part hereof, by virtue of that certain Subdivision Agreement by and between Hearthstone Homes, Inc., Glenmoor Homeowners Association, District and the City of Omaha, as approved by the Omaha City Council on February 28, 2006, as Resolution No. 151; and

WHEREAS, Mageltan is the owner of certain pipelines, pipeline facilities, and applitenances (hereinafter referred to as the "Magellan Facilities") and easement rights therefor, (hereinafter referred to as the "Easement", whether or not rights were granted in one or more documents or acquired by operation of law). For purposes of this Agreement only, "Magellan's Easement Tract" shall be considered to be any area within Fifty (50) feet of any Magellan Facilities, unless a different right of way tract width is specifically described in the Eastment, in which case such specified width shall define Magellan's Easement Tract. The land referenced in the Easement includes part of Tax Lot 4 and the North Half (N½) of the Southeast Quarter (SE¼) West of Little Papillion Creek and the Northeast Quarter (NE¼) of the Southwest Quarter (SW¼), all in Section 27, Township 16 North, Range 12 East of the 6th P.M., Douglas County, Nebraska, pursuant to those certain instruments recorded in the records of said county and state and described as follows:

1) A Right of Way Agreement executed by Carl Camenzind and Mary Caminzend, Co-administrators with Will annexed of the estate of John Camenzind, deceased,

(Drafted by & when filed return to: Magellan Pipeline Company, L.P., PO Box 22186, MD 27-4 (S. Guthrie), Tulsa Oklahoma 74121-2186, 918/574-7350.) Encroachment Agreement EA- C - 3-28-05 - Tract 116-DO-33 Douglas County, NE - Agent LS - Project 05-056.

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of Misc., Page 643; and on the 16th day of May, 1941, and filed for record in the office of the Register of Deeds of Douglas County, Nebraska on the 27th day of May, 1941, in Book 155

 \wp A Partial Release and Grant of Right of Way executed By Magellan and Hearthstone Homes, Inc. on the 14th day of November, 2005, and filed for record in the office of the Register of Deeds of Douglas County, Nebraska on the 18th Day of November, 2005, as Instrument No. 2005146451; and

identifying all "Approved Encroachments"; and or authorize any Encroachments unless specifically approved in interfere with Magellan's Easement rights or could create safety concerns related to Magellan's the land within Magellan's Easement Tract by someone other than Magellan, which could WHEREAS, for the purposes of this Agreement an "Encroachment" is defined as any use of forth in attached Exhibit "B" and incorporated herein by reference. Facilities as more fully described in Magellan's General Encroachment Requirements as set Magellan does not permit a written agreement

Magellan's Easement Tract; WHEREAS, District desires to obtain Magellan's consent for one or more Encroachments

specified plan drawings, which were furnished by District to Magellan ("Plan Drawings") and attached hereto as Exhibit "C": NOW, THEREFORE, in consideration of the covenants and agreements herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Magellan, subject to the following terms and provisions, hereby consents to the Encroachments Magellan, subject to the following terms and provisions, listed below as "Approved Encroachments" described

- ۳ Cover Sheet, Sheet 1 of 44, Improvement Plans for GLENMOOR by E&A Consulting Group, Inc. (hereinafter "E&A"), dated December 8, 2005; and
- 6 Paving Plan & Profile - Quest Street, Sheet 31 of 44, Improvement F GLENMOOR by E&A, dated December 8, 2005, and revised July 21, 2006; and Improvement Plans for
- ω Paving Plan & Profile - Read Street thru 87th Street, Sheet 43 of 44, Improvement Plans for GLENMOOR by E&A, dated December 8, 2005; and
- 4 Sanitary Sewer Plan & Profile - Quest Street (West), Sheet 7 of 44, Improvement Plans for GLENMOOR by E&A, dated December 8, 2005; and
- 5 Improvement Plans for GLENMOOR by E&A, dated December 8, 2005; and Sanitary Sewer Plan & Profile 87th Street thru Read Street, Sheet 20 of 44.

6) Storm Sewer Plan & Profile – Quest Street and 90th Street, Sheet 29 of 44, Improvement Plans for GLENMOOR by E&A, dated December 8, 2005; and

TERMS AND PROVISIONS

- 1. <u>Approved Encroachments.</u> The Approved Encroachments, as further identified, described and limited in the Plan Drawings as set forth in Exhibit "C" are limited to the following:
 - (a) A concrete road, being 25 feet wide and 7 inches thick, designated as Quest Street, crossing Magellan's Easement Tract and Magellan's Omaha Jct. Omaha No 1-6" pipeline at approximate station 169+54 as shown on EXHIBIT "C".
 - (b) A concrete road, being 25 feet wide and 7 inches thick, designated as 90th Street, crossing Magellan's Easement Tract and Magellan's Omaha Jct. Omaha No 1-6" pipeline at approximate station 172+34 as shown on EXHIBIT "C".
 - (c) A concrete road, being 25 feet wide and 7 inches thick, designated as 87th Street, crossing Magellan's Easement Tract and Magellan's Omaha Jct. Omaha No 1-6" pipeline at approximate station 181+34 as shown on EXHIBIT "C".
 - (d) An 8 inch diameter sanitary sewer pipe, located underneath and parallel to Quest Street, crossing Magellan's Easement Tract and crossing 2 feet below Magellan's Omaha Jet. Omaha No 1-6" pipeline at approximate station 169+54 as shown on EXHIBIT "C".
 - (e) A 12 inch diameter sanitary sewer pipe, located underneath and parallel to 87th Street, crossing Magellan's Easement Tract and crossing 2 feet above Magellan's Omaha Jct.

 Omaha No 1-6" pipeline at approximate station 181+34 as shown on EXHIBIT "C".
 - (f) A drainage culvert located on a portion of Magellan's Easement Tract at approximate station 169+09 as shown on EXHIBIT "C".
- 2. No Other Encroachments. Except for the Approved Encroachments as allowed by this Agreement, District shall not create, erect, place or construct any other Encroachment on, above or below the surface of the ground on Magellan's Easement Tract, or change the grade or elevation of the ground surface within Magellan's Easement Tract or at any time plant or allow any trees thereon or cause or permit any of these to be done by others, without the express prior written permission of Magellan.
- 3. Magellan On-Site Representative. Exclusive of Saturday, Sunday, and legal holidays, District shall notify Magellan a minimum of 48 hours in advance of any Encroachment activities on Magellan's Easement Tract so that Magellan may arrange to have a

representative present. At Magellan's option and at District's sole cost and expense, Magellan's representative may be on site during all Encroachment activities over or within ten feet (10') of the Magellan Facilities to confirm that no damage occurs to the Magellan Facilities. The presence of Magellan's representative or any verbal instructions given by such representative shall not relieve District of any liability under the Easement or this Agreement, and will not change the terms of the Easement or this Agreement, which may only be changed by written agreement by authorized representatives of District and Magellan. If pipeline, coating, cathodic protection and/or any other repair of Magellan Facilities is required by Magellan or if the safety of the Magellan Facilities is jeopardized, in Magellan's sole judgment, District shall stop all construction activities on Magellan's Easement Tract until said repairs are completed or until any unsafe construction practices are resolved to the satisfaction of Magellan's on-site representative. Written notification of such construction activity shall be made to MAGELLAN PIPELINE COMPANY, Coordinator of Operations & Maintenance, Harold Johnson, 9405 Bennington Road, Omaha, NE, 68122, Office: 402-571-7080, Cell: 402-677-7108, Fax: 402-571-4839, or such other representative of Magellan, which Magellan may from time to time designate.

- 4. Protection of Magellan Facilities. District shall protect the Magellan Facilities if excavating and backfilling become necessary within Magellan's Easement Tract. If excavating within 2 feet of any Magellan pipeline or when otherwise deemed necessary by Magellan's on-site representative, District shall perform any necessary digging or excavation operations by hand digging. District shall reimburse Magellan for all costs of having a representative of Magellan on-site during construction activities related to the Approved Encroachments.
- 5. <u>Breach.</u> If either **District** or **Magellan** breaches this **Agreement** and the non-breaching party commences litigation to enforce any provisions of this **Agreement**, the reasonable cost of attorneys' fees and expenses will be payable to the non-breaching party by the breaching party upon demand, for all claims upon which the non-breaching party prevails.
- 6. Insurance. District shall procure or cause its contractors and subcontractors to procure and maintain in force throughout the entire term of this Agreement insurance coverage described below with insurance companies acceptable to Magellan for work performed related to the construction of the Approved Encroachments. All costs and deductible amounts will be for the sole account of the District or its contractors and subcontractors. Prior to commencing any activities related to the construction of the Approved Encroachments, the District must deliver to Magellan certificate(s) of insurance. Non-renewal or cancellation of policies must be effective only after Magellan receives written notice from the insurance company thirty (30) days in advance of such non-renewal or cancellation. The limits set forth below are minimum limits and will not be construed to limit the District's liability:

- (a) Workers' Compensation insurance complying with the laws of the State or States having jurisdiction over each employee and Employer's Liability insurance with limits of \$1,000,000.
- (b) Commercial or Comprehensive General Liability insurance on an occurrence form with a combined single limit of \$5,000,000 each occurrence and project specific annual aggregates of \$5,000,000. Coverage must include premises/operations, independent contractors, blanket contractual liability, and products/completed operations coverage, broad form property damage, personal injury, and sudden and accidental pollution; such coverage must be maintained for two (2) years following completion of work activities related to the construction of the Approved Encroachments. Magellan, its affiliated companies, and its and their respective directors, officers, partners, members, shareholders, employees, agents and contractors shall be included as additional insureds.
- (c) In each of the above policies, the **District** or its contractors and subcontractors agrees to waive and will require its insurers to waive any rights of subrogation or recovery either may have against **Magellan** and its affiliated companies.
- (d) Regardless of the insurance requirements above, the insolvency, bankruptcy, or failure of any such insurance company providing insurance for the **District** or its contractors and subcontractors, or the failure of any such insurance company to pay claims that occur, such requirements, insolvency, bankruptcy or failure will not be held to waive any of the provisions hereof.
- (e) In the event of a loss or claim arising out of or in connection with the construction of the **Approved Encroachments**, the **District** agrees, upon request of **Magellan**, to submit a certified copy of its insurance policies for inspection by **Magellan**.
- (f) The **District** shall require all of its contractors and subcontractors for work related to the construction of the **Approved Encroachments** to provide adequate insurance coverage, all to be endorsed with the Waiver of Subrogation wording referenced in Section (c) above; any deficiency in the coverage, policy limits, or endorsements of said contractors and subcontractors, shall be the sole responsibility of the **District**.
- 7. Indemnification. District will indemnify, save, and hold harmless Magellan, its affiliated companies, directors, officers, partners, employees, agents and contractors from any and all environmental and non-environmental liabilities, losses, costs, damages, expenses, fees (including reasonable attorneys' fees), fines, penalties, claims, demands, causes of action, proceedings (including administrative proceedings), judgments, decrees and orders resulting from District's breach of this Agreement or caused by or as a result of the construction, use, maintenance, existence or removal of the Approved Encroachments or Other Encroachments located on the Magellan Easement Tract. The presence of Magellan's representative or any instructions given by such representative will not relieve District of

any liability under this Agreement, except to the extent that such liability results from Magellan's or its representative's gross negligence or willful misconduct.

8. <u>Damage or Loss.</u> District covenants that:

- (a) If at any time, in the sole opinion of Magellan, it becomes necessary for Magellan, to cross, occupy, utilize, move or remove all or portions of the Approved Encroachments placed on Magellan's Easement Tract or constructed pursuant to this Agreement, for any purpose, including but not limited to surveying, constructing new facilities, maintaining, inspecting, operating, protecting, repairing, replacing, removing or changing the size of a pipeline(s) and appurtenances on Magellan's Easement Tract and such activities by Magellan result in damage to or destruction of the Approved Encroachments, then repair, replacement or restoration of such Approved Encroachments shall be at the sole cost and responsibility of District.
- (b) If at any time, any encroachments belonging to or permitted by District which are not authorized by this or another written agreement ("Other Encroachments") are found to be on Magellan's Easement Tract, Magellan may at any time request District to remove such Other Encroachments, and if District refuses or fails to do so within a reasonable time, Magellan's may remove them from Magellan's Easement Tract at District's expense, unless they are allowed to remain by a written agreement between Magellan and District. Should such removal activities by Magellan result in damage to or destruction of the Other Encroachments, then repair, replacement or restoration of such Other Encroachments shall be at the sole cost and responsibility of District, and such Other Encroachments may not be repaired, replaced or rebuilt on Magellan's Easement Tract without a written agreement between Magellan and District.
- (c) If during the exercise of the rights granted by the Easement or by this Agreement, the Approved Encroachments and Other Encroachments, if any, are damaged, destroyed or suffer loss of value, District agrees to release Magellan, its affiliates, and its and their respective directors, officers, members, partners, shareholders, employees, agents and contractors from and against any and all liabilities, and damages or losses which may arise as a result of the damage to or loss of use of the Approved Encroachments and Other Encroachments, if any, caused by Magellan, its employees, agents and contractors.
- 9. Magellan Rights. Magellan and District agree that the existence of the Approved Encroachments or this Agreement does not constitute a waiver of Magellan's rights under the Easement. Magellan hereby reserves and District hereby grants and confirms all of Magellan's rights, title and estate as set forth in the Easement.

10. The terms and conditions of this **Agreement** will constitute covenants running with the land and be binding upon and inure to the benefit of the parties hereto, their successors, assigns and grantees. This **Agreement** may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. This **Agreement** shall become effective upon its complete execution by the parties hereto.

IN WITNESS WHEREOF, the parties have set their hands on the dates expressed below.

Magellan:	
Triagenan.	
Magellan Pipeline Company, L.P. By Its General Partner, Magellan Pipeline GP By Its Undersigned, Authorized Signatory:	P, LLC
William J. Klein William J. Klein	Date: September 11, 2006
District:	
Sanitary and Improvement District No. 530 of	f Douglas County, Nebraska
By: Jan MEch	Date: $9-8-06$, 2006
Name: JAMES M. ECKER	
Title: Chairle	
ATTEST: MARINO	

Date: 9-8-06,2006

STATE OF OKLAHOMA)	
)	SS
COUNTY OF TULSA)	

My commission expires: 4-30-07

Before me, the undersigned, a Notary Public in and for the county and state aforesaid, on this //tk day of //tk da

Witness my hand and official seal. Notary Public My commission expires: (SEAL , and for SHERRIE L. GUTHRIE 4.19.0 Tulsa County Notary Public in and for State of Oklahoma 03005115 Expires 04/19/07 STATE OF NEBRASKA SS COUNTY OF DOUGLAS Before me, the undersigned, a Notary Public in and for the county and state aforesaid, on this BTH day of SEP, 2006 personally appeared JAMES ECKER to me personally known to be the Chair of the Sanitary and Improvement District No. 530 of Douglas County, Nebraska, who being duly sworn did acknowledge to me that he/she executed the foregoing instrument on behalf of said District as the free and voluntary act and deed, for the uses, purposes and consideration therein set forth. Homer R. Hunt Notary Public Witness my hand and official seal.

GENERAL NOTARY-State of Nebraska HOMER R. HUNT My Comm. Exp. April 30, 2007

EXHIBIT "A" Page 1 of 3

LAND

A tract of land located in part of Tax Lot 4 and the North Half-of-the Southeast Quarter (N/2 SE/4) West of Little Papillion Creek and the Northeast Quarter of the Southwest Quarter (NE/4 SW/4), all in Section 27, T- 16-N, R-12-E of the 6th P.M., Douglas County, Nebraska, described as follows:

Beginning at the center of Section 27;

Thence North 87°10'32" East (assumed bearing), along the North line of the Southeast Quarter (SE/4) of said Section 27, said line also being the South line of the Northeast Quarter (NE/4) of said Section 27, a distance of 1334'51 feet to a point on the center line of the Little Papillion Creek;

Thence along the center line of the Little Papillion Creek on the following described courses, South 48°35'27" East, a distance of 68.21 feet;

Thence South 37°26'11" East, a distance of 59.24 feet;

Thence South 27°23'01" East, a distance of 141.59 feet;

Thence South 22°02'27" East, a distance of 39.04 feet;

Thence South 26°07'55" West, a distance of 55.00 feet,

Thence South 29°36'19" West, a distance of 40.45 feet;

Thence South 35°55'59" West, a distance of 64.78 feet,

Thence South 12°49'33" West, a distance of 48.92 feet;

Thence South 21°02'19" West, a distance of 18.20 fect;

Thence South 25°43'08" West, a distance of 33.62 feet;

Thence South 11°02'38" West, a distance of 23.38 feet;

Thence South 33°39'01" East, a distance of 61.44 feet;

Thence South 39°37'22" East, a distance of 71.00 feet;

Thence South 19°31'53" East, a distance of 37.93 feet;

Thence South 30°32'12" East, a distance of 31.57 feet;

Thence South 00°36'11" East, a distance of 34.94 feet;

Thence South 22°21'37" East, a distance of 79.94 feet;

Thence South 31°58'36" East, a distance of 51.05 feet;

Thence South 33°01'56° East, a distance of 39.22 feet;

Thence North 76°28'41" East, a distance of 22.15 feet; Thence North 24°52'40" East, a distance of 39.83 feet;

Thence North 53°15'28" East, a distance of 67.39 feet;

Thence North 87°56'30" East, a distance of 21.88 feet;

Thence South 66°14'53" East, a distance of 34.34 feet;

Thence South 29°18'19" East, a distance of 95.07 feet;

Thence South 46°22'13" East, a distance of 79.79 feet;

Thence South 06°09'09" East, a distance of 76.41 feet;

Thence South 26°13'44" West, a distance of 60.69 feet;

EXHIBIT "A" Page 2 of 3

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LAND

Thence South 05°07'30" West, a distance of 49.98 feet; Thence South 29°03'11" East, a distance of 47.50 feet; Thence South 43°06'37" East, a distance of 47.91 feet; Thence South 34°49'27" East, a distance of 80.52 feet; Thence South 47°00'29" East, a distance of 48.44 feet; Thence South 30°02'48" East, a distance of 43.96 feet; Thence South 19°57'36" East, a distance of 66.82 feet; Thence South 22°46'23" East, a distance of 153.77 feet; Thence South 29°19'35" East, a distance of 54.95 feet; Thence South 35°51'46" East, a distance of 55.21 feet; Thence South 42°02'09" East, a distance of 46.53 feet; Thence South 35°03'44" East, a distance of 48.67 feet; Thence South 27°10'12" East, a distance of 44.66 feet; Thence South 13°11'28" East, a distance of 35.92 feet; Thence South 02°13'39" East, a distance of 24.20 feet to a point on the North line of

Outlot "A" of Double "D" Industrial Park, a subdivision located in said SE/4 of Section 27, said line also being the South line of Tax Lot 4;

Thence South 87°18'11" West along said North line of Double "D" Industrial Park, said line also being said South line of Tax Lot 4, a distance of 739.93 feet to a point on the North right-of-way line of 87th Street said point also being on said South line of Tax Lot 4;

Thence South 87°15'04" West along said South line of Tax Lot 4, a distance of 1397.28 feet to a point on the West line of said SE/4 of Section 27, said point also being on the East line of the SW/4 of said Section 27;

Thence North 02°40'35" West along the said West line of said SE/4, said line also being said East line of said SW/4 of Section 27, a distance of 513.64 feet to the Northwest corner of said SE/4 of Section 27, said point also being the Northeast corner of said SW/4 of Section 27;

Thence North 87°09'54" West along the North line of the SE/4 of said SW/4 of said Section 27, said line also being the South line of the NE/4 of the SW/4 of Section 27, a distance of 1120.55 feet to the Center Section of the SW/4 of Section 27;

Thence South 87°09'54" West along the North line of the SW/4 of said SW/4 of Section 27, said line also being the South line of the NW/4 of said SW/4 of Section 27, a distance of 588.92 feet;

EXHIBIT "A" Page 3 of 3

LAND

Thence North 51°45'25" West, a distance of 50.22 feet;

Thence North 87°09'54" East, a distance of 424.74 feet to a point on the West line of said NE/4 of the SW/4 of Section 27, said point also being on the East line of said NW/4 of the SW/4 of Section 27:

Thence North 02°31'09" West along said east line of the NW/4 of the SW/4 of Section 27, said line also being said West line of the NE/4 of the SW/4 of Section 27, a distance of 1286.29 feet to a point on the North line of said SW/4 of Section 27, said point also being on the South line of the NW/4 of said Section 27;

Thence North 87°09'52" East along said North line of the SW/4 of Section 27, said line also being the said South line of the NW/4 of Section 27, a distance of 1321.90 feet to the Point of Beginning.

Said Tract of Land contains an area of 4,837,721 square feet or 111.059 acres, more or less; and

EXHIBIT "B" TO ENCROACHMENT AGREEMENT, 1 of 4

COMPANY, L.P.

General Encroachment Requirements

- A. <u>GENERAL</u> These requirements define the minimum standards of define the minimum standards of practice for eneroachments by a landowner (including any developer, business entity, utility company or individual working for, or on behalf of, or with permission of landowner) (herein referred to collectively as "Owner") to pipeline corridors and rights of way. ("Magellan's Essement Tract") owned or operated by Magellan Pipeline Company, L.P. ("Magellan"). Upon written request by Owner to Magellan, a copy of these minimum requirements shall be these minimum requirements shall be provided to any developer, business these minimum requirements shall be provided to any developer, business entity, utility company or Individual working on behalf of Owner or with the permission of Owner within Magellan's Easement Tract. Specific circumstances may require additional precautions or more stringent methods in order to protect the Integrity of Magellan's pipelines and facilities. Magellan's Easement Tract for purposes of these General Eneroachment Requirements shall be considered to be any area within fifty (50) feet of any Magellan pipeline or other Magellan-owned or operated facility unless a different right of way width is specified by one or more recorded right of way or easement documents (fiverin collectively called "Easement"), whether one or more), in which case such specified width shall define Magellan's Easement Tract.

 1. Engrosemment Definition. An
- Engronghment Definition, An "encroachment" is any use of the land within Magellan's Basement Tract which could interfere with Magellan's Easement rights or which could create safety concerns for Magellan pipelines and/or facilities located on Magellan's Easement Tract. Encroachments include, but Tract. Encroachments include, but are not limited to: structures, fixtures, personal property, landscaping, foreign utilities, foreign pipelines, roadways, railroads, waterway crossings, water impoundments, walls, lieavy equipment and heavy loads on Magellan's Easement Tract, and also any excavation, digging, drilling, tunneling and addition, removal or disturbance of soil or subsoil within Magellan's Easement Truct.
- 2. Mugcilan Representative Required On-Site, Magellan pipeline systems operate at high pressures, and for safety reasons, Magellan requires its company representatives to be on-site while Owner is excavating or performing other activities which could endang the Magellan pipelines or other facilities on

Magellan's Easement Tract. For other activities of the Owner on the Magellan Easement Tract, the Magellan Easement Tract, the Magellan Easement Tract, the Magellan field representative shall determine whother Magellan's continuous presence or periodic monitoring of encroachment activities will be required and shall inform the Owner. A Magellan representative will be made available upon 48 hours notice (exclusive of weckends and holidays) to determine the location and approximate depth of any Magellan pipelines. No excavation shall be commenced without prior written approval from Magellan of the location and approximate depth of its pipelines. approximate depth of its pipelines.

Macellan's Facilities. lagellan's facilities include, but are 3. Magellan's Facilities. Magellan's facilities include, but a not limited to, Easement, rights of way, pipelines, meter and valve sites, aboveground piping was fellowed. aboveground piping manifolds and cuthodic protection systems.

- 4. Land Use Change Notification,
 The landowner and tenant, if any,
 must notify Magellan at any and
 every time when the land use will be
 changed for land on or adjacent to
 Magollan's Easement Tract.
 Examples of such land use changes
 are:
- are:

 Change from pasture to cultivation

 Change in dopth of tilling (e.g. plowing deeper or deep-breaking the
- plowing socrations in that terraces will be out or re-out

 Change from agricultural use to residential, commercial or industrial
- use.

 Change from residential to commercial or from commercial to industrial.
- 5. Governmental Regulations and Industry Guidelines. Owner must comply with all applicable laws and regulations, as well as Magellan's policies as expressed herein. Owner is also hereby referred to the Common Ground Alliance Best Practices which can be found on the

www.commongroundalliance.com (See "Program Information" / "Bost Practices") and which is available from Common Ground Alliance in from Common Ground Alliance in booklet form for easy reference. Best Practices addresses the most common issues for damago prevention for an encrouching party, including, among others: Planning and Design; One-Call Center; Locating and Marking; Excavation; and Mapping. In the even of a conflict between laws and regulations, Magellan's policies and the Common Ground Alliance Best Practices, the following priority shall govern enerocomments Affiance Seat Profitoes, the following priority shall govern encroachments on Magellan's Essement Tract: ist -- laws and regulations; 2nd -- laws and regulations; and 3rd -- Common Ground Alliance Best

. MAGELLAN RIGHT OF WAY PRACTICE

1. Personal Property and Fixtures
To Be Kent Off of Magellan's
Eastment Tract, In order to keep
Magellan rights of way clear for
operations, maintenance, inspection
and emergency access, personal
property and fixtures shall not be
placed, stored or maintained on
Magellan's Ensement Tract. Personal
property and fixtures include, but are Magollan's Ensement Tract. Personal property and fixtures include, but are not limited to, storage sheds, automobiles, trailers, mobile homes, above-ground swimming pools. business equipment, product inventory, scrap metal, boulders, large rocks, debris, junk and piles of

2. Encroachments Subject to Being Cleared from Magellan's Extendent Tract. Subject to the terms of its Easement (including right of way Exercent (including right of way agreements) and other written agreements). Magellam may keep Magellam's Easement Tract clear of items that may hinder the exercise of Magellam's Easement Tract clear of items that may hinder the exercise of Magellam's Easement Tract shall include, but not be limited to the following: removal of trees, brush, crops, other vegetation and non-permitted encroachments located on or overhanging all or part of any Magellam's Easement Tract. Trees or other vegetation are leasement Tract trees or other vegetation overhanging Magellam's Easement Tract may be side-trimmed.

C, ENCROACHMENT PLANNING

- 1. Plan Review Required by Manellan, For any encroachment, Magellan must be provided project plans to review and approve, prior the encroachment occurring, for purposes of damage prevention.
- 2. Submission of Complete Plans. to Magellan for review. Incomplete plans could delay Magellan's engineering impact study and insufficient information could result in increased costs. Plans must
- in increased costs. Pains must include:

 A plan view of the project with the pipeline(s) location included.
 An illustration in profile of the existing surface elevations, the proposed surface elevations and the clevation of the Magellan pipeline(s).
 A comprehensive utility /structure /grading plan depicting the relationship to the pipeline(s).
 A proper legal description of the project location.
 Complete landscaping plans.
 Complete plans for backfilling and compaction of backfill material.

- 3. Plans Must Show Mancilan's Easement Truck, Pipelines and Eacilities. All construction plan (prints) showing lands where all or any part of Magellan's Easemont Tract, any Magellan pipeline or rility is located must contain the

- following:
 Location and depth of all Magellan pipelines and facilities
- pipelines and factories
 The width of Magellan's Easent
- A standard warning statement conspicuously displayed containing the following language;

WARNING HIGH-PRESSURE PIPELINE(S)
Excavation and/or Construction
Prohibited Without compliance with
State One-Call AND Without Written Permission From MAGELLAN PIPELINE COMPANY, L.P.

- 4. Written Energychment Agreement Required. A written, fully executed Energachment Agreement must be in place between Magellan and Owner before Owner commences work on any
- 5. Costs. Unless otherwise agreed in writing, all costs to Magellan that result from any encroachment should be paid by Owner. Such costs shall include, but not be limited to: modification, replacement, lowering, and protection of pipelines, including engineering evaluation and design, field labor and real estate research and document preparation and handling.
- 6. Pipeline Integrity Inspection. 6. Pretine Intertive inspection.
 Prior to the installation of any structure, parking lot, roadway or other facility which might interfere with or linder Magellan's inspection of any pipeline or facility, Magellan will perform an integrity review of its pipeline and any other assets which may be affected by the proposed structure, parking lot, roadway or other eneroaching facility in order to determine that Magellan's assets comply with Integrity requirements and to allow Magellan to make any needed changes prior to construction needed changes prior to construction of any encroachments.
- 7. Soli On Magellan's Easement Truct Removing and Adding. No soil shall be removed from or added to Magellan's Easement Truct without written authorization from Magellan. Any soil added must be clean (without contaminants, trash or debris) fill dirt and must be limited in amount so that the

- resulting cover (vertical distance from the surface of the land to the top of Magellan's pipeline) is not greater than eight feet (8"),
- 8. Erosion Control Materials. Erosion-control materials may be allowed on Magellan's Easement Tract for temporary periods of construction and restoration.
- 9. Proof of Title to Property.
 Magollan may require Owner to
 provide proof of current ownership of
 the land where the proposed.

 The board Such pachment is to be located. Such proof may be in the form of a Title Commitment, Title Policy, or a copy of a recorded Warranty Deed.
- 10. Subdivision Plat, Magelian requires a copy of the Subdivision Plat, if applicable. If the plat has been recorded, Magellan requires a copy indicating the book and the page of the recording.
- 11. Location and Approximate Depth of Pipelines, A Magellan representative is normally available with 48 hours notice (exclusive of wookends and holidays) to determine the location and approximate depth of the pipeline(a). Determining actual depths of pipelines may require potholing or hand-digging by, and at the expense of Owner in the presence of an authorized Magellan representative, No excavation on Magellan's Easement Tract shall take place without approval by Magellan.
- 12. Vertical Separation Between Marellan Pipeline or Facility and an Encroaching Object or Structure, Vertical separation is defined in this document as the vertical distance between the vertical distance between the outermost part of a Magellan pipeline, facility or appurtenance (for example, the outside of the pipe [for uncased pipe] or the outside of the pipe easing [for cased pipe]) and the outermost part of the encroaching object (for example, the outside of the encroaching pipeline or the outside of its conduit).
- 13. Construction Equipment Information, Owner shall provide to Magellan information as to the type, size, and weight of construction equipment that will be used over or in the vicinity of the pipeline(s).
- D. ENCROACHMENT DESIGN REQUIREMENTS & STANDARDS
- 1. Risk of Loss and Damare.
 Owner shall bear the risk of loss damage and/or destruction to any structure, fence, landscaping or improvement placed within the boundaries of Magellan's Easem Tract and shall hold Magellan hammless.

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EXHIBIT "B" TO ENCROACHMENT AGREEMENT, 2 of 4

for damages, destruction of structures and for any consequential damages which may arise out of Magellan or its designees exercising Magellan's Easement rights or which may arise out of accessing Magellan's Easement Tract, pipelines or facilities.

2. Buildings, Structures and

ķ

- Buildings, Structures and Fences.
 Buildings and Structures. No buildings, houses, barns, garages, paties, playhouses, ahods, septic systems or drain fields, swimming pools (above-ground or below-ground), reinforced concrete slabs or other similar structures will be permitted on the Magellan's Easement Tract.

 Septic System not permitted, No septic-system, including any lateral lines will be permitted on Magellan's Easement Tract.

 Retaining Walls, Retaining walls are not permitted on Magellan's Easement Tract.

 Sences, No fence shall be constructed or maintained on Magellan's Easement Tract without a written agreement.

 Requirements for Fonces. If foncing on Magellan's Easement Tract fract is authorized by a written agreement with Magellan, the foncing must comply with the following:

 1) Not Parallel to Pipeline, No

- - following:

 1) Not Parallel to Pipeline. No Not Parallel to Pipeline. No fence shall be allowed to be constructed parallel closor than 10 feet to any Magellan pipeline, within the boundaries of Magellan's Easement Tract.
- boundaries of Magellan's
 Easement Truct.

 2) Fence Posts Location. No
 fence posts will be allowed to
 be within five (5) feet of any
 Magellan pipeline or facility.

 3) Gates Required. Magellan
 may require any fence
 constructed within the
 boundaries of Magellan's
 Easement Truct to have gates
 of such size and suitability as
 is necessary or convenient for
 Magellan to access its
 pipelines and/or facilities for
 its aperations, including
 inspections, at each point
 where the fence crosses a
 Magellan pipeline or facility
 boundary, Magellan shall be
 allowed to put a Magellan
 lock on such gates, which will
 allow access to Magellan's
 Easement Truct and/or
 facilities through such gates.

 4) Angle of Fence Crossing its.
- facilities through such gates. Angle of Fence Crossing, it is preferred that fonce crossings be as close to 90 dugracs as possible.

Landscaping, Elevation Changes and Water.

Landscaping Definition. Landscaping shall include, but not be limited to, trees, shrubs, underground irrigation or sprinkler systems, sidewalks or other systems, sidewalks or other paths, retaining walls, terraces or other land grade changes,

Magellan's Essement Truct.
b. General Landscaping
Requirements. The following are the
general rules for landscaping on
Magellan's Essement Tract:
1) Written Approval. Landscaping
proposed to be done on Magellan's
Essement Tract must be approved
by Magellan in a written
encroachment accement. Among

Easement Tract must be approved by Miggellan in a written encroachment agreement. Among other terms, the encroachment agreement will release Magellan from any liability for damages to the landscaping from the exercise of Magellan's Easement rights.

2) Trees Not Permitted. Trees are not permitted on Magellan's Easement Truct.

3) Shrubs. Shrubs exceeding 3 feet in height and/or obstructing the view of any Magellan pipeline marker posts are not permitted on Magellan's Easement Tract.

4) Irrigation Systems, Field Drain Lines, and Sidewalks. Irrigution systems, Field Drain Lines, and Sidewalks. Irrigution systems, field drain and sidewalks that are to cross a Magellan pipeline must cross such pipeline at an angle as close to 90 degrees as possible, but in no event at an angle less than 45 degrees and must comply with other applicable provisions of this document. No Water Bodles on Magellan's

c. No Water Bodies on Macellan's c. No Water Bodies on Magellan's Easement Track. Retention of water, including but not limited to, Livestock ponds, lakes, retention ponds, or wetlands may not be constructed or formed on Magellan's Easement Tract.

d. Surface Grade and Elevation Changes, Surface grade or elevation changes must be reviewed and approved in writing by Magellan.

4. Foreign Pipeline & Utility

4. Foreign Pipeline & Utility
Crossings.
a. Minimum Angle for
Pipeline/Utility Crossing. Any
foreign pipeline or utility that is
proposed to cross a Magellan
pipeline must cross the Magellan
pipeline at an angle as close to 90
degrees as possible, but in no event at
an angle less than 45 degrees.
b. Vertical Separation
Requirements for Crossing, Foreign
pipeline(s), utilities (except highvoltage lines - see below) or flow
lines should cross Magellan
pipeline(s) with at least 24 inches of
vertical separation. Special written
authorization must be given in the
event vertical separation is less than
that specified in these General
Encroachment Requirements, The
preferred method for a foreign
pipeline or utility to cross a Magellan
pipeline.
c. Warning Tape Required,
When any foreign pipeline or
utility line is proposed to cross
a Magellan pipeline,
c. Ware any foreign pipeline or
utility line is proposed to cross
a Magellan pipeline, Owner
must place G' wide McMasterCarr No. 8288T12 or equal
within Magellan's Easement
Tract

the following manne

 The tape must be placed directly over (parallel to) and at least 15 inches above the foreign line for the entire distance that it. inches above the foreign line for the entire distance that it occupies Magellan's Easement Tract. Additionally, the tape must be placed directly over (parallel to) and at least 15 inches above each Magellan pipeline that is crossed for a minimum distance which is the greater of;

(a) a minimum distance of 20 feet on each side of the Magellan pipeline, or (b) across the entire width of Magellan's Easement Trust 2) The placement of warring tape on each side of Magellan pipeline(s) will not be required for utility cables that are installed using the directional drill or jacking nucleod.

d. Crossings By Metal Pipelines or Condults. Metallic pipe crossing Magellan pipeline(s) may require Magellan to perform a cathodic protection interference survey. If interference with Magellan's eathodic protection system is detected and remodibition is

- cuthodic protection system is detected and remediation is necessary, Owner agrees to cooperate with Magollan and to make necessary adjustments in Owner's interfering metallic pipe or other remediation to correct such interference problem insure that the Magelian cathodic protection
- system is operating properly, c. Low-Voltage Crossing system is operating property.

 Low-Voltage Crossing
 Requirements. Low voltage
 electrical, fiber optic, local service
 communication, long distance
 carrier tolephone, and low-voltage
 (12 - 24 volf) utility cable should
 cross Magellan pipeline(s) with a
 minimum of 23-inches of vertical
 separation. Such cables shall be
 eneased in a rigid, non-metallic
 conduit when crossing Magellan
 pipeline(s).

 I High-Voltage Crossing
 Requirements. High-voltage
 electrical cable (alternating
 current with voltage of 110 volts
 and higher) must cross Magellan
 pipeline(s) with voltage of 110 volts
 and higher) must cross Magellan
 pipeline(s) with voltage of 110 volts
 and higher) must cross Magellan
 pipeline(s) with voltage of 110 volts
 and nigher) must cross Magellan
 pipeline(s) with continuent vertica
 separation as follows:
 24-inches for 60 to 22,000 volts;
 30-inches for 22,001 to 40,000
 volts;

- volts; 42-inches for 40,001 volts and

•42-inches for 40,001 voits and abovo.
In the event a high-voltage electrical cable croises over a Magellan pipeline, the cable shall be encased in red concrete across the full width of Magellan 's Easement Tract, unless a variance is granted by Magellan, as set forth below. g. Written Authorization for Variance. Owner must have written authorization from Magellan for any variance from the vertical separation requirements listed above and/or for any variance from the requirement for

casement of high-voltage

electrical lines in red concrete. Utility Poles and Guy Anchors. electrical lines in red concrete.

Utility Poles and Guy Anchors.

Utility poles and Guy Anchors.

Utility poles and guy anchors shall not be placed on Mageilan's Easement Tract without a written agreement, poles and anchors may be placed no closer than 20 feet to any Mageilan pipeline.

Poles shall not be allowed to run parallel to a Mageilan pipeline within the Mageilan Easement Tract.

Directional Drilling / Borting.

1) Prior to commencing any horizontal directional drilling, Owner shall submit plans showing procedure and material descriptions for Mageilan's approval. The plans and description shall include, but not be limited to the following:

Profile and plan showing location of entry and exit points

Work space required to

- points Work space required to
- perform the work Mud containment and
- perform the work

 Mud containment and
 disposal sites

 Owner shall positively locate
 and stake the location of
 Magellan's existing pipelines
 and other underground
 facilities, including exposing
 any facilities located within

 10 feet of the designed drilled
 path. Prior to commencing
 drilling operations, Owner
 shall modify drilling practices
 and down-hole assemblies to
 prevent damage to
 Mayellan's existing pipelines
 and other facilities. Owner
 shall be responsible for losses
 and repairs occusioned by
 damage all Magellan
 pipelines and other facilities
 resulting from drilling or
 boring operations.

 3) At all times, Owner shall
 provide and maintain
 instrumentation to document
 and negaristyle lengt the night
- provide and maintain instrumentation to document and accurately locate the pilot hole and the drill bit, to measure drill-string axial and torsional loads, and to measure drilling fluid 4)
- torstoan louise, and a or measure drilling fluid discharge rate and pressure. At Magellan's request, Owner shall promptly provide Magellan with reasonable access to information and readings provided by these instruments, including copies of any written documentation. Pilot Hole.

 The pilot hole shall be drilled along the path shown in the plan and profile drawings. No pilot hole shall be made that will result in any of the encroaching utility being installed in violation of laws and regulations or of Magellan's requirements described herein. However, safety for any adjacent utilities and/or structures is of utmost structures is of utmost importance. Therefore, the listing of separation distances or tolerances distances or tolerances herein does not relieve Owner from responsibility for safe operations or for damage to adjacent utilities and structures. If tolerances are not specified in the plan and profile drawings, the pilot hole shall have the following tolerances:

- feet Align ment of +/-20 feet as long as it does not come to within 10 feet of Magellan's
- within 10 feet of Magellan's pipoline
 Initial penetration of ground surface at exact location shown in the plan and profile drawings
 Final penetration of the ground surface within +/-10 feet of the alignment and within +30 feet and -0 feet of the lungth shown in the plan and profile drawings
 Curves shall be drilled at a radius equal to or greater than that specified in the plan and profile drawings. The drilled radius will be calculated over any 3 joints (range 2 type drill
- any 3 joints (range 2 type drill pipe) segment using the following formula: Rdrilled = (Ldrilled/Aavy) x
- Where: Remitted welritled radius
- 180/x
 Where: Rdrilled ~drilled radius
 over Ldrilled = length drilled; no
 less than 75 feet and no greater
 than 100 feet
 Aavy ~ total change in angle
 over Ldrilled
 At the completion of the pilothole drilling, Owner shall provide
 to Mayellan a tubulation of
 horizontal and vertical coordinates,
 referenced to the drilled entry
 point, which accurately desembe
 the location of the pilot hole.
 Ortilling Fluids.
 The composition of drilling fluids
 proposed for use shall comply with
 all applicable laws and regulations.
 Owner is responsible for
 obtaining, transporting and storing
 any water required for drilling
 fluids.
 Disposal of drilling fluids
 sponsored for drilling fluids
 Disposal of drilling fluids
 Disposal of drilling fluids
- Disposal of drilling fluids and
- Disposal of drilling fluids and drill cuttings shall be Owner's responsibility and shall be conducted in compliance with applicable laws and regulations. Drilling fluid shall not be disposed of by placing fluids on or under the surface of Magellan's Easement Tract.

 Owner shall employ best efforts to maintain full annular circulation of drilling fluids. Drilling fluid returns at locations other than entry and exit points shall be minimized. If annular circulation is lost, Owner shall take steps to restore circulation. surface returns of drilling fluids occur, they shall be immedia contained with hand-placed contained with hand-placed barriers (e.g., hay bales, sand bags, ailt fences, etc.) and collected using pumps as practical. If the amount of surface return is not great enough to allow practical collection, the affected area will be diluted with fresh water and the fluid will be allowed to dry and dissipate naturally. If dissipate naturally. If

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the amount of surface return exceeds that which can be contained with hand-placed barriers, small collection sumps (less than S cubic yards) may be used unless permits or other regulations prohibit the use of collection sumps. If the amount of surface return exceeds that which can be contained and collected using barriers or small sumps, or if the return of drilling fluids occurs in the body of water proper, drilling operations will be suspended until surface return volumes can be controlled.

suspended until surface return volumes can be controlled.

6) As-Bullt Drawing. Owner shall provide to Magellan an as-built plan and profile drawing of the drilled crossing showing the location of the new crossing as well as the location of Magellan's pipeline.

5. Roadway, Driveway, Railroad and Equipment Crossings.

Roadway, Driveway, Railroad and Equipment Crossings.

a. Pipeline Integrity Inspection. A pipeline integrity review shall be performed by Magellan as described in provision "6" under "C. Entropediment Pleuning" (above).

b. Load Bearlag and Stress Limit Requirements. Prior to any road, driveway, rail bed or equipment crossing construction, Magellan's engineer must determine whether the proposed compacted cover meets load-bearing requirements and provides adequate protection to limit stress on Magellan's pipeline or other facilities and must advise Owner of any additional requirements necessary to provide adequate protection.

c. No Crossing Over Pipeline Bend, Paved surfaces or rail bods shall not be allowed to cross a pipeline bend (point of inflection).

d. Minimum Angle of Crossing. Crossings should be as close to 90 degrees to Magellan pipeline(s) as possible, but not less than 30 degrees.

e. Pipeline Casing Issues. Magellan prefers that cased roadway and mitroad crossings no longer be installed. If the earrier pipe under roadways and railroads requires adjustment or relocation, then instead of using easing, the carrier pipe will consist of extra strength material or heavier wall thickness to accommodate the additional longitudinal stress due to external loads. If a road or railroad crossing contently uses casing and the road or railroad crossing widened and no other adjustment or relocation of the carrier pipe is required, then Magellan may elect to extend the casing pipe on the existing crossing(s) to accommodate additional road surface. If easing is used, it must not end under the roadway surface or track structure, but must extend across the entire length of the roadway or railroad right of way.

I Railroad Crossing Requirements. Railroads shall be installed with a

way.

f. Railroad Crossing Requirements. Railroads shall be installed with a

minimum compacted cover over the carrier pipe, as measured from the base of the rail to the top of the pipe, as follows (see Figures 1 and 3):

Location of Pipeline	Minimum Compacted Cover Over Top of Pipeline
Under track structure proper (Below bottom of rail)	6.0 feet
Under all other surfaces within the right of way or from the bottom of ditches	3.0 feet

g. Roadway and Driveway Crossings. Roadways and driveways, shall be installed with a minimum compacted cover over the carrier pipe, as measured from the top of the roadway surface to the top of the pipe, as follows (see

Location of Pipeline	Minimum Compacted Cover Over Top of Pipeline
Under readway surface proper (Below surface of payement)	4.0 feet
Under all other surfaces within the right of way or from	3.0 feet

h. Crossing Pipelines Transporting Highly Volatile Liquids. For Magellan pipelines transporting highly volatile liquids, minimum cover for a crossing at a drainage ditch must be 4.0

L. When Additional Depth Required, Depth greater than the minimum depths stated above may be required for a pipeline due to the combined stress of internal pipeline pressure and external loading pressure. Magelian will analyze each proposed crossing based on information provided by Owner to determine any additional depth that may be required for the pipeline for safe operation j. Temporary Roads and Equipment Crossings Any such road or crossing must meet the following requirements:

Any such road or crossing must meet the followin requirements:

• Must be located at a site approved by a Magolian field representative.

• Must provide adequate protection for Magelian's pipeline and other facilities, as determined by the appropriate Magelian engineer, so that the compacted cover meets load-bearing requirements and provides adequate protection to limit stress on the pipeline or other facilities.

Owner shall place Six-inch wide plastic warning tape. McMaster-Carr No. 8288T12 or equal, over each pipeline for the width of the

warning tape, McMaster-Cart No. 3288112 or equal, over each pipeline for the width of the temporary road or equipment crossing, plus an additional 20 feet past each outside edge of such temporary road or equipment crossing.

k. Owner Required to Protect Magellan Pipelines, Magellan may require Owner to put in place additional cover and/or stabilization (timbers, steel platte, crushed rock, concrete slab, etc.) at any approved equipment crossing in order to protect Magellan pipelines, taking into account possible effects of weather, pipeline depth, and type of vehicles proposed to cross the pipelines. Magellan will analyze each proposed crossing based on information provided by Owner to determine any additional depth or protection that may be required for safe pipeline operation.

L. Heavy Equipment - Deflattion and Requirementests. Heavy equipment shall be defined as vehicles having a gross weight in excess of \$0,000 pounds. Heavy equipment shall be defined as vehicles having a gross weight of 80,000 pounds of the prohibited from working directly on top of the active pipeline. For vehicles having a gross weight of 80,000 pounds or less, the pipeline must have a minimum of 4 feet of cover. Magellan must analyze the additional longitudinal stress due to extend longit (the websles have a grass.)

nave a immunum of 4 teet of cover, Magellan must analyze the additional longitudinal stress due to external loads if the vehicles have a gross weight in excess of 80,000 pounds in order to mine required pipeline depth for safe

6. Parking Lots and Other Payement.

a. Parking Lot and Pavement Requirements. Araking Lot and a Pavement requirements.
All purking lots and other pavement installed on Magellan's Easement Truct shall consist of a flexible surface such as asphalt. No reinforced concrete will be allowed.

 Pipeline Depth Under Parking Lot. The

b. repense begelan's pipelines under a parking tot. The depth of Magellan's pipelines under a parking lot must meet or exceed compacted cover requirements listed in the previous "Roadway, Driveway, Railroad, and Equipment Crossings" section above

a. Pipeline Depth Requirements. If Owner proposes to cross a Magellan pipeline with a waterway (river, stream, orcek, irrigation canal, or drainage ditch), such crossing must result in Magellan's pipelines meeting or exceeding the minimum depth below the bottom of the waterway for compliance with then current pipeline construction standards and federal, state, and local regulations.

b. Requirements for Waterway Crossings:

1) Minimum Angle or Crossing. Crossings should be as close to 90 degrees to Magellan pipeline(s) as possible, but not less than 45

degrees.

2) Vertical Separation Requirements for Waterway Crossing. Pipelines to be crossed must have a minimum varieul separation of five (5) feet, as measured from the bottom of the waterway to the outermost part of a Magellan pipeline, facility or appurtenance

3) Adding Weight to Pipeline for Negative Buoyancy. Owner shall bear the cost of Magellan adding sufficient weight or mechanical devices to any Magellan pipeline crossed by a waterway in order to create negative buoyancy for such pipeline.

a. Magellan Written Approval
Required - Plan To Be Submitted.
Magellan must approve any proposed
blasting operations that could uffect its
pipelines or facilities. Should blasting be
necessary, a comprehensive plan must be
submitted to Magellan for review and
written approval.
Safety Considerations - Damage
Prevention Plan, For safety and
precervation of Magellan assets, all
blasting shall be in accordance with
federal, state, and local governing
agencies and the Magellan's "Damage
Prevention Plan for Blasting Near
Company Facilities". A copy of said plan Company Facilities". A copy of said plan will be made available upon request.

EXCAVATION NEAR MAGELLAN PIPELINES.

1. STATE "ONE-CALL" REQUIRED. No excavation or activity listed in "A. GENRRA!.

1. Encroachmun Definition" above shall be performed by Owner in the vicinity of Magellan's facilities or within Magellan's Busement Tract until proper tolephone notification has been made to the appropriate "One Call" system and a Magellan representative is on-site to monitor excavation activities. All of the states in which Magellan conducts pipeline operations have "One Call" laws, which require 48-72-hours notification prior to any excavation related activities.

After making a One-Call, the state One-Call agency will notify Magellan to mark accurately, in a reasonable and binely manner, the location of the Magellan's pipeline facilities in the vicinity of the proposed eneroachment. roposed encroachment.

2. ONE-CALL NOTIFICATION. The following has is provided for convenience, but is not warranted by Magellan to be complete or accurate (telephane numbers were copied from each state's web site on 15/2004). Owner is required to acquire and call the appropriate One-Call number(s) for its location of activity.

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EXHIBIT "B" TO ENCROACHMENT AGREEMENT, 4 of 4

Current "ONE-CALL" aumbers and information can be found on each state's "ONE-CALL" website:
Arkansas - www.arkonecall.com/ 800 482-8998
Colorado - www.uncc2.ory/ 800 892-0123
Illinois - www.ilinoisi call.com/ 800 892-0123
Iowa - www.iowaonecall.com/ 800 292-8989
Kansas - www.kansasonecall.com/ 500 344-7233
Minnesota - www.gopherstateonecall.org/ 800 252-1166
800 344-7483

| Souri - www.moleali.com/ | -800 252-1166 | -800 344-7483 | -800 785-9555 | -800 785-9555 | -800 785-9555 | -800 785-9555 | -800 785-9555 | -800 785-9555 | -800 785-9555 | -800 785-9555 | -800 785-9555 | -800 785-9555 | -800 781-7474 | -800 245-4545 | -800 781-7474 | -800 245-4545 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -800 781-7474 | -

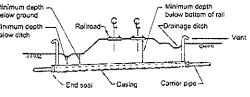
Alternativety, the National One-Call number = (888) 258-0808 - may be used to register a proposed excavation and to subsequently notify underground utility operators with assets in the vicinity.

- 3. Excavation Plen Approval. Owner shall submit to Mugellan for its approval plans for any proposed excavation on the Magellan Easement Tract. No excavation on Magellan's Easement Tract shall be commenced until Owner has secured Magellan's written approval of the plans. The excavation work shall be in compliance with all applicable laws and regulations. Owner is also referred to the Common Ground Alliance Best Practices (referenced in this document).
- 4. Magellan Representative On-Site for Excavation. A Magellan representative must be on-site when an excavation is occurring on Magellan's Easement Tract (see provision "2" under "A. Gentral" beginning on page I).
- 5. Removal of Side-Custing Teeth from Equipment. Side-cutting teeth shall be removed from buckets of
- 6. Parallet Excavating Required, When, in preparation for crossing any Magellan pipeline with any other pipeline or with electric line, communication line, roadway or any other structure or facility. Owner needs to locate a Magellan pipeline by use of mechanical means. Owner must perform such locating activity by oxervating parallol to the Magellan pipeline with such mechanical means, but

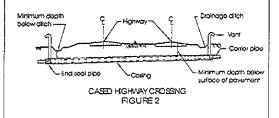
shall cease using the mechanical means when it reaches a point within the Magellan pipeline (see next provision).

7. Exposting Pipeling by Hand, Excavating within 2 feet of any Magellan pipeline shall be done by hand-digging until the pipeline is exposed and its location is accurately known. Then, Owner must position the excavation equipment so that from the point of operations the equipment will not reach within 2 feet of any Magellan pipeline.

RAILROAD AND HIGHWAY CROSSINGS

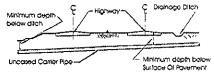


CASED RAILROAD CROSSING FIGURE 1



Minimum dopth bolow bottom of rail Minimum depth bolow ditch - Drainace citch Uncased carrier pipe

UNCASED RAILFOAD CROSSING FIGURE 3



UNCASED HIGHWAY C ROSSING FIGURE 4

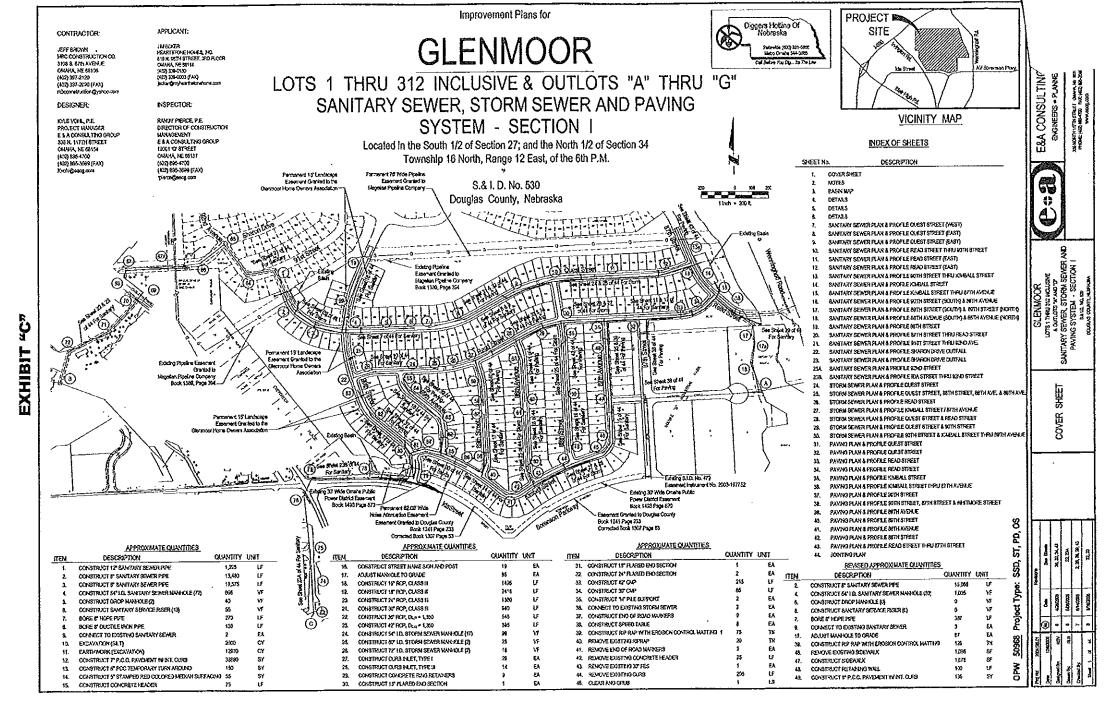
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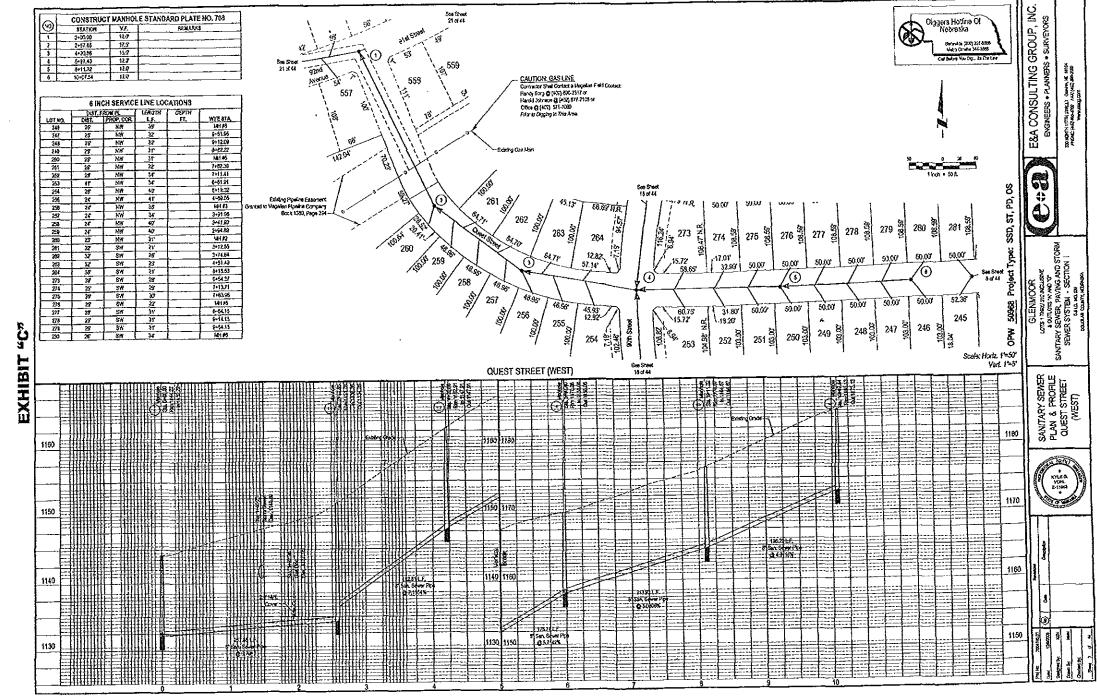
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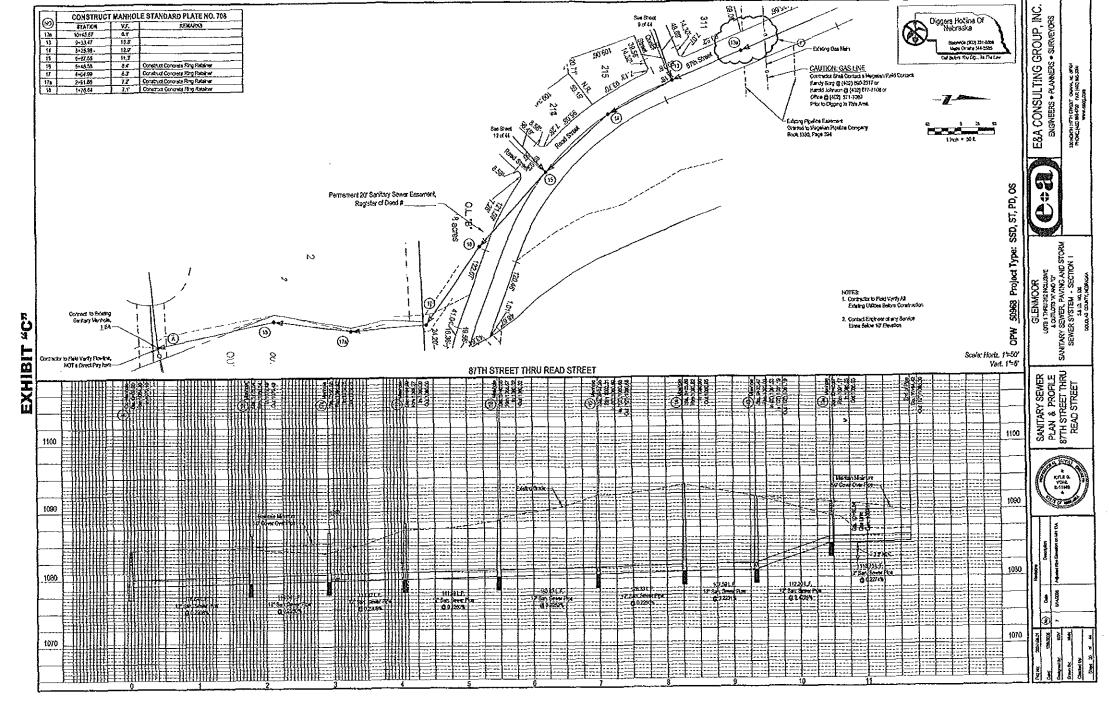
General Encroachment Requirements – (L.P.–3/28/05)



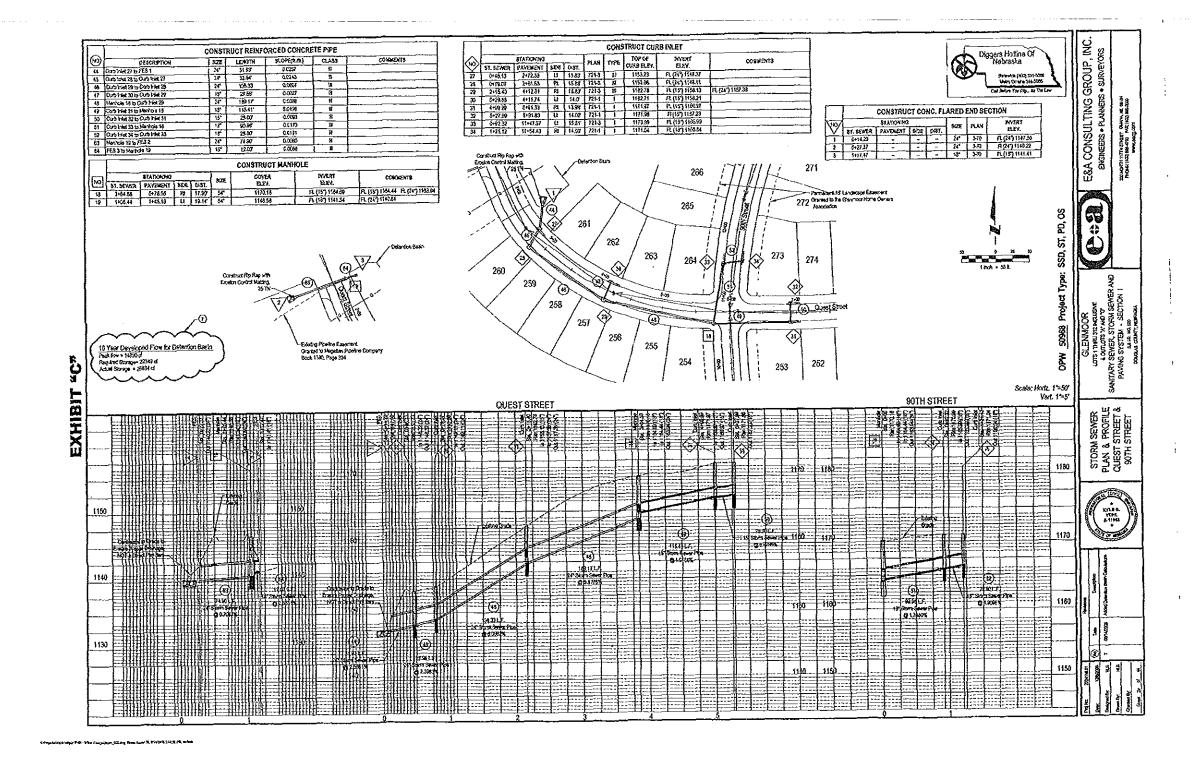


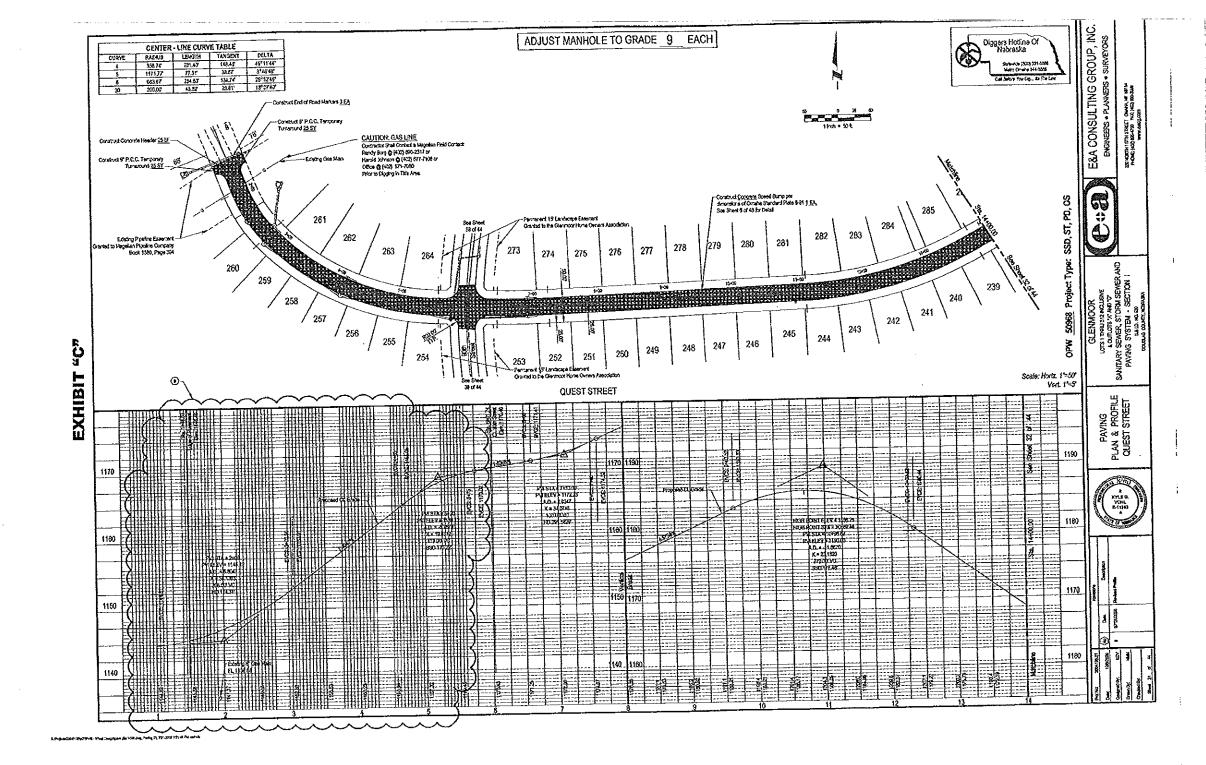


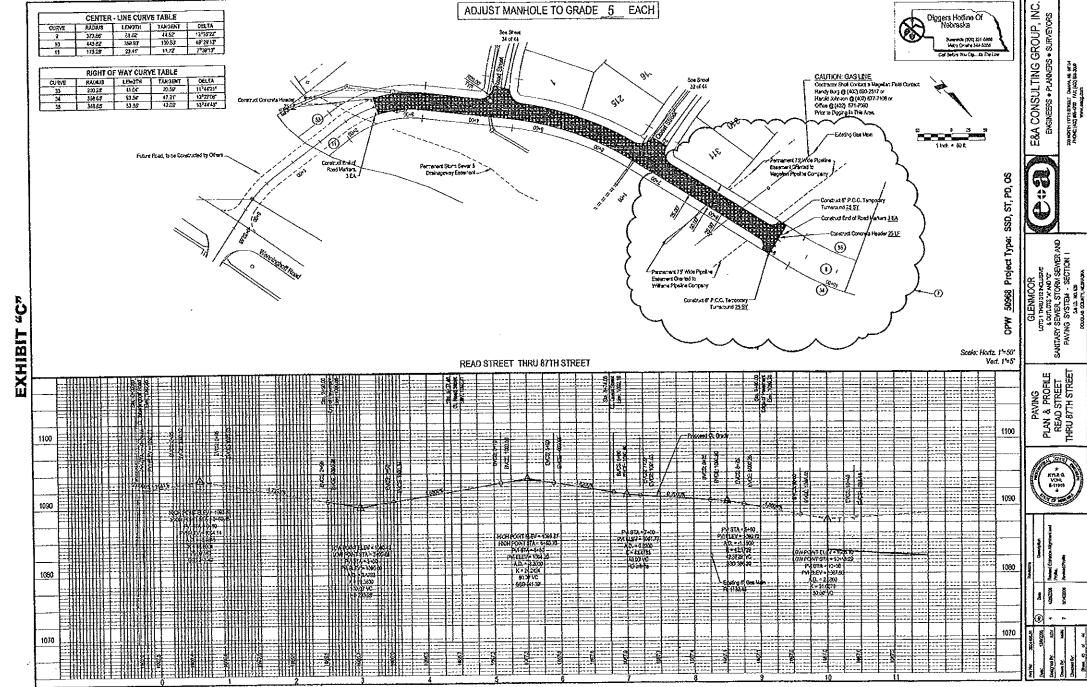
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