

*Recorded at the request of and when recorded
return to:*

Phillips 66 Pipeline LLC
Attention: Jay Pershall
3900 Kilroy Airport Way, Suite 210
Long Beach, CA 90806

DOCUMENTARY TRANSFER TAX \$ -0-
VALUABLE CONSIDERATION LESS THAN
\$100.00

Signature of Declarant or Agent determining tax

E 2835912 B 6152 P 876-888
RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
11/25/2014 01:57 PM
FEE \$34.00 Pgs: 13
DEP RT REC'D FOR PHILLIPS 66 PIPEL
INE LLC

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

09-388-0049

ENCROACHMENT AGREEMENT

1. Subject to the terms and conditions of this Agreement, Permittor hereby consents to the placement and maintenance of the Encroachment within the Right-of-Way as specifically described and/or depicted on Exhibit "A", attached hereto and made a part hereof. The Encroachment within the Right-of-Way shall be placed only in the locations described and/or depicted on Exhibit "A". Any changes in the nature or location of the Encroachment shall require the prior written approval of Permittor.

2. Permittee has been advised and is fully aware that Permittor now has, and shall continue to have, the right to utilize the land within the Right-of-Way and Permittor is hereby granted the right to use additional workspace outside of said Right-of-Way for pipeline purposes; that in so doing, Permittor may, at any time and from time to time, and without liability to Permittee, enter upon said land, place and transport machinery and equipment thereon, excavate trenches or ditches thereon, and perform other pipeline operations and related activities thereon, any of which may damage or destroy the Encroachment. Permittee agrees that Permittor shall have no obligation to repair, restore or replace the Encroachment or to compensate Permittee for any damage to or destruction of the Encroachment arising out of any such Permittor activity. Permittee also agrees that Permittor shall not be responsible or liable for, and Permittee hereby releases Permittor from, any lost business or consequential damages resulting from Permittor's above described activities, howsoever caused.

3. Permittee shall give Permittor at least ten (10) days prior written notice before commencing any construction, maintenance, repair, replacement, or removal of the Encroachment on the Right-of-Way, or any movement of equipment across the Right-of-Way, in order that Permittor shall have an opportunity to have an inspector or representative present during the time such activities are carried out and so that Permittor's pipeline(s) can be staked to minimize the possibility of damage. Notice is to be given to the following individual at the listed address and phone number:

Pioneer Pipeline Company

Tracey Gutierrez, Right of Way Supervisor
1232 Park Street, Suite 300
Paso Robles, California, 93446
Phone: (805) 226-2648
Fax: (805)-239-4410
t.r.gutierrez@p66.com

4. Any future encroachments by Permittee on, or disturbances of, Permittor's Right-of-Way are strictly forbidden unless expressly permitted by Permittor under a separate fully executed Encroachment Agreement. Permittee will not excavate, nor permit others to excavate, on Permittor's Right-of-Way for subgrade preparations or for any other purposes, except as allowed by this Agreement. Permittee, at its sole cost and expense, shall at all times maintain the Encroachment in a condition which will not interfere with or endanger Permittor's pipeline(s) or the operation of such pipelines located within Permittor's Right-of-Way.

5. Nothing in this Agreement shall be construed as a release of any of Permittor's rights in the Right-of-Way instrument specified above and this Agreement shall in no way limit or impair said rights.

6. If it becomes necessary in Permittor's sole judgment, to lower or relocate Permittor's pipeline(s) as a result of any encroachment by Permittee within the Right-of-Way, other than the Encroachment, such lowering or relocating of the pipeline(s) shall be undertaken by Permittor at the sole cost and expense of Permittee including, but not limited to, the cost of acquiring any additional right-of-way. Any relocation of Permittor's pipeline(s), as well as the relocation route, shall be at the sole discretion of Permittor.

7. Permittor shall have the right to adequately mark its pipeline(s) with permanent line markers and ground placards to promote public safety and the future safe operation of said pipeline(s), and to meet applicable governmental regulations.

8. Permittee represents and warrants that it is in compliance with and shall continue to comply with all of the terms and conditions set forth in Permittor's Design Guidelines and Construction Guidelines attached hereto as Exhibit "B".

9. PERMITTEE SHALL PROTECT RELEASE, INDEMNIFY, DEFEND AND HOLD PERMITTOR, ITS PARENTS, SUBSIDIARIES, AFFILIATES, CONTRACTORS AND SUBCONTRACTORS, THEIR SUCCESSORS AND ASSIGNS, AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES (HEREINAFTER COLLECTIVELY REFERRED TO AS THE "INDEMNIFIED PARTIES"), HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, FINES, PENALTIES, DAMAGES, DEMANDS, SUITS, CAUSES OF ACTION, JUDGMENTS, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES, COSTS OF LITIGATION AND/OR INVESTIGATION AND OTHER COSTS ASSOCIATED THEREWITH), AND LIABILITIES, OF EVERY KIND, (COLLECTIVELY REFERRED TO HEREFTER AS "CLAIMS"), INCLUDING WITHOUT LIMITATION THOSE RELATING TO LOSS OF OR DAMAGE TO ANY PROPERTY (INCLUDING, BUT NOT LIMITED TO, ENVIRONMENTAL DAMAGES, POLLUTION OR CONTAMINATION), AND INJURY TO OR DEATH OF ANY PERSONS, IN ANY WAY ARISING OUT OF, CONNECTED WITH OR RESULTING FROM THE EXERCISE OF ANY OF THE RIGHTS IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE CONSTRUCTION, PRESENCE, MAINTENANCE, USE, REPAIR OR REMOVAL OF THE PERMITTED ENCROACHMENT, OR ANY BREACH OF THIS AGREEMENT BY PERMITTEE OR BY ANYONE ACTING ON BEHALF OF PERMITTEE, REGARDLESS OF THE CAUSE OR CAUSES THEREOF, INCLUDING WITHOUT LIMITATION ANY CLAIMS CAUSED BY OR CONTRIBUTED TO, IN WHOLE OR IN PART, BY THE INDEMNIFIED PARTIES' SOLE, JOINT OR CONCURRENT NEGLIGENCE OR FAULT (WHETHER IMPOSED BY STATUTE, RULE, REGULATION OR OTHERWISE) AND STRICT LIABILITY, EXCEPT TO THE EXTENT ANY SUCH CLAIMS ARE CAUSED BY THE INDEMNIFIED PARTIES' WILLFUL MISCONDUCT.

10. This Agreement shall be a covenant running with the property rights under which Permittee is conducting its activities on Permittor's Right-of-Way.

11. Permittee may not assign its rights hereunder without prior written notice to Permittor of such assignment; nevertheless, the provisions hereof shall extend to, be binding upon, and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

EXECUTED on the dates set forth in the acknowledgments, but effective for all purposes as of the _____ day of _____, 201__ (the "Effective Date").

PERMITTOR

Pioneer Pipe Line Company, a Delaware Corporation

Signature:



Bill A. Hallett

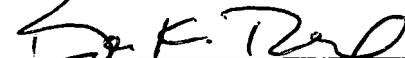
Title:

Right-of-Way Director

PERMITTEE

Blake K. Redd and Briana C. Redd

Signature:



Blake K. Redd

Signature:



Briana C. Redd

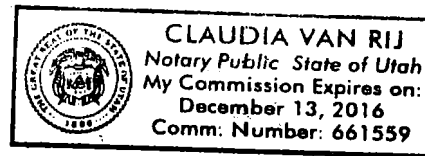
State of Utah)

County of Salt Lake)

§

On this 16 day of September, in the year 20 14, before me Claudia Van Rij
DAY MONTH YEAR NOTARY PUBLIC NAME
proved on the basis of satisfactory evidence to be the person(s) whose name(s) (is/are)
subscribed to this instrument, and acknowledged (he/she/they) executed the same. Witness
my hand and official seal.

Claudia Van Rij
NOTARY PUBLIC



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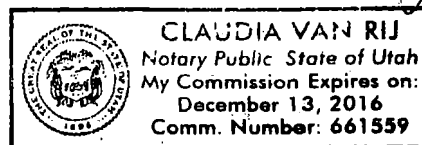
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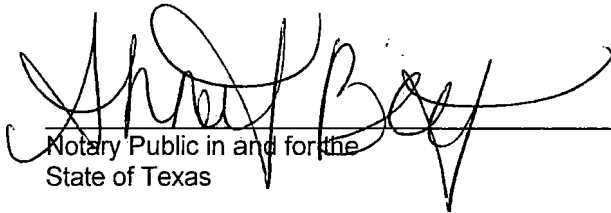


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STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On this 18th day of NOVEMBER, 2014, before me personally appeared Bill A Hallett, known to me to be the person whose name is subscribed to the foregoing instrument as POW DIRECTOR, of Pioneer Pipeline Company and acknowledged to me that he or she executed the same for purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 18th day of November 2014.



Notary Public in and for the
State of Texas

My Commission Expires:

3.15.17

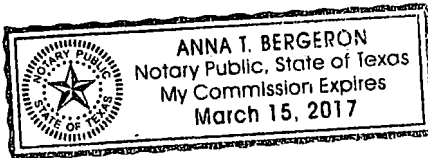


EXHIBIT "B"



General Encroachment Guidelines for Property Developers and Land Owners near Phillips 66 Pipeline LLC and Facilities

Rev. 0 – Effective Date: 2011-01-25

Disclaimer

This standard is subject to revision at any time and will be reviewed according to the procedures of Phillips 66 Pipeline LLC and reaffirmed, revised, or withdrawn. Uncontrolled unless viewed via Livelink. Suggestions for improvement of this standard are welcome. They should be sent to the Standardization Engineer.

Official Document Location: Livelink 152364742

Document Management Information: ADM220 E+2Y



Phillips 66
Pipeline LLC

General Encroachment Guidelines for Property Developers and
Land Owners near Phillips 66 Pipeline LLC and Facilities
Rev. 0 – Effective Date: 2011-01-25

General Encroachment Guidelines for Design and Construction near Phillips 66 Pipeline LLC and Facilities

Document Summary

This document is intended to provide a general listing of design and construction guidelines to be provided to encroaching parties. By having the general design criteria required by Company (Permitter), to ensure the safety of their pipelines and facilities, the encroaching party can better prepare for their designs near the pipeline and pipeline right-of-way (ROW). In addition to having the design guidelines, the construction policies allow for encroaching parties to be aware of the actual working restrictions on or near the Permitter ROW. The construction guidelines were written with the intent to be utilized on construction drawings, therefore providing details to the challenges of the work being performed near the Permitter pipeline ROW.

1.0 Design Guidelines-

Company (Permitter) constructs, repairs, operates and maintains its pipelines in compliance with current U.S. Department of Transportation (DOT) regulations and industry and Company standards for safe operations. Should Encroaching Party (Permittee) propose plans that infringe on Permitter's rights or affect Permitter's ability to meet these requirements, modifications to the pipelines or plans shall be made. **The cost of all such modifications shall be borne by the Permittee. The following guidelines apply to Permittee and any contractors, agents and or representatives it uses for construction activities conducted in Permitter's right-of-way and/or affecting Permitter's pipelines:**

- 1.1. Permittee requesting Permitter to restrict the Right-of-Way (ROW) width will have a metes and bounds survey of the line completed across the land by a registered land surveyor at the Permittee's expense. The Permittee will provide proof of ownership of the property (i.e., warranty deed).
- 1.2. Uninhabited Buildings and Engineered Works: No buildings, engineering works, patios, in-ground swimming pools, septic systems, or other permanent structures shall be permitted within 25 feet of any pipeline located within Permitter's ROW. No temporary structures, storage containers, construction equipment or vehicle parking will be permitted within 25 feet of any pipeline located within Permitter's ROW, without Permitter's prior written approval. Retaining walls are not permitted. This includes all water retention devices. Large debris such as old cars, trailers, scrap metal, etc., will not be permitted on the ROW. The ROW shall be kept clear for maintenance.
- 1.3. Inhabited Structures: All private dwellings, industrial buildings, or places of public assembly shall comply with a building setback of 50 feet from the pipeline(s), and this setback requirement will be included as a deed and or plat restriction on any parcel carved out of the above referenced lands that abut the ROW. For easements containing multiple Permitter pipelines, this would be a strip extending 50 feet each side of Permitter's outermost pipelines.
- 1.4. A greenbelt area will be established around the pipelines in the platting of any new residential or commercial subdivision subject to Permitter's easement. The width of the greenbelt should either be the width of Permitter' easement or, in the case of a blanket easement, extend 25 feet each side of a single Permitter pipeline or 25 feet each side of Permitter's outermost pipelines in the case of multiple Permitter pipelines. The purpose of a platted greenbelt in any new proposed development is to provide that no lot lines or fences cross into the ROW.



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- 1.5. No fences will be allowed on the ROW without Permittor's prior written approval. Fences shall be easily removable and not obstruct the view of the ROW for inspection purposes. No masonry, brick, or stone fences will be allowed. Fences that are perpendicular to the pipeline(s) shall include a gate or other form of access across the width of the ROW. Fence posts shall not be placed within 4 feet of the pipeline(s). Fences that are parallel to the pipeline(s) shall be located at least 10 feet from the nearest pipeline(s), or 25 feet if located on both sides of the line.
- 1.6. No utility poles shall be allowed to cross the ROW if they interfere with future maintenance. Utility poles, guy wires, or anchors shall not be placed within 8 feet of the pipeline(s). Utility poles running parallel to the pipeline(s) shall be located at least 25 feet from the nearest pipeline(s). All overhead cables shall maintain a minimum height of 20 feet above grade.
- 1.7. Trees or deep-rooted plants are not permitted on the ROW. Existing trees and vegetation may be removed or side trimmed by Permittor in its sole discretion.
- 1.8. For new roads running parallel to Permittor's pipeline(s), there shall be at least 25 feet from the edge of the road to the nearest pipeline. All roads passing over Permittor's pipeline(s) shall cross at an angle as close to 90 degrees as possible. Depth of cover shall be at least 48 inches in the barrow ditches and 48 inches under road surfaces from top of pipe to top of surface. Final grade and depth of pipeline shall be surveyed in sensitive areas and results provided to Permittor and Permittee involved with the construction/modification. In addition, it may be necessary to lower and recondition, replace, relocate, or protect the pipeline(s) at the point of crossing to insure that they are not subjected to excessive stress from movement of traffic. Any such modification to the pipeline(s) shall be made at Permittee's expense.
- 1.9. Construction of parking lots over the pipeline(s) shall not be permitted without Permittor's prior written approval in an Encroachment Agreement releasing Permittor from any and all future damages to the parking lot due to pipeline maintenance and repair. Depth of cover shall be at least 48 inches from top of pipe to top of finished surface. Concrete parking lots shall have jointed sections at no more than 20-foot intervals for ease of repair.
- 1.10. If the project includes over-excavating to achieve the final grade, pipeline protective measures shall be discussed and agreed to in advance by the Permittor and the Permittee.
- 1.11. Any utilities that parallel Permittor's pipeline(s) shall maintain a minimum separation distance of 25 feet from the utility's outside wall to the outside wall of Permittor's pipeline(s). All utilities that cross Permittor's pipeline(s) shall pass underneath existing pipeline(s) by a minimum of 18 inches and the crossing shall be as close to 90 degrees as possible and adequately marked on both sides of such pipeline(s). The markers shall be maintained by Permittee in the future. Any future relocation of the utility line due to Permittor's pipeline maintenance shall be done at the Permittee's expense. Any exceptions to these requirements shall not be allowed without Permittor's prior written approval.
- 1.12. Telephone cables, TV cables, secondary electrical lines (240vac or less), and non-steel gas lines shall be in a minimum Schedule 40 steel or PVC casing. Primary (high voltage) underground electrical lines shall be in a minimum Schedule 40 PVC casing and have a minimum clearance of 24 inches underneath Permittor's pipeline(s). Trenched or open cut crossings shall also be covered with a red concrete slab a minimum of 4 inches thick and 24 inches wide for a distance of 10 feet on both sides of the pipeline(s). Any bored or directionally drilled high voltage line shall have a metallic tape tracer installed inside the casing for ease of locating the high voltage line.



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**General Encroachment Guidelines for Property Developers and
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- 1.13. If any of Permittee's lines that cross or run parallel to Permittor's pipeline(s) are installed and constructed of a material requiring cathodic protection, an interference survey shall be made by Permittor and Permittor shall determine what necessary steps shall be taken to prevent the damage of either line. The survey shall be done at Permittor's expense. Any measures required to address interference issues as a result of the installation of the Permittee's lines shall be done at Permittee's expense.
- 1.14. Grade or elevation changes may not be made without Permittor's prior written approval. Changes in grade for the purpose of water retention shall not be approved.
- 1.15. Permittee shall maintain a minimum of 48 inches of soil cover over Permittor's pipeline(s) across the entire width of the Encroachment. If sufficient cover does not currently exist, then at Permittee's sole cost and expense, the line shall be lowered or additional cover provided for placement over the ROW. Cover over the lines may not exceed 6 feet without Permittor's prior written approval. The method of achieving the required depth of cover shall be at Permittor's sole discretion.
- 1.16. The Permittor retains the right to adequately mark the Permittor's pipelines with permanent line markers to insure public safety and the future safe operation of the lines. DOT Regulations state that any person who willfully and knowingly defaces, damages, removes, or destroys any pipeline sign or right-of-way marker shall be subject to a fine, imprisonment, or both. **The Permittee is required by State law to contact the local One-Call Center at least 48 hours prior to any excavation taking place near the pipeline(s).** The Permittor reserves the right to have an inspector or representative on the job to oversee all construction within the ROW.
- 1.17. The Permittee shall allow no material or equipment to be used in the construction of the Encroachment that would hinder or impair Permittor's ability to safely maintain and operate Permittor's pipeline(s). Temporary construction roads or crossings over Permittor's pipelines must be approved in advance in writing by Permittor. Permittee shall provide additional cover and/or stabilization to specifications determined by Permittor prior to commencement of traffic across pipelines.
- 1.18. Permittee shall not allow the Encroachment to create an erosion problem along the ROW, and should such an erosion problem arise then Permittee, at Permittee's sole cost and expense, shall immediately correct the problem.
- 1.19. Permittee will incorporate Permittor's Design Guidelines contained herein into any of Permittee's design and construction drawings issued "For Bid" purposes. All plan drawings issued either "For Bid" or "For Construction" will display the following statement on the drawings in areas around Permittor's pipeline(s):

WARNING: High Pressure Pipeline(s)

No Excavation or Construction in this area without ONE-CALL and
without contacting Phillips 66 Pipeline LLC (P66PL) at

() - .



**General Encroachment Guidelines for Property Developers and
Land Owners near Phillips 66 Pipeline LLC and Facilities
Rev. 0 – Effective Date: 2011-01-25**

2.0 Construction Guidelines -

(If applicable, provide the following in any construction drawing notes)

For planning purposes please notify Phillips 66 Pipeline LLC ("Permitter"), for line marking, depth probing, and prior to start of any construction activities in the pipeline right-of-way. The following guidelines apply to Permittee and any contractors, agents and or representatives it uses for construction activities conducted in Permitter's right-of-way and/or affecting Permitter's pipelines:

- 2.1. The Permittee is required by State law to contact the local One-Call Center at least 48 hours prior to any excavation taking place near the pipeline(s).
- 2.2. Permittee shall conduct their activities in compliance with Permitter's Design Guidelines as well as any applicable encroachment agreement in place with Permittee and or the terms of the Construction Guidelines contained herein.
- 2.3. The continued integrity of Permitter's pipelines and the safety of all individuals in the area of proposed work near Permitter's Facilities are of the utmost importance. Therefore, Permittee shall meet with Permitter representatives prior to construction to provide and receive notification listings for appropriate area operations and emergency personnel. Permitter's on-site representative shall require discontinuation of any work that, in their opinion, endangers the operation or safety of personnel, pipelines, or facilities.
- 2.4. The use of probing rods for pipeline locating shall be performed by Permitter representatives only to ensure no damage to the pipeline coating. If additional work besides probing is necessary to locate the pipeline, this shall be done at the Permittee's expense under Permitter supervision.
- 2.5. Notification shall be given to Permitter at least 72 hours before start of construction. A schedule of activities for the duration of the project shall be made available at that time to facilitate the scheduling of Permitter's work site representative. Any Permittee schedule changes shall be provided to Permitter immediately.
- 2.6. Permittee shall not commence work within twenty-five (25) feet of a Permitter pipeline or aboveground appurtenance without a Permitter representative being on site (unless otherwise agreed to by Permitter). The Permitter reserves the right to have an inspector or representative on the job to oversee all construction within this distance. Depending on size and scope of the work, a Permitter inspector may be an additional cost to the Permittee.
- 2.7. Heavy-wheeled equipment over 10,000 lbs or tracked equipment over 60,000 lbs working on or near pipeline (e.g. dump trucks, backhoe, trackhoe, crane, bulldozer, logging truck, etc) shall not be allowed to operate directly over Permitter pipelines or in Permitter ROW unless written approval is obtained from Permitter. Heavy-wheeled equipment shall only be allowed to cross Permitter pipelines at locations designated by Permitter. The Permittee shall comply with all precautionary measures required by Permitter to protect its pipelines. When inclement weather exists, provision shall be made to compensate for soil displacement due to subsidence of tires.
- 2.8. Prior to each excavation, an authorized Permitter representative shall evaluate the proposed excavation to determine if a risk assessment is required. Maps, drawings, and/or records shall be readily available during the assessment and excavations.



Phillips 66
Pipeline LLC

**General Encroachment Guidelines for Property Developers and
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- 2.9. During Installation of underground pipelines or facilities with drilling or boring technology, an authorized Permitior representative shall have the right to evaluate and approve the drilling plan. For crossings, excavate an observation hole parallel to and **approximately 5 ft on one or both sides** of Permitior's pipeline(s) extending **at least 1 ft below the pipeline or bore, whichever is shallowest**. The observation hole(s) are to be monitored during both the pilot bore and back reaming.
- 2.10. Excavation or grading that might result in erosion or that could render the ROW inaccessible shall not be permitted unless the Permittee agrees to restore the area to its original condition and provide protection to Permitior's facility.
- 2.11. Permittee will remove cutting teeth from excavation equipment bucket when within 10 feet of Permitior's pipeline(s). Mechanical excavation will cease, and only hand excavation shall be permitted, within 18 inches of a crude oil or product pipeline and within 24 inches of a line containing Highly Volatile Liquids (HVL). Excavation will not be allowed to continue until the Permitior's pipeline, valves, and/or fittings top and sides are visible to the spotter. However, proceed with extreme caution when within three (3) feet of the pipe.
- 2.12. Permittee shall maintain a minimum of 48 inches of soil cover over Permitior's pipeline(s) across the entire width of the Encroachment. If sufficient cover does not currently exist, then at Permittee's sole cost and expense, the line shall be lowered or additional cover provided for placement over the ROW. Cover over the lines may not exceed 6 feet without Permitior's prior written approval. The method of achieving the required depth of cover shall be at Permitior's sole discretion. Projects/modifications may include over excavating to achieve the final grade. **If the project includes over excavating to achieve the final grade, pipeline protective measures shall be discussed and agreed to in advance by the Permitior and the Permittee.**
- 2.13. Temporary support of any exposed Permitior pipeline by Permittee may be necessary if required by Permitior on-site representative to complete construction of crossing. Depending on the size and the amount of exposed Permitior pipeline, additional pipeline support may be necessary to protect the pipeline from stresses that may be caused by the settling of the soil and pipeline after excavation. Consult a Permitior representative prior to the commencement of excavation for further details as to what may be required.
- 2.14. No "Non-Explosive" seismic testing or construction equipment with steady state vibrator, intermittent vibrator, or thumper sources shall be conducted within 150 feet of Permitior's pipeline without Permitior written approval. A vibration analysis will need to be conducted to ensure no potential damage to the pipeline. Work shall only resume with written approval from the Permitior.
- 2.15. No blasting shall be allowed within 1320 feet of Permitior's facilities without Permitior written approval. Notification of blasting shall be given to Permitior including a complete blasting plan. A pre-blast meeting shall be conducted by the organization responsible for blasting. Permitior shall have a signed and executed blasting indemnification agreement before authorized permission to blast can be given. A written emergency plan shall be provided by the organization responsible for blasting.