

# Exhibit 1

# Exhibit 1

**CHAPTER 16**  
**REGULATIONS FOR NON-DISTRICT USE OF**  
**SALT LAKE AQUEDUCT AND**  
**POINT OF THE MOUNTAIN AQUEDUCT**  
**CORRIDORS**

Last Updated: June 17, 2013

*PREFACE*

*This chapter of the P&P contains regulations governing the use of the Salt Lake Aqueduct (SLA) and Point of the Mountain Aqueduct (POMA) (collectively Aqueduct Corridors); construction, excavation, removal and/or placement of materials, or other earth work, on the Aqueduct Corridors; and construction near enough to the Aqueduct Corridors to potentially adversely impact those facilities and Aqueduct Corridors, by persons or entities other than the District.*

**16-1 GENERAL BACKGROUND**

- 1) The SLA, physically located in Wasatch County, Utah County, and Salt Lake County, is critical to the water supply of Salt Lake City's retail water service area, Sandy City's retail water service area, and other areas of Salt Lake County and Utah County. Reclamation designed and constructed the SLA under authority of the Reclamation Act of 1902 and the Public Works Administration Appropriation Act of 1938. Since 1938, the District has been responsible for the operation and maintenance of the SLA, has repaid Reclamation all costs incurred in constructing the SLA, and has been entitled to the use of the SLA. Pursuant to the Provo River Project Transfer Act, Pub.Law. 108-382, and a title transfer agreement among the District, the Provo River Water Users Association and the United States, title to the SLA, including the SLA Corridor, was transferred to the District on October 2, 2006.
- 2) POMA, physically located in Utah County and Salt Lake County, is a pipeline and associated facilities constructed by the District to convey raw water to the District's Point of the Mountain Water Treatment Plant, and to carry treated water to the District's member cities and others. The District owns POMA facilities and is responsible for the operation and maintenance of all POMA facilities. POMA is critical to the water supply of Salt Lake City's retail water service area, Sandy City's retail water service area, and other areas of Salt Lake County.
- 3) The intent of this chapter is to provide guidelines and authorization to staff for the licensing of uses of District Aqueduct Corridors. License Agreements should reasonably accommodate other uses of Aqueduct Corridors so long as it is clear that such uses will not materially interfere with the District's interests in the use,

operation, maintenance, repair and replacement of District facilities. The District desires to:

- a) maintain its ability to have necessary, proper, and timely access to the Aqueduct Corridors as well as the pipes and any related structures;
  - b) minimize the costs to the public by providing for reasonable constructability for future repair and replacement projects;
  - c) minimize costs to the public by avoiding litigation;
  - d) minimize the exposure to liability claims;
  - e) provide adequate security;
  - f) enter into written agreements with Affected Property Owners to outline the obligations of the District and the Affected Property Owners; and
  - g) fulfill the District's fiduciary responsibilities to protect District assets for the benefit of the District's member cities and the water users served by those member cities.
- 4) The District's intent is to implement these objectives and provide these protections in a fair, timely, and reasonable manner. Except as otherwise directed by the Board, fees for License Agreements should be reasonably calculated to generally recover direct and indirect District costs associated with evaluating, approving, and administering such License Agreements. The Engineering Committee or Board may authorize License Agreements in addition to those the staff is authorized to issue by this chapter, or make exceptions to the regulations, where doing so would serve the interests of the District and the public we serve.
- 5) Unless an applicable amendment to this chapter is pending (i.e., before the Board or a committee of the Board) or the Board determines that there is a compelling reason to apply one or more changes to this chapter after the time the application was received but before the application was approved, applications being diligently pursued will be considered for approval based upon this chapter as written as of the time of the District's receipt of a substantially complete application. The GM is authorized to develop and implement guidelines to inform an applicant that an application is not substantially complete or is not being diligently pursued.

## **16-2                    GENERAL INTENT OF REGULATIONS**

- 1) District Assumption of Reclamation Agreements. Reclamation has historically provided, by agreement, Affected Property Owners and others the right to use portions of the SLA Corridor pursuant to 43 United States Code, § 387; 43 Code of Federal Regulations, Part 429, and Reclamation Manual/Directives and Standards LND 08-01. As a condition of title transfer, the District assumed all of the rights and responsibilities of Reclamation under then valid Reclamation agreements for use of the SLA Corridor.

- 2) District's Proprietary and Regulatory Interests. Portions of the Aqueduct Corridors are held in fee, portions are held under easement, and portions are located under roads or city parks pursuant to license or franchise agreements. The application of these regulations will necessarily vary depending upon the nature of the ownership interest of the District. Regardless of the nature of the District's ownership interest in the Aqueduct Corridors, the District has regulatory authority as a subdivision of the State of Utah to protect District facilities and operations.
- 3) Fair Market Value of Use of District Fee Lands. The District is generally obligated by state law to charge present fair market value for use of District lands and interests in lands, unless the District has statutory authority to the contrary. *E.g., Salt Lake Co. Comm'n v. Salt Lake Co. Attorney*, 985 P.2d 899 (Utah 1999); *Municipal Building Authority of Iron Co. v. Lowder*, 711 P.2d 273 (Utah 1985); *Sears v. Ogden City*, 533 P.2d 118 (Utah 1975). The basic premise of these cases is that the District holds title to District lands and interests in lands as a trustee for the benefit of its member cities and the water users served by those member cities. The District is charged with the obligation to put the interests of its member cities and the water users served by those member cities above other interests, including the interests of adjoining landowners, and the interests of the public generally. Utah Code Ann. §17B-1-103(2)(t) does allow the District to permit uses of District lands and interests in lands, by adjoining landowners, or local governments, for less than present fair market value, if the Board finds that doing so is in the best interests of the District and the public. In sum, the District's ability to meet the desires of adjoining landowners and others is substantially constrained by law. The District's policy is that it will make reasonable efforts to comply with these requirements, and will take reasonable efforts to act within the District's limited authority to dispose of any right of use or interest in District lands and interests in lands. The District will reasonably recover the estimated actual costs to the District of processing and administering License Agreements, while taking reasonable steps to minimize charges.
- 4) SLA Rights Reserved by the United States. Pursuant to the Provo River Project Transfer Act, Pub.Law. 108-382, and a title transfer agreement among the District, the Provo River Water Users Association and the United States, the United States transferred the title of the SLA Corridor to the District and the United States reserved an easement for the continued, lawful, non-motorized public access across the SLA to adjacent public lands. The United States also reserved an easement for Central Utah Project facilities within Utah County. All uses of the SLA Corridor are subject to these easements. No action taken pursuant to these regulations should be interpreted as adversely impacting such interests of the United States.
- 5) Security. The SLA and POMA are critical public infrastructure, and as such the use of the Aqueduct Corridors will be subject to federal, state, local and District statutes, regulations, rules, ordinances, policies and procedures designed to protect public health, safety and welfare.

- 6) Non-motorized Public Trail Development. The District believes that public, non-motorized recreational trail use of portions of the Aqueduct Corridors may be developed in a manner that does not adversely impact the security of the SLA or POMA, and does not adversely impact the District's ability to use, operate, repair, inspect, maintain, or improve District facilities. The District focus is providing supplementary wholesale water to the District's member cities. The District does not view its role as including the creation or promotion of recreational trail development. Any trail development on Aqueduct Corridors shall be approved by the District's Board.
- 7) Non-licensed Encroachments. The District may periodically review its Aqueduct Corridors to identify non-licensed Encroachments. The District may take action to remove such Encroachments or bring Encroachments in compliance with these regulations, including payment of all required fees and charges as applicable.

### **16-3 DEFINITIONS**

- 1) "Affected Property Owner" – A person or entity who is an underlying fee owner, adjoining landowner, and/or someone who holds a property interest that is in some reasonable manner related to a property interest of the District.
- 2) "Applicant" - A person or entity who applies for issuance of a License Agreement by the District.
- 3) "Aqueduct Corridor" – lands, interests in lands, fee title ownership, deeded easements, 1890s Act reserved easements, rights-of-way, or any other property interests held by the District associated with SLA or POMA and their related improvements and facilities. Specific properties that are not included as part of the Aqueduct Corridor shall be based on a list of such properties as approved by the Board.
- 4) "District" - The Metropolitan Water District of Salt Lake & Sandy.
- 5) "Encroachment" - An improvement or use within an Aqueduct Corridor.
- 6) "Hazardous Materials" include:
  - a) Those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, *et seq.*, the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901, *et seq.*, the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 1981, *et seq.*, and the regulations promulgated pursuant to such statutes.

- b) Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the United States Environmental Protection Agency as hazardous substances (40 CFR Part 302 and amendments thereto).
  - c) Such other substances, materials and wastes which are or become regulated or which are classified as hazardous or toxic under applicable federal, state, or local laws, statutes, ordinances or regulations. This does not include public sewers.
- 7) "License Agreement" - The agreement issued to a Licensee who has successfully completed the application process.
  - 8) "Licensee" - The person or entity that is a party to a License Agreement with the District for use of SLA or POMA Corridors. Any reference in these regulations to "Licensee" should also be interpreted as referring to Licensee's contractors, subcontractors, employees, agents or representatives.
  - 9) "POMA" or "Point of the Mountain Aqueduct" - A large transmission pipeline that provides municipal and industrial water to the District's member cities and others. The District owns, operates and maintains POMA.
  - 10) "Reclamation" - A bureau of the United States Department of the Interior that designed and constructed the SLA and originally held title to the SLA and SLA Corridor.
  - 11) "SLA" or "Salt Lake Aqueduct" - The SLA is a large transmission pipeline that provides municipal and industrial water to the District's member cities and others. Title to the SLA and SLA Corridor was transferred to the District on October 2, 2006 pursuant to the Provo River Project Transfer Act, Pub. Law. 108-382, and a title transfer agreement among the District, the Provo River Water Users Association and the United States.
  - 12) "Standard Specifications Manual" - The District created and manages a manual of specifications that governs use of and construction in, and in some cases near, the Aqueduct Corridors. The District may make changes to Standard Specifications Manual from time to time as it deems appropriate.

## 16-4 LICENSE AGREEMENTS

- 1) A License Agreement is required for:
  - a) Vehicle Access. Except where SLA or POMA is located under a validly existing public road, street or highway, a valid License Agreement is required for any vehicle access on or over the SLA, POMA, or Aqueduct Corridors. Weight restrictions for SLA and POMA pipe must be strictly observed.
  - b) Excavation, Earthwork, Construction, Etc. Any excavation, removal of material, placement of material or other earth work, or construction work on Aqueduct Corridors requires a valid License Agreement.
  - c) Improvements to Previously Approved Encroachments. Any improvement to a previously approved Encroachment on Aqueduct Corridors requires a new License Agreement.
- 2) License Agreement. License Agreements shall be on a form specifically tailored to reflect the approved use by the Licensee and, therefore, may contain terms, conditions and/or limitations that are not reflected in previous or sample License Agreements or specifically mentioned in these regulations. The GM is authorized to enter into License Agreements that are consistent with these regulations and applicable law on behalf of the District. All activities conducted on Aqueduct Corridors pursuant to a License Agreement shall be in strict conformity with these regulations.
- 3) License Agreement Time Periods. The License Agreement is valid for the time period specified in the License Agreement. The maximum time period for a License Agreement is 25 years if the License Agreement is issued to a public agency or utility. If the License Agreement is issued to a private organization or home owner, the maximum time period is 15 years.
- 4) License Agreement Renewal. At the end of the effective time period, the Licensee shall remove the encroaching facility or renew the License Agreement consistent with the existing policies and regulations. The Licensee shall pay all required fees and charges as applicable to renew the License Agreement.
- 5) Licensees Responsible for Employees, Contractors. Licensees are strictly liable for failure of their employees, agents, contractors or subcontractors to perform in strict conformity with the License Agreement and these regulations.
- 6) Public Use of Aqueduct Corridors. Use of Aqueduct Corridors by the public will not be permitted without a separate License Agreement requested by the Licensee and granted by the District's board prior to issuance of the License Agreement.

- 7) Denial of License Agreement. License Agreements are a matter of privilege, and not a right. The GM may deny a new or renewed License Agreement if he determines that such may materially jeopardize the interests of the District in a manner not contemplated by these regulations. The GM may deny a new or renewed License Agreement if the District or other agency has any outstanding encroachment issues with the Applicant, Licensee, or related persons or entities.

#### **16-5 APPLICATION PROCEDURES, FEES, SPECIFICATIONS**

- 1) The GM is authorized to develop application forms, instructions, and procedures to guide Applicants through the application process. The Board shall adopt a fee schedule for application fees, processing fees, right of use fees, and any other fees consistent with these regulations. The Board may delegate to the GM the ability to establish appropriate fees for use of fee title lands. Fees for use of fee title lands may be waived in whole or in part by the GM to the extent that the licensed use is determined to be beneficial to the District (e.g., landscaping is developed and maintained by others). The GM is authorized to develop a Standard Specifications Manual for any work to be performed on the Aqueduct Corridors or close enough to the Aqueduct Corridors to potentially impact the District's right of lateral support.

#### **16-6 GENERAL REQUIREMENTS**

- 1) Service Interruption. The SLA and POMA are pipelines that remain in service year-round and are critical to the water supply of hundreds of thousands of people. **Service interruptions of either the SLA or POMA must be expressly authorized by the GM, and are not permitted except in very extraordinary circumstances.** Unauthorized interruptions to service of the SLA or POMA will not be tolerated and could result in the responsible party paying any and all incidental and consequential damages including, but not limited to:
  - a) Lost revenue from water sales;
  - b) Personnel time;
  - c) All costs required to return the affected pipeline back to its full service capacity;
  - d) Any costs incurred by the District's member cities that are over and above the normal costs associated with the affected pipeline;
  - e) The value of the water which could not be used due to the interruption; and
  - f) Third party claims tied to lack of water.
- 2) **Unauthorized interruptions of service will likely result in criminal and civil actions, particularly if determined to be willful or negligent. The District will**



**participate in, and direct vigorous enforcement activities against, any persons who cause, or who are associated with causing, any unauthorized interruptions in service of the SLA or POMA.**

- 3) Contamination of Water Supply. Water conveyed by the SLA and POMA is used in a municipal and industrial water supply. The Licensee shall not introduce pollutants or place foreign materials of any kind in water conveyance facilities. In the event of a Hazardous Material spill, or if there is any release of materials into the water that may affect the operation of the SLA or POMA, the Licensee shall notify the District immediately.
- 4) Record Drawings. Licensee shall provide to the District record drawings. Record drawings shall be submitted to the District in a format acceptable to the District.

## **16-7 PROTECTION STANDARDS**

### **1) Roadways**

- a) Public roadways are allowed within Aqueduct Corridors so long as their construction and use does not alter or interfere with the use, operation, maintenance, repair, replacement or improvement of any District facilities. Approved public roadways include roadways, curbs, gutters, park strips, driveway approaches, and sidewalks. All public roadways are subject to approval by the GM on an individual basis. Where public roadways will be constructed by or for a developer, but dedicated to a municipality or other governmental entity, the District will require the License Agreement to be signed by both the developer and that municipality or other governmental entity. Public trails are not considered to be part of the public roadway. See paragraph 16-2(6) for policies related to public trails. Utilities are not considered to be part of the public roadway. See paragraph 16-7(7) for policies related to utility crossings.
- b) Except for District purposes, no new, private, primary or sole access, hard-surface (e.g., concrete, asphalt, pavers, etc.) roadways or driveways will be allowed within Aqueduct Corridors. Any new private roadway or driveway allowed shall be a secondary access and shall be limited to dirt or gravel.
- c) Existing private roadways or driveways may remain pursuant to a valid, existing License Agreement.
- d) Roadways or driveways located over District pipelines shall be designed to meet maximum allowable loading restrictions and minimum cover requirements as determined by the District.
- e) Except as otherwise expressly agreed in writing by the District, if the District determines that it is necessary to remove or damage roadways or driveways for

the use, operation, maintenance, repair, replacement, or improvement of any District facilities, repair or replacement of the removed or damaged roadways or driveways will be the responsibility of the Licensee and its successors.

- 2) Buildings, Other Fixed Structures. Buildings, structures, devices, features, and other encumbrances are not allowed to be constructed within or to overhang Aqueduct Corridors. The list of prohibited items includes, but is not limited to, the following: buildings, footings, foundations, retaining walls, block walls, concrete slab walls and flatwork, pavers, climbing walls, decks, carports, sheds, light poles, flag poles, sports courts, anchored sports facilities and equipment, basketball standards, tennis courts, drinking fountains, trampolines, motor cross facilities, power poles, power outlets, swimming pools, wading pools, ponds, decorative pools, and water features.
- 3) Reasonable and Efficient District Access
  - a) The District shall have reasonable and efficient access to all portions of Aqueduct Corridors. No fences or similar barriers will be allowed within Aqueduct Corridors except as consistent with these regulations.
  - b) Existing fences may remain pursuant to a valid, written License Agreement until the District determines that District activities require removal. Fences authorized by valid agreement may be replaced during the term of such agreement, but the replacement shall be consistent with subpart (d) below.
  - c) Other fences may be allowed for District purposes as determined by the GM.
  - d) Fences shall be constructed of chain link, wood, wire, or composite, shall stand no higher than six feet, and shall be in compliance with applicable federal, state, and local statutes, regulations and ordinances. Licensee shall permit reasonable and efficient access to enclosed portions of Aqueduct Corridors.
  - e) All fences within Aqueduct Corridors are subject to removal by District as required to inspect, maintain, repair, replace or improve pipe or structures. Except as otherwise expressly agreed in writing by the District, removal and replacement of fences shall be the responsibility of the Licensee and its successors.
  - f) Equipment, vehicles, material, litter, or debris shall not be stored on Aqueduct Corridors, access roads, or other access areas. The list of prohibited items includes, but is not limited to, the following: vehicles, trailers, recreational vehicles, machinery, grass clippings, branches, vegetative material, refuse, portable play equipment (swing sets, trampolines, basketball standards, nets, etc.) sheds, and animal feed (hay, etc.).
- 4) Trees and Vines

- a) Except for District purposes, no trees or vines will be allowed within Aqueduct Corridors. Trees and vines within 20 feet of centerline of District pipelines or on access paths and roads used by District are not allowed. Trees and vines authorized by agreement prior to October 2, 2006, greater than 20 feet horizontally from the centerline of District pipelines, and greater than 20 feet horizontally from the centerline of access roads and paths used by the District may remain until removal is required for safe operation, maintenance, construction, or replacement of the pipeline or access roads and paths at the sole discretion of the District.
- b) All vegetation and related material (such as sprinkler systems, mulch, etc.) within the Aqueduct Corridors shall be maintained by the Affected Property Owner or Licensee, as the case may be. All vegetation and related material (such as sprinkler systems, mulch, etc.) within Aqueduct Corridors is subject to removal by District. Except as otherwise expressly agreed in writing by the District, removal and replacement of vegetation and related material (such as sprinkler systems, mulch, etc.) shall be the responsibility of the Licensee and its successors.

5) Changes in Ground Surfaces, Lateral Support

- a) All temporary or permanent changes in ground surfaces within Aqueduct Corridors are encroaching structures and require a License Agreement. Licensee is required to comply with District requirements for minimum and maximum depths of cover over the SLA and POMA.
- b) Any fills and cuts on properties adjacent to Aqueduct Corridors shall not encroach onto Aqueduct Corridors without specific written prior approval by the District. Modifications of properties adjacent to Aqueduct Corridors shall not reduce lateral support for Aqueduct Corridors without specific written prior approval by the District.

6) Drainage From or Onto Aqueduct Corridors. Existing drainage over and from Aqueduct Corridors must be maintained at all times. Any erosion from construction, operation, maintenance or use activities must be controlled at all times. No new concentration of surface or subsurface drainage may be directed onto or under the Aqueduct Corridors without a showing of adequate provisions for removal of drainage water, and the specific prior written approval of the District.

7) Utility Crossings. Utility crossings of Aqueduct Corridors require a License Agreement on an individual basis. All applicable state, city, and county regulations shall be adhered to in the construction of utilities. Where utilities will be constructed by or for a developer, but dedicated to a municipality or other local governmental entity or regulated public utility, the District will require the License Agreement to be signed by both the developer and that municipality or other local governmental entity

or regulated public utility. Parallel utilities are not allowed within Aqueduct Corridors. Metal pipes which are in close proximity to and may affect District pipelines shall implement corrosion protection measures that provide adequate protection of the District's pipelines.

#### **16-8 APPEALS**

- 1) Any decision of the GM regarding Aqueduct Corridors may be appealed as described here.
- 2) All appeals shall:
  - a) be in writing;
  - b) explain in detail the bases for the appeal; and,
  - c) state clearly the relief sought.
- 3) In order for an appeal to be considered the written appeal must be received by the GM within 30 calendar days following the mailing or delivery of the decision of the GM that is being appealed.
- 4) At the request of the person(s) filing the appeal or the GM, the Chair of the Engineering Committee may extend the time for appeal upon good cause shown.
- 5) To the extent an appeal appears to raise concerns that some portion of these regulations were misapplied or misinterpreted, the GM shall refer that portion of the appeal to the Engineering Committee.
- 6) To the extent an appeal appears to request an exception to, or a modification of, some portion of these regulations, the GM may, after consulting with the Chair of the Engineering Committee, refer that portion of the appeal to the Engineering Committee and request the Engineering Committee consider making a recommendation to the Board. In the alternative, the GM, after consulting with the Chair of the Engineering Committee, shall refer the appeal to the Board.
- 7) The body addressing an appeal, whether it is the Engineering Committee or the Board, has discretion to resolve the appeal with or without information beyond the written appeal.
- 8) Decisions will be made in writing and mailed or delivered to the person(s) filing the appeal.

# Exhibit 2

# Exhibit 2

## PIPELINE ENCROACHMENT AGREEMENT

UTA Contract # DR/D/1788/E  
MP Location: 770.82 – 771.51  
Clearfield, Utah

THIS PIPELINE ENCROACHMENT AGREEMENT (the "Agreement") is made and entered into as of the 8<sup>th</sup> day of June, 2002, by and between UTAH TRANSIT AUTHORITY, a public transit district organized under Title 17A, Chapter 2, Part 10 of the Utah Code (hereinafter "UTA"), and Questar Gas Company, a Utah corporation, with a principal address of 1140 West 200 South, PO Box 45360, Salt Lake City, UT 84145 (hereinafter "Licensee").

### RECITALS

WHEREAS, UTA is the owner of the entirety of a certain railroad corridor also known as the Denver & Rio Grande Western (the "Right of Way") acquired by UTA for the development and expansion of its public transportation system; and

WHEREAS, Licensee intends to construct a 8" natural gas pipeline (the "Pipeline") which will encroach upon the Right of Way from Mile Post 770.82 – 771.51 in Clearfield Utah; and

WHEREAS, Licensee desires a license for the construction, operation and maintenance of the Pipeline.

### AGREEMENT

NOW THEREFORE, on the stated Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereinafter set forth, the mutual benefits to the Parties to be derived herefrom, and for other valuable consideration, the receipt and sufficiency of which the Parties acknowledge, it is hereby agreed as follows:

### ARTICLE I INCORPORATED TERMS AND DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

1.1 "Construct" and "Construction" mean the initial installation of the Pipeline (or any improvements to the Pipeline) in or otherwise materially affecting the Right of Way, as well as any subsequent reconstruction, relocation, restoration or rehabilitation of the Pipeline (or any improvements to the Pipeline) in or otherwise materially affecting the Right of Way.

1.2 "Emergency Access Manager" means the person or office responsible for controlling Construction and Maintenance access to the Right of Way. The Emergency Access Manager as of the execution of this Agreement is at (801) 231-7679. UTA may change the designated Emergency Access Manager from time to time by delivery of notice in accordance with Article XVI of this Agreement.

1.3 "Freight Operator" means any entity using the Right of Way, or any portion thereof, to provide common carrier freight operations.

1.4 "Governmental Authority" means any federal, state, municipal, local or other division of government, or any agency thereof, having or asserting jurisdiction with respect to any matter related to this Agreement.

1.5 "Hazardous Materials" mean any materials or substances: (i) which are present in quantities and in forms which require investigation, removal, cleanup, transportation, disposal, response or remedial action (as the terms "response" and "remedial action" are defined in Section 101 of the Comprehensive Environmental Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601 (23) and (24)) under any applicable federal, state or local environmental law, regulation, ordinance, rule or bylaw, as such are amended from time to time, whether existing as of the date hereof, previously enforced or subsequently amended (each hereafter an "Environmental Law"); or (ii) which are defined as "hazardous wastes," "hazardous substances," "pollutants" or "contaminants" under any Environmental Law.

1.6 "Losses" mean any losses, damages, claims, demands, actions, causes of action, penalties, expenses, litigation costs, attorneys' fees, expert witness fees, court costs, amounts paid in settlement, judgments, interest or other costs resulting from: (i) loss of or damage to the property of any Party or Third Person; (ii) death or personal injury to the agents of any Party or to any Third Person; or (iii) the cleanup or other requirements regarding any incident involving Hazardous Materials.

1.7 "Maintain" and "Maintenance" mean the performance of any repair, restoration, rehabilitation, refurbishment, retrofitting, inspection, monitoring, observation, testing, or similar work with respect to the Pipeline (or any improvements to the Pipeline) in or otherwise materially affecting the Right of Way.

1.8 "Party" and "Parties" mean UTA or Licensee, and UTA and Licensee, respectively.

1.9 "Pipeline" means the 8" steel natural gas pipeline to be installed by Licensee pursuant to this Agreement and located underneath the surface of the Right of Way from Milepost Number 770.82 – 771.51 which shall be placed four (4) feet, unless otherwise specifically depicted, in from the edge of the DRGW Right of Way Line in Clearfield, Utah as depicted on Exhibit "A" (Exhibit "A" is attached hereto and hereby incorporated into and made a part of this Agreement by reference). The term "Pipeline" shall also apply to any and all rearrangements, modifications, reconstruction, relocations, removals and extensions or additions concerning the Pipeline that are authorized and approved by UTA pursuant to this Agreement (unless they are the subject of a separate agreement that does not incorporate the terms hereof).

1.10 "Third Person" means any individual, corporation or legal entity other than UTA and Licensee.

1.11 "Track Improvements" mean any and all tracks, rails, ties, switches, frogs, end of track barricades or bumpers and other barricades or bumpers, derail devices, tie plates, spikes, wires, fastenings and any other appurtenances related thereto, drainage structures, grading, ballast, subgrade stabilization, crossings, tunnels, bridges, trestles, culverts, structures, facilities, leads, spurs, turnouts, tails, sidings, signals, crossing protection devices, communications systems or facilities, catenary systems and wires, poles and all other operating and non-operating appurtenances located within the Right of Way.

1.12 "Utility" and "Utilities" mean and include all properties, facilities, utilities, crossings, encroachments, lines and similar appurtenances located within the Right of Way by permissive or prescriptive authority including, but not limited to, pipelines, tubelines, water and gas lines or mains, electrical conduits, ditches and other drainage facilities, wires, fiber optics, communication lines, sewer pipes, overhead wiring and supporting structures and appurtenances, and all similar installations.

1.13 "Work Window" means the time period designated by UTA during which Construction, Maintenance and any other work with respect to the Pipeline within the Right of Way is permissible. UTA may, at any time and at UTA's sole discretion, determine that the Work Window shall not be concurrent with any passenger operations within the Right of Way.

## **ARTICLE II**

### **GRANT OF LICENSE AND REAL ESTATE USAGE CHARGE**

2.1 An administrative fee has been paid by Licensee at the time of application for the license granted herein in the amount of \$500.00. This amount reflects the clerical, administrative and handling expense incurred in connection with the processing of this Agreement.

2.2 In consideration of the real estate usage charge to be paid by Licensee, and in further consideration of the covenants and agreements to be kept, observed and performed by Licensee hereunder, UTA hereby grants Licensee a license to Construct, Maintain and operate the Pipeline in the location shown and in conformity with the dimensions and specifications indicated on the attached prints dated 3/29/07 and marked Exhibit "A".

2.3 Upon the execution of this Agreement, Licensee agrees to pay UTA a(n) one time real estate usage charge of \$104,915.00 payable on or before the execution date of this agreement.

## **ARTICLE III**

### **ACCESS TO THE RIGHT OF WAY**

3.1 Except in the event of an emergency (as provided in Section 3.2 below), Licensee shall request permission from UTA at least ten days (or such shorter period as may be approved by UTA) prior to performing any Construction or Maintenance in or otherwise materially affecting the Right of Way. Licensee's request to access the Right of Way shall be specific as to the time, date and activities for which Licensee seeks permission. The request shall also include a summary of the method and manner in which the Construction or Maintenance will be performed. As part of the application process, UTA may require Licensee (and its contractors or other agents seeking access to the Right of Way) to attend any track access coordination meetings, safety training or other instruction as may be deemed necessary by UTA. Once granted, UTA's permission to enter the Right of Way shall be formalized in writing and delivered to Licensee. After permission has been granted, Licensee shall comply with all conditions, instructions and requirements of such permit and with all instructions or directions given by UTA including, if required, daily telephone notification to the applicable rail dispatch center prior to each entry into the Right of Way. All contact with UTA shall be coordinated through the person designated by UTA from time to time as set forth in Article XVI of this Agreement. Provided that Licensee complies with the provisions of this Section, UTA agrees not to unreasonably withhold, condition, or delay its approval of Licensee's request.



3.2 Licensee shall have the right to enter the Right of Way in the event of an emergency to make repairs necessary to protect against imminent and serious injury or damage to persons or property. Licensee shall take all precautions necessary to ensure that such emergency entry does not compromise the safety of any operations conducted in the Right of Way by UTA or the Freight Operator. Licensee must attempt to notify the Emergency Access Manager of the emergency access and the work being performed prior to entering the Right of Way.

#### **ARTICLE IV CONSTRUCTION AND MAINTENANCE OF THE PIPELINE**

4.1 All Construction and Maintenance with respect to the Pipeline shall be performed to the satisfaction of UTA and in accordance with the conceptual, engineering and/or design plans ("Design Plans") previously approved by UTA and attached hereto as Exhibit "A." All Construction and Maintenance with respect to the Pipeline shall be performed in a workmanlike manner, in compliance with all applicable industry standards and in compliance with the requirements of any applicable Governmental Authority. UTA may impose requirements in addition to or more stringent than industry or legal standards if UTA deems such requirements necessary for the safety of operations conducted in the Right of Way. UTA may also require additional fabrication methods, staging requirements or other precautions. All Construction and Maintenance with respect to the Pipeline shall be performed during the designated Work Window. UTA shall have the right, but not the obligation, to observe any and all work performed in or otherwise materially affecting the Right of Way in connection with the Pipeline to ensure that such work is performed in accordance with the requirements set forth in this Agreement. In its Construction or Maintenance of the Pipeline, Licensee shall not make any material deviation from the Design Plans without UTA's prior written approval. Licensee shall submit to UTA plans setting out the method and manner of handling all work to be performed under the Track Improvements including, without limitation, the shoring and cribbing, if any, required to protect the operations of UTA, the Freight Operator or the owner of any adjacent tracks. Licensee shall not proceed with any such work until Licensee's proposed methods have been approved by UTA. The Pipeline shall be placed at the depth acceptable to UTA and shall not interfere with any Track Improvements. The Pipeline shall maintain a side clearance that is as great as reasonably possible but in no event less than eleven (11) feet from the center line of any rail.

4.2 Various Utilities exist on, over and under the surface of the Right of Way. Prior to commencing any Construction or Maintenance with respect to the Pipeline, Licensee shall properly investigate and determine the location of all such Utilities. In addition to the required investigation, Licensee shall have all Utilities in the area of the Pipeline "blue-staked" and clearly marked prior to any excavation. Licensee shall make arrangements for the protection of all Utilities and shall commence no excavation, boring or other penetration in the Right of Way until all such protection has been accomplished.

4.3 Fiber optic cable systems may be buried in the Right of Way. Protection of the fiber optic cable systems is of extreme importance since any break could disrupt service to users resulting in business interruption and loss of revenue and profits. Licensee shall be solely responsible for contacting UNION PACIFIC RAILROAD COMPANY during normal business hours (7:00 a.m. to 9:00 p.m. Central Time, Monday through Friday, except holidays) at 1-800-336-9193 (also a 24-hour, 7-day number for emergency calls) and for determining if fiber optic cable is buried near the location of the Pipeline. If so, Licensee will contact the telecommunications company(ies) involved, make arrangements for a cable locator and, if applicable, make arrangements for relocation or other protection of the fiber optic cable. Licensee

shall not commence any work until all such protection and/or relocation have been accomplished. Licensee shall be solely responsible for all coordination with Union Pacific and any telecommunications companies. In coordinating the relocation or protection of fiber optic cable, Licensee shall not rely on any statements, engineering drawings or other oral or written representations of UTA or its representatives. In addition to other indemnity provisions in this Agreement, Licensee shall indemnify, defend and hold the UTA Indemnitees (as defined in Section 8.1 of this Agreement) harmless from and against all Losses arising out of: (a) any damage to or destruction of any telecommunications system proximately caused by any Construction, Maintenance or other work performed by Licensee or its agents relative to the Pipeline; and/or (b) any injury to or death of any person employed by or on behalf of any telecommunications company proximately caused by any Construction, Maintenance or other work performed by Licensee or its agents relative to the Pipeline. Except to the extent that liability is assumed by UTA as set forth in Sections 8.1 and 8.2 of this Agreement, Licensee shall not have or seek recourse against UTA for any claim or cause of action for alleged loss of profits or revenue or loss of service or other consequential damage to a telecommunication company using UTA's Right of Way or a customer or user of services of the fiber optic cable on UTA's Right of Way.

4.4 Licensee shall be solely responsible for obtaining any property rights, easements, licenses, rights of way or other permission from Third Persons (collectively "Third Person Property Rights") as may be necessary to Construct, Maintain or operate the Pipeline including, without limitation, any needed permission from the owner of any adjacent railroad corridor. Licensee shall also be solely responsible for obtaining any necessary franchises, permits or other necessary approvals from Governmental Authorities (collectively "Approvals"). Licensee agrees to pay any and all costs and expenses relating to such Third Person Property Rights or Approvals, and to assume any and all liability therefore.

4.5 Except as authorized in this Agreement or as may be immediately required for (and only at the actual time of) performance of any Construction or Maintenance contemplated under this Agreement, and then only in full compliance with all clearance standards and other safety requirements, Licensee shall not place, permit to be placed, erect, pile, store, stack, park, suffer or permit any line, building, platform, fence, gate, vehicle, car, pole, or other structure, obstruction, or material of any kind within the Right of Way.

4.6 Licensee shall Construct, Maintain and operate the Pipeline in compliance with all requirements imposed by any Governmental Authority including, without limitation, the requirements of the Federal Railroad Administration, the Occupational Safety and Health Administration and the Utah Department of Transportation. Licensee shall also Construct, Maintain and operate the Pipeline in compliance with all applicable environmental laws. Licensee shall take all suitable precautions to prevent any leakage or other interference with the operation of the Track Improvements or any other UTA or Third Person installations or facilities. If for any reason the Construction of the Pipeline causes interference with the operation of Track Improvements or any other UTA or Third Person installations or facilities existing prior to the Construction of the Pipeline, Licensee shall, upon notification by UTA and at Licensee's sole cost and expense, take such action as is necessary to eliminate the interference.

4.7 At the request of UTA, Licensee shall install markers identifying the location of the Pipeline and related appurtenances at the Right of Way boundaries (where the Pipeline enters and exits the Right of Way) or other locations where UTA may designate. Markers shall be installed in a form and size as may be determined by UTA and at the sole cost and expense of Licensee. UTA hereby expressly reserves the right to require Licensee to erect and maintain, at

Licensee's sole cost and expense, any and all signs of any character and nature whatsoever (e.g. location of Pipeline, precautionary and/or warning signs, etc.) that UTA deems necessary or advisable in connection with the operation of the Pipeline. Licensee shall install and/or erect any marker or sign that may be required under this Section within thirty (30) days after receiving written instructions from UTA.

4.8 Upon completion of any Construction or Maintenance relating to the Pipeline, Licensee shall restore the surface of the Right of Way to its prior condition including, but not limited to, replacing any soil that was removed and thoroughly compacting it level with the adjacent surface of the ground and restoring any fences or other property that Licensee disturbed or removed from the Right of Way.

4.9 If a contractor is to perform any Construction or Maintenance contemplated in this Agreement, then the Licensee shall cause its contractor to comply with all applicable provisions of this Agreement. Additionally, Licensee shall require its contractor to execute UTA's form Contractor's Right of Entry Agreement (the "Contractor Agreement"). Licensee acknowledges receipt of a copy of the Contractor Agreement and will inform its contractor of the need to execute the Contractor Agreement. Any and all contractors used by Licensee in the Construction or Maintenance of the Pipeline are subject to the approval of UTA, which approval shall not be unreasonably withheld, conditioned or delayed.

#### **ARTICLE V CONSTRUCTION OBSERVATION BY UTA – LICENSEE TO BEAR ALL COSTS**

In the event that UTA, in its sole discretion, determines that any inspectors (technical or special), monitors, observers, safety personnel, flaggers or other persons are required given the nature of the Construction or Maintenance to be performed, UTA may, at its sole discretion, provide such personnel and Licensee shall, within sixty (60) days, reimburse UTA for the reasonable costs thereby incurred.

#### **ARTICLE VI LICENSEE TO BEAR ALL COSTS RELATED TO PIPELINE**

Licensee shall be solely responsible for any and all costs incurred with respect to any Construction, Maintenance or other work related to the Pipeline. Such costs shall include, without limitation, the cost of any modifications to UTA's Track Improvements and other facilities that may be necessary to accommodate or facilitate the Pipeline.

#### **ARTICLE VII SUBORDINATION OF RIGHTS GRANTED - RELOCATION OF PIPELINE**

7.1 The rights granted pursuant to this Agreement shall be subject and subordinate to the prior and continuing right and obligation of UTA to fully use the Right of Way, including the right and power of UTA to construct, maintain, repair, renew, use, operate, modify, or relocate new or existing Track Improvements upon, along, above, or across any or all parts of the Right of Way and other UTA property, all or any of which may be freely done at any time or times by UTA without liability to Licensee for compensation or damages. The grant of license for the Pipeline is made without covenants of title or quiet enjoyment. UTA makes no warranties, either express or implied, regarding the nature, extent or status of its title to the Right of Way or regarding the existence or nonexistence of Third Person rights which may be superior to the license granted pursuant to this Agreement.

7.2 Licensee shall, at its sole cost and expense and within 30 days after receipt of written notice from UTA, modify the Pipeline, relocate all or any portion of the Pipeline to such new location in the Right of Way as UTA may designate, or (if neither modification nor relocation is practicable) remove the Pipeline entirely from the Right of Way whenever, in furtherance of its needs and requirements, UTA shall find such action necessary or desirable. All the terms, conditions and stipulations herein expressed with reference to the Pipeline on UTA's property in the location described herein shall, so far as the Pipeline remains on UTA property, apply to the Pipeline as modified or relocated pursuant to this Section. Licensee shall not be entitled to any damages or other compensation as the result of UTA's exercise of its rights under this paragraph. UTA agrees to exercise its rights under this Section in good faith.

7.3 The foregoing grant is also subject to the outstanding superior rights previously conveyed or granted to Third Persons by UTA, or its predecessors in interest, and the right of UTA to renew and extend the same.

## **ARTICLE VIII INDEMNITY AND RELEASE**

8.1 Licensee agrees to protect, defend, release, indemnify and hold harmless UTA, and any successors, contractors, officers, directors, agents and employees of UTA (the "UTA Indemnitees"), from and against any and all Losses resulting from: (a) negligence on the part of Licensee, or any employees, principals, contractors or agents of Licensee, in conjunction with any Construction, Maintenance or other work performed by or on behalf of Licensee with respect to the Pipeline; (b) negligence on the part of Licensee, or any employees, principals, contractors or agents of Licensee, in the use or operation of the Pipeline; or (c) Licensee's breach of any provision of this Agreement.

8.2 Licensee acknowledges that the Right of Way may be subject to prospective purchaser agreements and covenants not to sue that UTA has entered with the Utah Department of Environmental Quality and the United States Environmental Protection Agency. Pursuant to such agreements, UTA is required to characterize any excavated soil that appears to contain (or has the potential to contain) Hazardous Materials and to handle and dispose of any such soil in compliance with applicable state and federal laws. Under these agreements, UTA is not required to excavate any soil except as required for its rail construction activities within its Right of Way. Accordingly, any excavation contemplated in this Agreement exposes UTA to potential environmental liability that would not otherwise be present. As consideration for the rights granted to Licensee hereunder, Licensee agrees to assume all potential liability and responsibility for, and to indemnify and hold UTA harmless with respect to, any Losses related to the characterization and removal of any Hazardous Materials discovered during the performance of any Construction or Maintenance. Licensee agrees to perform any such characterization and removal in full compliance with all applicable state and federal environmental laws.

8.3 Licensee hereby releases UTA from, and agrees not to seek recourse against UTA with respect to, any claims, damages, fees, expenses or other losses proximately caused by Third Persons including, without limitation, Third Persons having licenses or other interests in the Right of Way. Nothing contained herein shall be construed or deemed to be a release of any Third Persons by Licensee.

8.4 The provisions of this Article shall survive the termination of this Agreement.

**ARTICLE IX  
CLAIMS AND LIENS FOR LABOR AND MATERIALS; TAXES**

9.1 Licensee shall fully pay for all materials joined or affixed to the Right of Way in connection with the Pipeline, and for all labor performed with respect to the Pipeline. Licensee shall not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the property for any work done or materials furnished thereon at the instance or request or on behalf of Licensee.

9.2 Licensee shall promptly pay or discharge all taxes, charges and assessments assessed or levied upon, in respect to, or on account of the Pipeline to prevent the same from becoming a charge or lien upon the Right of Way and so that any taxes, charges and assessments levied upon or with respect to such property shall not be increased because of the Pipeline or any improvements, appliances, or fixtures connected therewith.

**ARTICLE X  
TERMINATION**

10.1 UTA may terminate this Agreement if: (a) Licensee ceases to use the Pipeline in an active and substantial way for any continuous period of 1 year; (b) Licensee continues in default with respect to any provision of this Agreement for a period of 30 days after UTA delivers written notice to Licensee identifying the nature of Licensee's breach of this Agreement; provided, however that if the nature of Licensee's breach is such that it cannot be cured within such 30-day period, Licensee shall not be deemed in default if Licensee commences to cure the breach within 30 days and thereafter diligently continues to remedy the breach; or (c) Licensee removes the Pipeline from the Right of Way.

10.2 Termination of this Agreement for any reason shall not affect any of the rights, obligations or liabilities that have accrued prior to or concurrent with such termination.

**ARTICLE XI  
INSURANCE**

11.1 Licensee shall provide, at its option, insurance or self insurance in an amount sufficient to fulfill its obligations under the terms of this Pipeline Encroachment Agreement.

**ARTICLE XII  
REMOVAL OF PIPELINE UPON TERMINATION OF AGREEMENT**

Upon termination of this Agreement pursuant to Article X hereof, Licensee shall, if requested in writing by UTA and at Licensee's sole cost and expense, remove the Pipeline from the Right of Way and shall restore, to the satisfaction of UTA, such portions of the Right of Way to at least as good a condition as such were in at the time that Licensee first entered the Right of Way. If Licensee fails to do the foregoing within a reasonable time, UTA may, at its option, perform such removal and restoration work at the expense of Licensee. Licensee shall reimburse UTA for the costs incurred in any restoration or removal work performed under this Article within 30 days after receipt of the bill therefore. In the event UTA removes the Pipeline pursuant to this Article, UTA shall in no manner be liable to the Licensee for any damage sustained by Licensee for or on account thereof, and such removal and restoration shall in no manner prejudice or impair any other right of action, including the recovery of damages, that UTA may have

against the Licensee. The provisions of this Article shall survive the termination of this Agreement.

### **ARTICLE XIII ASSIGNMENT**

Licensee may not assign this Agreement, in whole or in part, or any rights herein granted, without UTA's written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, Licensee may assign this Agreement and its rights hereunder as part of a sale to any entity that: (a) is a corporate parent to Licensee; (b) is merged or consolidated with Licensee; or (c) that purchases substantially all of the assets or capital stock of Licensee provided, however, that in any of the above instances such entity seeking an assignment under this Article must, as a condition to such assignment, assume all terms and conditions of this Agreement without limitation.

### **ARTICLE XIV SUCCESSORS AND ASSIGNS**

Subject to the provisions of Article XIII, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, their officers, employees, representatives, successors and assigns.

### **ARTICLE XV SEVERABILITY**

This Agreement is executed by the Parties under current interpretation of any and all applicable federal, state, county, municipal, or other local statutes, ordinances, or laws. Furthermore, each and every separate division hereof shall have independent and severable status from each other division, or combination thereof, for the determination of legality, so that if any separate division herein is determined to be unconstitutional, illegal, violative of trade or commerce, in contravention of public policy, void, invalid or unenforceable for any reason, that separate division shall be treated as a nullity but such holding or determination shall have no effect upon the validity or enforceability of each and every other division, or other combination thereof.

### **ARTICLE XVI NOTICES**

Except as specifically provided elsewhere in this Agreement, all notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or sent by overnight carrier to the addresses set forth herein. Addresses for notice may be changed by giving ten (10) days written notice of the change in the manner set forth herein.

If to UTA:

Utah Transit Authority  
Attn: Property Manager  
P.O. Box 30810  
Salt Lake City, UT 84130-0810

With a Copy to:

Utah Transit Authority  
Attn: Property and Right of Way  
P.O. Box 30810  
Salt Lake City, UT 84130-0810

If to Licensee:

Questar Gas Company  
Attn: Todd Cassidy  
1140 West 200 South  
PO Box 45360  
Salt Lake City, UT 84145

**ARTICLE XVII  
NO IMPLIED WAIVER**

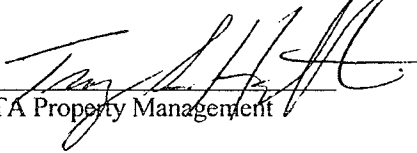
The waiver by UTA of the breach by Licensee of any condition, covenant or agreement herein contained shall not impair any future ability of UTA to avail itself of any remedy or right set forth in this Agreement. Neither the right of supervision by UTA, nor the exercise or failure to exercise such right, nor the approval or failure to disapprove, nor the election by UTA to repair or reconstruct all or any part of the work contemplated by this Agreement shall be deemed a waiver of any of the obligations of Licensee contained or set forth in this Agreement.

**ARTICLE XVIII  
ENTIRE AGREEMENT - COUNTERPARTS**

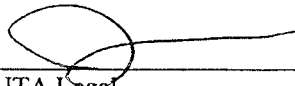
This Agreement shall constitute the entire agreement and understanding of the Parties with respect to the subject matter hereof, and shall supersede all offers, negotiations and other agreements with respect thereto. Any amendment to this Agreement must be in writing and executed by an authorized representatives of each Party. This Agreement may be executed in any number of counterparts and by each of the Parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Any signature page of this Agreement may be detached from any counterpart and reattached to any other counterpart hereof. The facsimile transmission of a signed original of this Agreement or any counterpart hereof and the retransmission of any signed facsimile transmission hereof shall be the same as delivery of an original.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate as of the date first herein written.

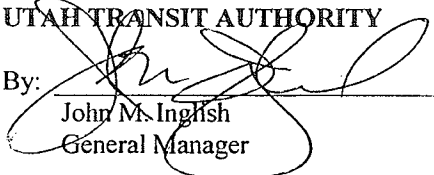
Reviewed and Approved as to Form for UTA

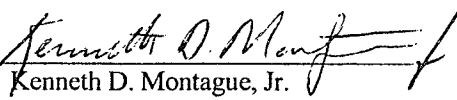
  
\_\_\_\_\_  
UTA Property Management

C. E. MECHAM  
\_\_\_\_\_  
UTA Engineering

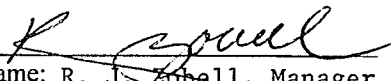
  
\_\_\_\_\_  
UTA Legal

UTAH TRANSIT AUTHORITY

By:   
\_\_\_\_\_  
John M. English  
General Manager

By:   
\_\_\_\_\_  
Kenneth D. Montague, Jr.  
Treasurer

LICENSEE

By:   
\_\_\_\_\_  
Name: R. J. Zobe, Manager  
Title: Engineering & Project Management



**EXHIBIT "A"**  
**DESIGN PLANS**

[Insert engineering drawings showing the proposed encroachment including proposed construction methods, shoring and cribbing requirements and milepost location]



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Questar Gas Company  
Insurance Department  
180 East 100 South  
P.O. Box 45433  
Salt Lake City, Utah 84145-0433  
Tel 801 324 5429 • Fax 801 324 5131  
michelle.ashton@questar.com

Michelle P. Ashton  
Director Corporate Insurance

May 7, 2007

Utah Transit Authority  
P. O. Box 30810  
Salt Lake City, Utah 84130-0810

Attention: Property Administration

*Re: UTA Contract No. DR/D/1788/E*

To satisfy Utah Transit Authority's request to provide evidence of insurance as respects the subject Contract, please be advised that Questar Gas Company is self-insured under a blanket casualty insurance program maintained by Questar Corporation, its parent company. Questar Corporation maintains liability insurance in excess of a sizeable self-insured retention. Its liability insurance limits with Associated Electric and Gas Insurance Services Ltd., (AEGIS Ltd.), in proprietary amounts, extend far beyond the self-insured retention. In addition, Questar Gas Company is approved to self-insure its workers' compensation obligation in the State of Utah.

Please be assured that Questar Corporation's self-insurance program is structured in accordance with generally accepted guidelines for such programs to protect the financial integrity of Questar and its subsidiaries. A 2006 Annual Report is available to you upon request or can be accessed on-line at [www.questar.com](http://www.questar.com).

I trust this information will satisfy Utah Transit Authority's request to provide evidence of insurance. However, should you have any questions or need additional information, do not hesitate to contact me direct at (801) 324-5429.

Sincerely,

A handwritten signature in black ink that reads "Michelle P. Ashton". The signature is written in a cursive, flowing style.

**EXHIBIT "B"**  
**INSURANCE REQUIREMENTS**

Licensee shall, at its sole cost and expense, procure and maintain during the life of this Agreement the following insurance coverage:

- A. General liability policy providing coverage for death, personal injury and property damage with a combined single limit of at least \$2 million each occurrence or claim and an aggregate limit of at least \$4 million. The policy shall contain broad form contractual liability insurance covering the indemnity obligations assumed by Licensee in the Agreement. Exclusions for railroads (except where the Pipeline is in all places more than 50 feet from any railroad tracks, bridges, trestles, roadbeds, terminals, underpasses or encroachments), and explosion, collapse and underground hazard shall be removed. Coverage provided on a "claims made" form shall provide for at least a two-year extended reporting and discovery period if (a) the coverage changes from a claims made form to an occurrence form, (b) there is a lapse/cancellation of coverage, or (c) the succeeding claims made policy retroactive date is different for the expiring policy.
- B. Automobile liability insurance providing bodily injury, property damage and uninsured vehicles coverage with a combined single limit of at least \$2 million each occurrence or claim. This insurance shall cover all motor vehicles including hired and non-owned, and mobile equipment if excluded from coverage under the commercial general liability insurance.
- C. Worker's compensation and employer's liability insurance covering Licensee's statutory liability under the laws of the State of Utah. If Licensee is self-insured, evidence of State approval must be provided.

Licensee and their insurers shall endorse the required insurance policy(ies) to waive their right of subrogation against UTA. Licensee's insurance shall be primary with respect to any insurance carried by UTA. Licensee's policy(ies) shall contain a provision that the insurance company will furnish UTA 30 days' advance written notice of any cancellation or lapse, or the effective date of any reduction in the amount or scope of coverage.

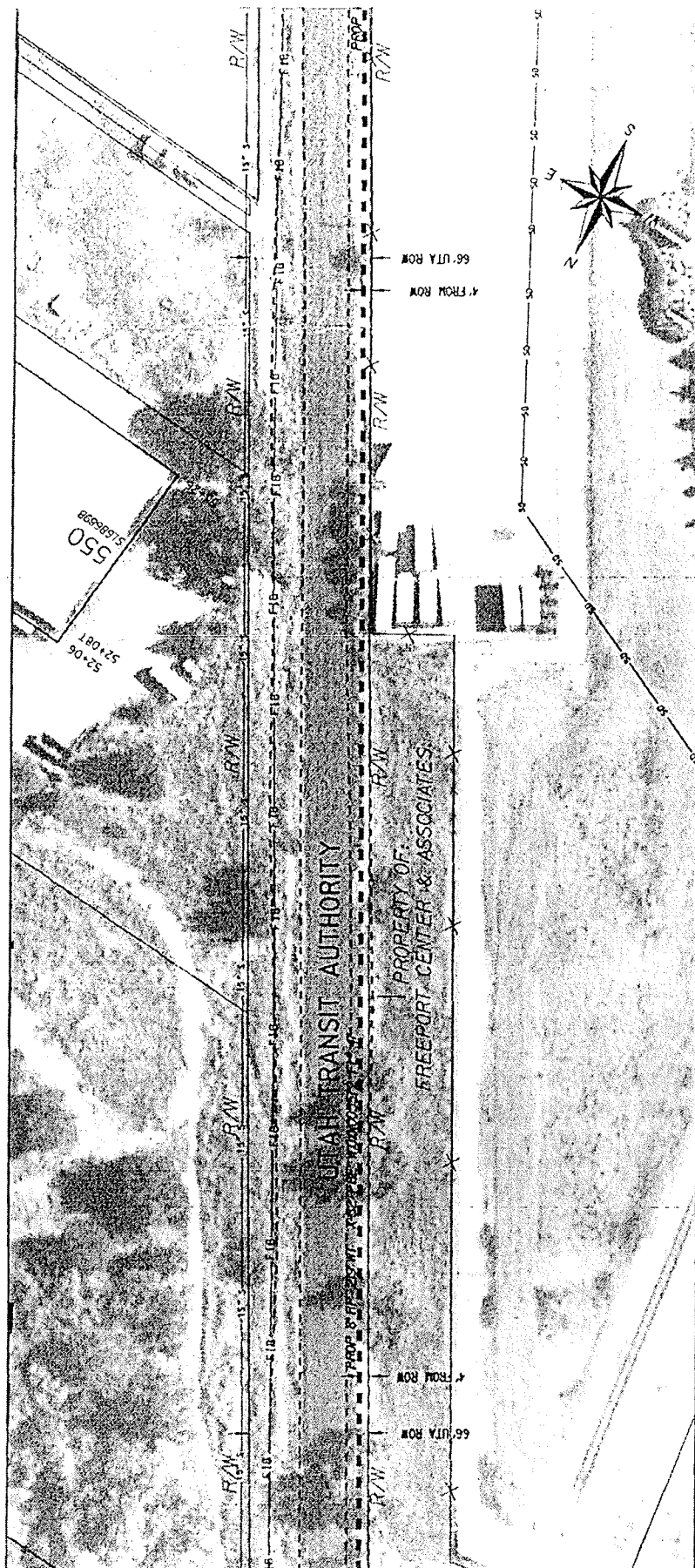
The required insurance policy(ies) shall be written by a reputable insurance company with a current AM Best's Insurance Guide Rate of A better, or as may otherwise be acceptable to UTA. Such insurance company shall be authorized to transact business in the State of Utah.

The fact that insurance is obtained by Licensee shall not be deemed to release or diminish the liability of Licensee including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by UTA shall not be limited by the amount of the required insurance coverage.

### ALIGNMENT (HORIZONTAL)

CONSTRUCTION

PLAN



PROFILE SCALE	1:50
HORIZ 1"	50'

VERT 15 TO	450	450	450
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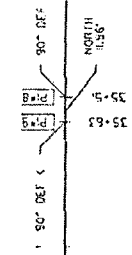
ALIGNMENT  
(HORIZONTAL)

CONSTRUCTION

PLAN

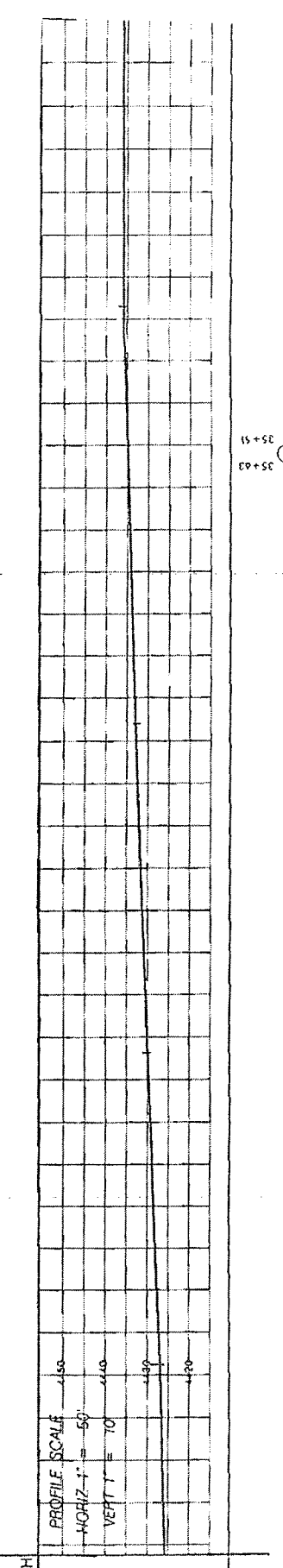
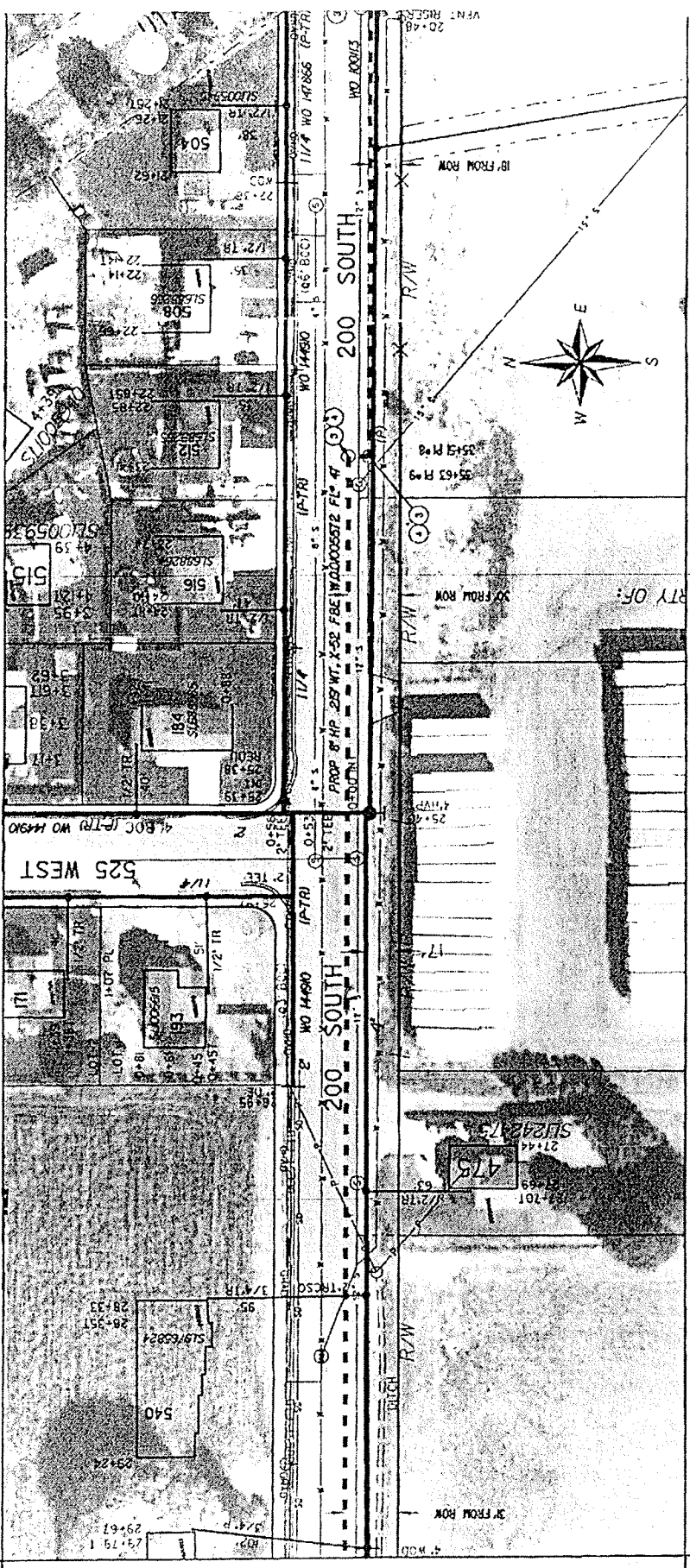
R/W  
WIDTH

PROFILE



PIPE INSTALLATION:  
SURFACE RESTORATION:  
EROSION CONTROL:  
SPECIAL PROVISIONS:

OPEN TRENCH 54" MIN PIPE COVER, 96% BACKFILL COMPACTION  
ASPHALT PAVING, 3" MIN THICKNESS, MATCH EXISTING  
SEE STORM WATER POLLUTION PREVENTION PLAN



35+51  
35+43

## PIPELINE CROSSING MASTER AGREEMENT

THIS PIPELINE CROSSING MASTER AGREEMENT (the "Agreement") is made and entered into as of the 20th day of January, 2004, by and between UTAH TRANSIT AUTHORITY, a public transit district organized under Title 17A, Chapter 2, Part 10, Utah Code Annotated 1953, as amended (hereinafter "UTA"), and Questar Gas Company, a Utah corporation (hereinafter "Questar").

### RECITALS

WHEREAS, UTA owns and operates all or a portion of certain railroad rights of way (collectively the "Rail Line Corridors" and each individually a "Rail Line Corridor") located in Salt Lake, Weber, Utah and Davis Counties;

WHEREAS, these Rail Line Corridors have been acquired or constructed by UTA for the development, expansion, preservation and use of UTA's public transportation system;

WHEREAS, Questar is a public gas utility that serves customers throughout the counties identified above, as well as other areas throughout the State of Utah and other intermountain states; and

WHEREAS, the parties have determined that it is in the respective interest of each party to enter into this Agreement in order to establish the procedures for granting Questar licenses in instances where Questar desires to construct new gas lines that will cross under, across and through (but not encroach laterally upon) the Rail Line Corridors.

### AGREEMENT

NOW THEREFORE, on the stated Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits to the Parties to be derived herefrom, and for other valuable consideration, the receipt and sufficiency of which the Parties acknowledge, it is hereby agreed as follows:

### ARTICLE I INCORPORATED TERMS AND DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

1.1 "Construct" and "Construction" mean the initial installation of any Pipeline (or any improvements to a Pipeline) in or otherwise materially affecting a Rail Line Corridor, as well as any subsequent rearrangement, modification, reconstruction, relocation, restoration, rehabilitation or extension of such Pipeline (or any improvements to the Pipeline) in or otherwise materially affecting a Rail Line Corridor.

1.2 "Design Plans" means the written design plans submitted to and reviewed by UTA for each proposed Pipeline to be licensed under this Agreement as set forth in paragraph 2.1 of this Agreement.

1.3 "Emergency Access Manager" means the person or office responsible for controlling emergency Construction and Maintenance access to each Rail Line Corridor. UTA has designated Emergency Access Managers for each Rail Line Corridor as shown in the

schedule attached as Exhibit "A" (Exhibit "A" is attached hereto and made a part of this Agreement by reference). UTA may change such designation from time to time in accordance with Article XVI of this Agreement.

1.4 "Freight Operator" means any entity using a Rail Line Corridor, or any portion thereof, to provide common carrier freight operations.

1.5 "Governmental Authority" means any federal, state, municipal, local or other division of government, or any agency thereof, having or asserting jurisdiction with respect to any matter related to this Agreement.

1.6 "Hazardous Materials" mean any materials or substances: (i) which are present in quantities and in forms which require investigation, removal, cleanup, transportation, disposal, response or remedial action (as the terms "response" and "remedial action" are defined in Section 101 of the Comprehensive Environmental Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601 (23) and (24)) under any applicable federal, state or local environmental law, regulation, ordinance, rule or bylaw, as such are amended from time to time, whether existing as of the date hereof, previously enforced or subsequently amended (each hereafter an "Environmental Law"); or (ii) which are defined as "hazardous wastes," "hazardous substances," "pollutants" or "contaminants" under any Environmental Law.

1.7 "Losses" mean any losses, damages, claims, demands, actions, causes of action, penalties, expenses, litigation costs, attorneys' fees, expert witness fees, court costs, amounts paid in settlement, judgments, interest or other costs resulting from: (i) loss of or damage to the property of any Party or Third Person; (ii) death or personal injury to the agents of any Party or to any Third Person; or (iii) the cleanup, removal, disposal, treatment or other requirements regarding any incident involving Hazardous Materials.

1.8 "Maintain" and "Maintenance" mean the performance of any repair, restoration, rehabilitation, refurbishment, retrofitting, inspection, monitoring, observation, testing or similar work with respect to a Pipeline (or any improvements to a Pipeline) in or otherwise materially affecting a Rail Line Corridor.

1.9 "Party" and "Parties" mean UTA or Questar, and UTA and Questar, respectively.

1.10 "Pipeline" means any and every underground gas line installed or to be installed by Questar pursuant to this Agreement. The term "Pipeline" shall also apply to any and all rearrangements, modifications, reconstruction, relocations, removals and extensions or additions concerning any Pipelines that are authorized and approved by UTA pursuant to this Agreement.

1.11 "Third Person" means any individual, corporation or legal entity other than UTA and Questar.

1.12 "Track Improvements" mean any and all tracks, rails, ties, switches, frogs, end of track barricades or bumpers and other barricades or bumpers, derail devices, tie plates, spikes, wires, fastenings and any other appurtenances related thereto, drainage structures, grading, ballast, subgrade stabilization, crossings, tunnels, bridges, trestles, culverts, structures, facilities, leads, spurs, turnouts, tails, sidings, signals, crossing protection devices, communications systems or facilities, catenary systems and wires, poles and all other operating and non-operating appurtenances located within a Rail Line Corridor.



1.13 "Utility" and "Utilities" mean and include all properties, facilities, utilities crossings, encroachments, lines and similar appurtenances located within a Rail Line Corridor by permissive or prescriptive authority including, but not limited to, pipelines, tubelines, water and gas lines, electrical conduits, wires, fiber optics, communication lines, sewer pipes, overhead wiring and supporting structures and appurtenances, and all other structures.

1.14 "Work Window" means the time period designated by UTA during which Construction, Maintenance and any other work with respect to a Pipeline within a Rail Line Corridor is permissible. UTA may, at any time and at UTA's sole discretion, determine that the Work Window shall not be concurrent with any passenger operations within a Rail Line Corridor.

## **ARTICLE II DESIGN OF PIPELINES; CONVEYANCE OF LICENSES; LICENSE FEES**

2.1 Design Plans. Each time Questar proposes to Construct a Pipeline across any Rail Line Corridor, Questar shall first deliver to UTA a written design package (the "Design Plans") which shall include the location of the proposed crossing (including milepost designations), a legal description of the location and width of the land to be used by the proposed facilities and a copy of engineering drawings showing the location and dimensions of the Pipeline Questar proposes to Construct. The Design Plans shall be in conformance with all applicable UTA rail clearance requirements, FRA requirements, other industry standards and other requirements that UTA may impose as set forth in paragraph 4.1 of this Agreement.

2.2 UTA's Review of Design Plans. UTA shall, within a commercially reasonable period of time, review Questar's Design Plans and either notify Questar that the Design Plans have been approved or provide Questar with the reasons why the Design Plans have not been approved. UTA agrees not to unreasonably withhold, condition or delay its approval with respect to the Design Plans. Questar and UTA agree to work together to resolve any design conflicts to UTA's reasonable satisfaction.

2.3 Approval of Design Plans; Grant of License. Upon approval of Questar's Design Plans, UTA agrees to issue to Questar a non-exclusive right to Construct, locate, Maintain and operate, at Questar's sole cost and expense, the approved Pipeline across the Rail Line Corridor in the location and according to the design set forth in the approved Design Plans, and subject to the terms and conditions set forth in this Agreement. The license shall be granted in substantially the same form as the Rail Line Crossing Agreement attached hereto as Exhibit "B," which shall reference and incorporate the general provisions of this Agreement (Exhibit "B" is attached hereto and made a part of this Agreement by reference). In its Construction and Maintenance of each Pipeline, Questar shall not make any material deviation from the Design Plans without UTA's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

2.4 License Fees. Questar agrees to pay reasonable license fees for the Pipeline crossings granted under this Agreement according to applicable UTA policies and schedules. The license fee for each Pipeline shall be as set forth in the applicable Rail Line Crossing Agreement.

## **ARTICLE III ACCESS TO THE RAIL LINE CORRIDOR**

3.1 Routine Access. Except in the event of an emergency (as provided in Section 3.2 below), Questar shall request permission from UTA at least ten days (or such shorter period as

may be approved by UTA) prior to performing any Construction or Maintenance in or otherwise materially affecting a Rail Line Corridor. Questar's request to access a Rail Line Corridor shall be made in writing as directed by UTA. Questar's request shall be specific as to the time, date and activities for which Questar seeks permission. The request shall also include a summary of the method and manner in which the Construction or Maintenance will be performed. As part of the application process, UTA may require Questar (and its contractors or other agents seeking access to a Rail Line Corridor) to attend any track access coordination meetings, safety training or other instruction as may be deemed necessary by UTA. UTA will endeavor to complete its review of Questar's request for entry within the 10-day notice period. UTA's permission to enter a Rail Line Corridor shall be formalized in writing and delivered to Questar. After permission has been granted, Questar shall comply with all conditions, instructions and requirements of such permit and with all instructions or directions given by UTA. All contact with UTA shall be coordinated through the person designated by UTA from time to time as set forth in Article XVI of this Agreement. Provided that Questar complies with the provisions of this Section 3.1, UTA agrees not to unreasonably withhold, condition, or delay its approval to Questar's request.

3.2 Emergency Access. Questar shall have the right to enter a Rail Line Corridor in the event of an emergency to make repairs necessary to protect against imminent and serious injury or damage to any person or property. Questar shall take all precautions necessary to ensure that such emergency entry does not compromise the safety of any operations conducted in a Rail Line Corridor by UTA or the Freight Operator. Questar shall also notify the Emergency Access Manager of the emergency access and the work being performed prior to entering a Rail Line Corridor.

#### **ARTICLE IV CONSTRUCTION AND MAINTENANCE OF THE PIPELINE**

4.1 Construction and Maintenance of Pipelines. All Construction and Maintenance with respect to each Pipeline shall be performed to the reasonable satisfaction of UTA and in accordance with the Design Plans for each Pipeline. All Construction and Maintenance with respect to Pipelines shall be performed in a workmanlike manner and in compliance with all applicable industry standards. UTA may impose reasonable requirements in addition to or more stringent than industry standards, if UTA reasonably deems such requirements necessary for the safe operation of a Rail Line Corridor, provided that such requirements do not conflict with United States Department of Transportation requirements. UTA may also require additional fabrication methods, staging requirements or other precautions that UTA deems necessary to protect the ~~Track Improvements or the operations conducted in a Rail Line Corridor.~~ All Construction and Maintenance with respect to each Pipeline shall be performed during the designated Work Window. UTA shall have the right, but not the obligation, to observe any and all work performed within a Rail Line Corridor in connection with a Pipeline to ensure that such work is performed in accordance with the requirements set forth in this Agreement. In its Construction or Maintenance of Pipelines, Questar shall not make any material deviation from the Design Plans without UTA's prior written approval. Questar shall submit to UTA plans setting out the method and manner of handling all work to be performed under the Track Improvements of UTA, the Freight Operator or the owner of any adjacent tracks. Questar shall not proceed with any such work until Questar's proposed methods have been approved by UTA. Each Pipeline shall be placed at a reasonable depth designated by UTA (provided that such requirements do not conflict with United States Department of Transportation requirements or industry standards) and shall not interfere with any Track Improvements, ditches or other structures now or hereafter located on a Rail Line Corridor.

4.2 Various Utilities exist on, over and under the surface of the Rail Line Corridors. Prior to commencing any Construction or Maintenance with respect to a Pipeline, Questar shall properly investigate and determine the location of all such Utilities. In addition to the required investigation, Questar shall have all Utilities in the area of each proposed Pipeline "blue-staked" and clearly marked prior to any excavation. Questar shall make arrangements for the protection of all Utilities and shall commence no excavation, boring or other penetration in a Rail Line Corridor until all such protection has been accomplished.

4.3 Questar shall be solely responsible for obtaining any property rights, easements, rights of way or other permission from Third Persons (collectively "Third Person Property Rights") as may be necessary to Construct, Maintain or operate each Pipeline including, without limitation, any needed permission from the owner of any adjacent railroad corridor. Questar shall also be solely responsible for obtaining any necessary franchises, permits or other necessary approvals from Governmental Authorities (collectively "Approvals"). Questar agrees to pay any and all costs and expenses that may be asserted against UTA relating to such Third Person Property Rights or Approvals, and to assume any and all liability therefore to the extent they are related to the actions or rights of Questar.

4.4 Fiber optic cable systems are buried in the Rail Line Corridors. Protection of the fiber optic cable systems is of extreme importance since any break could disrupt service to users resulting in business interruption and loss of revenue and profits. Questar shall telephone UNION PACIFIC RAILROAD COMPANY during normal business hours (7:00 a.m. to 9:00 p.m. Central Time, Monday through Friday, except holidays) at 1-800-336-9193 (also a 24-hour, 7-day number for emergency calls) to determine if fiber optic cable is buried near the proposed location of any Pipeline. If so, Questar will telephone the telecommunications company(ies) involved, make arrangements for a cable locator and, if applicable, make arrangements for relocation or other protection of the fiber optic cable. Questar shall not commence any work until all such protection or relocation (if applicable) has been accomplished. In addition to other indemnity provisions in this Agreement, Questar shall indemnify, defend and hold the UTA Indemnitees (as defined in Section 8.1 of this Agreement) harmless from and against all Losses arising out of any act or omission of Questar, its contractor, agents and/or employees, that causes or contributes to: (a) any damage to or destruction of any telecommunications system in a Rail Line Corridor; and/or (b) any injury to or death of any person employed by or on behalf of any telecommunications company, and/or its contractor, agents and/or employees, in a Rail Line Corridor. Questar shall not have or seek recourse against UTA for any claim or cause of action for alleged loss of profits or revenue or loss of service or other consequential damage to a telecommunication company using UTA's property or a customer or user of services of the fiber optic cable on UTA's property.

4.5 Except as authorized in this Agreement or as may be immediately required for (and only at the actual time of) performance of any Construction or Maintenance contemplated under this Agreement, and then only in full compliance with all clearance standards and other safety requirements, Questar shall not place, permit to be placed, erect, pile, store, stack, park, suffer or permit any line, building, platform, fence, gate, vehicle, car, pole, or other structure, obstruction, or material of any kind within a Rail Line Corridor.

4.6 Questar shall Construct, Maintain and operate all Pipelines in compliance with the requirements imposed by every applicable Governmental Authority including, without limitation, the requirements of the Federal Railroad Administration, the Occupational Safety and Health Administration, United States Department of Transportation and the Utah Department of

Transportation. Questar shall also Construct, Maintain and operate each Pipeline in compliance with all applicable environmental laws. Questar shall take all suitable precautions to prevent any leakage or other interference with the operation of the Track Improvements or any other UTA installations or facilities. If a Pipeline for any reason causes interference with the operation of Track Improvements or any other UTA facilities (whether currently existing or hereafter installed during the term of the Agreement), Questar shall, upon notification by UTA and at Questar's sole cost and expense, take such action as may be reasonably necessary to eliminate such interference including, without limitation, the removal or relocation of the offending Pipeline.

4.7 At the request of UTA, Questar shall install markers identifying the location of a Pipeline and related appurtenances at Rail Line Corridor boundaries (where the Pipeline enters and exits a Rail Line Corridor), or other locations where UTA may designate. Markers shall be installed at the sole cost and expense of Questar. Questar shall install and/or erect any marker or sign that may be required under this Section within thirty (30) days after receiving written instructions from UTA.

4.8 Upon completion of any Construction or Maintenance relating to a Pipeline, Questar shall restore the surface of a Rail Line Corridor to its prior condition including, but not limited to, replacing any soil that was removed and compacting it level with the adjacent surface of the ground and restoring any fences or other property that Questar disturbed or removed from a Rail Line Corridor.

4.9 If a contractor is to perform any Maintenance or Construction contemplated in this Agreement, then Questar shall cause its contractor to comply with all applicable provisions of this Agreement. Questar shall indemnify UTA and hold UTA harmless with respect to any Losses incurred by UTA as the result of the contractor's negligence or the contractor's breach of any obligation assumed by Questar pursuant to this Agreement. Any and all contractors used by Questar in the Construction or Maintenance of a Pipeline are subject to the approval of UTA, which approval shall not be unreasonably withheld, conditioned or delayed.

#### **ARTICLE V CONSTRUCTION OBSERVATION BY UTA; QUESTAR TO BEAR ALL COSTS**

In the event that UTA, in its sole discretion, determines that any inspectors (technical or special), monitors, observers, safety inspectors, flaggers or other persons are required given the nature of the Construction or Maintenance to be performed, UTA may, at its sole discretion, provide such personnel and Questar shall, within thirty (30) days, reimburse UTA for the reasonable costs thereby incurred.

#### **ARTICLE VI QUESTAR TO BEAR ALL COSTS RELATED TO PIPELINE**

Questar shall be solely responsible for any and all costs incurred with respect to any Construction, Maintenance or other work related to a Pipeline. Such costs shall include, without limitation, the cost of any modifications to UTA's Track Improvements and other facilities that may be reasonably necessary to accommodate or facilitate a Pipeline. UTA shall give Questar reasonable notice before incurring any such costs.

## ARTICLE VII SUBORDINATION OF RIGHTS GRANTED; RELOCATION OF PIPELINE

7.1 Subordination of Licenses to UTA Rights. The rights granted pursuant to this Agreement shall be subject and subordinate to the prior and continuing right and obligation of UTA to fully use its Rail Line Corridors, including the right and power of UTA to construct, maintain, repair, renew, use, operate, modify, or relocate new or existing Track Improvements upon, along, above, or across any or all parts of the Rail Line Corridors and other UTA property, all or any of which may be freely done at any time or times by UTA without liability to Questar for compensation or damages provided that UTA performs such work in a reasonable manner. The grant of licenses for Pipelines is made without covenants of title or quiet enjoyment. UTA makes no warranties, either express or implied, regarding the nature, extent or status of its title to the Rail Line Corridors or regarding the existence or nonexistence of Third Person rights which may be superior to the licenses granted pursuant to this Agreement.

7.2 Relocation of Pipelines. Questar shall, at its sole cost and expense and within ninety (90) days after receipt of written notice from UTA, modify one or more of the Pipelines or relocate all or any portion of such Pipelines to such new locations in the Rail Line Corridors as UTA may reasonably designate whenever, in furtherance of its needs and requirements, UTA shall find such action necessary or desirable. All the terms, conditions and stipulations herein expressed with reference to the Pipelines on UTA's property in the location described herein shall, so far as the Pipelines remain on UTA property, apply to such Pipelines as modified or relocated pursuant to this Section. Questar shall not be entitled to any damages or other compensation as the result of UTA's exercise of its rights under this Section. UTA agrees to exercise its rights under this Section in good faith.

7.3 Subordination of Licenses to Existing Third Party Rights. The foregoing grant is also subject to the outstanding superior rights previously conveyed or granted to Third Persons by UTA, or its predecessors in interest, and the right of UTA to renew and extend the same.

## ARTICLE VIII INDEMNITY

8.1 General Indemnity. Questar shall protect, defend, release, indemnify and hold harmless UTA, and any affiliates, successors, contractors, officers, directors, agents and employees of UTA (the "UTA Indemnitees"), from and against any and all Losses proximately caused by: (a) the prosecution of any work contemplated in this Agreement by Questar, or any employees, principals, contractors or agents of Questar, including, without limitation, the Construction or Maintenance of any Pipeline or portions thereof; (b) the presence, operation or use of any Pipeline or portions thereof; or (c) Questar's material breach of any provision of this Agreement.

8.2 Environmental Indemnity. Questar acknowledges that the Rail Line Corridors are subject to prospective purchaser agreements and covenants not to sue that UTA has entered with the Utah Department of Environmental Quality and the United States Environmental Protection Agency. Pursuant to such agreements, UTA is required to characterize any excavated soil that appears to be (or has the potential to be) contaminated and to handle and dispose of any such soil in compliance with applicable state and federal laws. Under these agreements, UTA is not required to excavate any soil except as required for its rail construction activities within its Rail Line Corridors. Accordingly, any excavation contemplated in this Agreement exposes UTA to potential environmental liability that would not otherwise be present. As consideration for the

rights granted to Questar hereunder. Questar agrees to assume all potential liability and responsibility for the characterization and removal of any soils found to be contaminated or potentially contaminated during the performance of the Work. Questar agrees to perform any such characterization and removal in full compliance with all applicable state and federal environmental laws.

8.3 Release of UTA. Questar hereby releases UTA from, and agrees not to seek recourse against UTA with respect to, any claims, damages, fees, expenses or other losses proximately caused by Third Persons including, without limitation, Third Persons having licenses or other interests in the Rail Line Corridors.

8.4 Survival. The provisions of this Article shall survive the termination of this Agreement.

#### **ARTICLE IX CLAIMS AND LIENS FOR LABOR AND MATERIALS; TAXES**

9.1 No Mechanic's or Materialmen's Liens. Questar shall fully pay for all materials joined or affixed to the Rail Line Corridors in connection with the Pipelines, and for all labor performed with respect to the Pipelines. Questar shall not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the property for any work done or materials furnished thereon at the instance or request or on behalf of Questar.

9.2 Taxes. Questar shall promptly pay or discharge all taxes, charges and assessments assessed or levied upon, in respect to, or on account of the Pipelines to prevent the same from becoming a charge or lien upon the Rail Line Corridors and so that any taxes, charges and assessments levied upon or with respect to such property shall not be increased because of the Pipelines or any improvements, appliances, or fixtures connected therewith.

#### **ARTICLE X TERMINATION**

10.1 Termination of Rail Line Crossing Agreements for Cause. UTA may terminate this Agreement as it applies to a specific Pipeline (and therefore terminate the corresponding Rail Line Crossing Agreement) if: (a) Questar ceases to use the Pipeline for any continuous period of 1 year; (b) Questar continues in default with respect to any provision of this Agreement as it pertains to a specific Pipeline for a period of 30 days after UTA delivers written notice to Questar identifying the nature of Questar's breach of this Agreement; provided, however that if the nature of Questar's breach is such that it cannot be cured within such 30-day period, Questar shall not be deemed in default if Questar commences to cure the breach within 30 days and thereafter diligently continues to remedy the breach; or (c) Questar removes the Pipeline from the Rail Line Corridors.

10.2 Termination of Master Agreement without Cause. Either Party may terminate this Agreement (as it applies to the grant of future licenses but not as it applies to previously granted licenses) by providing thirty (30) days written notice to the other Party. Termination of this Agreement without cause shall not affect any of the rights, obligations or liabilities that have accrued prior to or concurrent with such termination.

## **ARTICLE XI INSURANCE**

Questar shall, at its sole cost and expense, obtain and maintain (during the term of any license granted under this Agreement) an insurance policy or program sufficient to provide coverage for the risks and indemnities that Questar has assumed under this Agreement.

## **ARTICLE XII REMOVAL OF PIPELINE UPON TERMINATION OF LICENSE**

Upon termination of a Rail Line Crossing Agreement as set forth in Section 10.1 of this Agreement, Questar shall, at Questar's sole cost and expense, remove the corresponding Pipeline from the applicable Rail Line Corridor and shall restore, to the satisfaction of UTA, the Rail Line Corridor to at least as good a condition as such were in at the time that Questar first entered the Rail Line Corridor. In lieu of requiring the relocation of the Pipeline as set forth in this Agreement, UTA may, at its sole discretion, agree to allow the terminated Pipeline to be abandoned in place. If Questar fails to comply with the requirements of this Article within a reasonable time, UTA may, at its option, perform removal and restoration work at the expense of Questar. Questar shall reimburse UTA for the costs incurred in any restoration or removal work performed under this Article within 30 days after receipt of the bill therefore. In the event UTA removes a Pipeline pursuant to this Article, UTA shall in no manner be liable to the Questar for any damage sustained by Questar for or on account thereof, and such removal and restoration shall in no manner prejudice or impair any other right of action, including the recovery of damages, that UTA may have against the Questar. The provisions of this Article shall survive the termination of this Agreement.

## **ARTICLE XIII ASSIGNMENT**

Questar may not assign this Agreement, in whole or in part, or any rights herein granted, without UTA's written consent which shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, Questar may assign this Agreement and its rights hereunder as part of a sale to any entity that: (a) is a corporate parent to Questar; (b) is merged or consolidated with Questar; or (c) that purchases substantially all of the assets or capital stock of Questar provided, however, that in any of the above instances such entity seeking an assignment under this Article must, as a condition to such assignment, assume all terms and conditions of this Agreement without limitation.

## **ARTICLE XIV SUCCESSORS AND ASSIGNS**

Subject to the provisions of Article XIII, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, their heirs, executors, administrators, successors and assigns.

## **ARTICLE XV SEVERABILITY**

This Agreement is executed by the parties under current interpretation of any and all applicable federal, state, county, municipal, or other local statutes, ordinances, or laws. Furthermore, each and every separate division, shall have independent and severable status from each other division, or combination thereof, for the determination of legality, so that if any

separate division herein is determined to be unconstitutional, illegal, violative of trade or commerce, in contravention of public policy, void, invalid or unenforceable for any reason, that separate division shall be treated as a nullity but such holding or determination shall have no effect upon the validity or enforceability of each and every other division, or other combination thereof.

## ARTICLE XVI NOTICES

Except as specifically provided elsewhere in this Agreement, all notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given when received if personally delivered or mailed, certified mail, return receipt requested, or sent by overnight carrier to the addresses set forth herein. Addresses for notice may be changed by giving ten (10) days written notice of the change in the manner set forth herein.

### If to UTA:

Utah Transit Authority  
Attn: Property Administration  
P.O. Box 30810  
Salt Lake City, UT 84130-0810

### With a Copy to:

Utah Transit Authority  
Attn: General Counsel  
P.O. Box 30810  
Salt Lake City, UT 84130-0810

### If to Questar:

Questar Regulated Services Company  
Property & Right-of-Way Department  
1140 West 200 South  
Salt Lake City, Utah 84104

### With a copy to:

Questar Regulated Services Company  
Legal Department  
180 East 100 South  
P.O. Box 45360  
Salt Lake City, Utah 84145

## ARTICLE XVII NO IMPLIED WAIVER

The waiver by UTA of the breach by Questar of any condition, covenant or agreement herein contained shall not impair any future ability of UTA to avail itself of any remedy or right set forth in this Agreement. Neither the right of supervision by UTA, nor the exercise or failure to exercise such right, nor the approval or failure to disapprove, nor the election by UTA to repair or



reconstruct all or any part, of the work contemplated by this Agreement shall be deemed a waiver of any of the obligations of Questar contained or set forth in this Agreement.

**ARTICLE XVIII  
ENTIRE AGREEMENT - COUNTERPARTS**

This Agreement shall constitute the entire agreement and understanding of the Parties with respect to the subject matter hereof, and shall supersede all offers, negotiations and other agreements with respect thereto. Any amendment to this Agreement must be in writing and executed by the authorized representatives of each Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate as of the date first herein written.

Reviewed and Approved as to Form for UTA

G. E. MECHAN

UTA Engineering

[Signature]  
UTA Legal

**UTAH TRANSIT AUTHORITY**

By: [Signature]

Steve Hansen  
Property Manager

By: [Signature]

David Serdar  
Property Administrator

**QUESTAR**

By: [Signature]

Name:  
Title:

EXHIBIT "A"  
EMERGENCY ACCESS MANAGERS FOR RAIL LINE CORRIDORS

## Construction Access Matrix

Line	Milepost	Contact #
<b>3.2 Properties</b>		
N/S Trax Line	MP 798.14--785.3	David R. Serdar 801-287-2413
Provo Subdivision	MP 785.3--775.23	David R. Serdar 801-287-2413
Provo Subdivision	MP 775.23-762.00	Paul Crespín (801) 801-978-5223
Sharp Subdivision	MP 752.41--757.25	Paul Crespín (801) 801-978-5223
Tintic Industrial Lead	MP 0.00-13.06	Paul Crespín (801) 801-978-5223
DRGW	MP 754.31-778.0	Jeff Gayle (801) 626-8382
Bingham Industrial Lead	MP 6.60-11.81	Patrick O'Kelley 801 978-5224
Sugarhouse Spur	MP 0.00-2.74	Patrick O'Kelley 801 978-5224
<b>3.4 properties</b>		
<b>20' Ownership</b>		
Oregon Short Line	MP 782.48-818.05	Jeff Gayle (801) 626-8382
DRGW (Lakota)	MP 705.71-745.50	Paul Crespín (801) 801-978-5223
Sharp Subdivision	MP 752.41-745.82	Paul Crespín (801) 801-978-5223
Bingham Industrial Lead	MP 0.00-6.60	Patrick O'Kelley 801 978-5224

**EXHIBIT "B"**  
**FORM RAIL LINE CROSSING AGREEMENT**

**RAIL LINE CROSSING AGREEMENT**

This Rail Line Crossing Agreement ("Agreement") is entered this \_\_\_\_ day of \_\_\_\_\_ 200\_ by and between UTAH TRANSIT AUTHORITY, a public transit district organized under Title 17A, Chapter 2, Part 10, Utah Code Annotated 1953, as amended (hereinafter "UTA"), and QUESTAR GAS COMPANY, a Utah corporation (hereinafter "Questar").

**RECITALS**

WHEREAS, on or about \_\_\_\_\_, 2003, UTA and Questar entered into a Pipeline Crossing Master Agreement (the "Master Agreement");

WHEREAS, the Master Agreement sets forth certain terms, conditions and procedures pursuant to which UTA has agreed to grant Questar licenses to construct gas lines and gas line facilities under and across Rail Line Corridors owned by UTA;

WHEREAS, UTA has reviewed and approved the Design Plans relative to a Pipeline crossing proposed by Questar; and

WHEREAS, as provided in Section 2.3 of the Master Agreement, UTA hereby grants Questar a license to Construct, Maintain and operate the Pipeline, subject to the terms, conditions and limitations set forth in the Master Agreement.

**AGREEMENT**

1. Definitions. As used in this Agreement, the term "Pipeline" shall mean the \_\_\_\_\_ line to be installed by Questar pursuant to this Agreement and located \_\_\_\_\_ the Rail Line Corridor at Milepost Number \_\_\_\_\_ of the \_\_\_\_\_ Line in \_\_\_\_\_, Utah. The term "Pipeline" shall also apply to any and all rearrangements, modifications, reconstruction, relocations, removals and extensions or additions concerning the Pipeline that are authorized and approved by UTA pursuant to this Agreement (unless they are the subject of a separate agreement that does not incorporate the terms hereof). Unless otherwise indicated herein, all other capitalized terms shall have the meanings set forth in the Master Agreement.
2. Grant of License. Pursuant to Section 2.3 of the Master Agreement, UTA hereby grants Questar a license (the "License") to Construct, Maintain and operate the Pipeline. Questar shall Construct, Maintain and operate the Pipeline in strict conformity with the Design Plans attached hereto as Exhibit "A" (which Design Plans have been reviewed and approved by UTA as set forth in Article II of the Master Agreement). The License is made expressly subject to the terms, conditions and limitations set forth in the Master Agreement. Except to the extent expressly contradicted by the terms of this Agreement, all terms of the Master Agreement shall apply to the License granted hereunder as if such terms were fully set forth in this Agreement.
3. License Fee. An administrative fee has been paid by Questar at the time of application for the license granted herein in the amount of \$\_\_\_\_\_. This amount reflects the clerical,

administrative and handling expense incurred in connection with the processing of this Agreement. Upon the execution of this Agreement, Questar agrees to pay UTA (an) \_\_\_\_\_ fee of \$\_\_\_\_\_ payable on or before \_\_\_\_\_. The annual license fee is subject to adjustment from time to time as governed by UTA policy, but shall not be adjusted more than once in any one-year period. Any unpaid license fees shall accrue interest at a rate of 10% per annum, such interest being immediately due and payable and constituting additional license fees enforceable by the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate as of the date first herein written.

**UTAH TRANSIT AUTHORITY**

Reviewed and Approved as to Form for UTA

\_\_\_\_\_  
UTA Engineering

\_\_\_\_\_  
UTA Legal

By: \_\_\_\_\_  
Steve Hansen  
Property Manager

By: \_\_\_\_\_  
David Sendar  
Property Administrator

**QUESTAR**

By: \_\_\_\_\_  
Name:  
Title:

UTA Contract # \_\_\_\_\_  
Mile Post Location: \_\_\_\_\_  
Latitude: \_\_\_\_\_  
Longitude: \_\_\_\_\_  
\_\_\_\_\_, Utah

**RAIL LINE CROSSING AGREEMENT**  
Supplement to Master Agreement

This Rail Line Crossing Agreement ("Agreement") is entered this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ **(to be dated after the final executing signature by UTA)**, by and between UTAH TRANSIT AUTHORITY a public transit district organized pursuant to the laws of the State of Utah, as amended (hereinafter "UTA"), and QUESTAR GAS COMPANY, a Utah corporation (hereinafter "Questar").

**RECITALS**

WHEREAS, on or about September 3, 2004, UTA and Questar entered into a Pipeline Crossing Master Agreement (the "Master Agreement");

WHEREAS, the Master Agreement sets forth certain terms, conditions and procedures pursuant to which UTA has agreed to grant Questar licenses to construct gas lines and gas line facilities under and across Rail Line Corridors owned by UTA;

WHEREAS, UTA has reviewed and approved the Design Plans relative to a Pipeline crossing proposed by Questar; and

WHEREAS, as provided in Section 2.3 of the Master Agreement, UTA hereby grants Questar a license to Construct, Maintain and operate the Pipeline, subject to the terms, conditions and limitations set forth in the Master Agreement.

**AGREEMENT**

1. **Definitions.** As used in this Agreement, the term "Pipeline" shall mean the \_\_\_\_\_ natural gas pipe line encased in a \_\_\_\_\_ to be installed via \_\_\_\_\_ method by Questar pursuant to this Agreement and located a minimum of \_\_\_\_\_ feet underneath Rail Line Corridor at Milepost Number \_\_\_\_\_ (Latitude \_\_\_\_\_, Longitude \_\_\_\_\_) of the \_\_\_\_\_ Line in \_\_\_\_\_ City, Utah. The term "Pipeline" shall also apply to any and all rearrangements, modifications, reconstruction, relocations, removals and extensions or additions concerning the Pipeline that are authorized and approved by UTA pursuant to this Agreement (unless they are the subject of a separate agreement that does not incorporate the terms hereof). Unless otherwise indicated herein, all other capitalized terms shall have the meanings set forth in the Master Agreement.
2. **Grant of License.** Pursuant to Section 2.3 of the Master Agreement, UTA hereby grants Questar a license (the "License") to Construct, Maintain and operate the Pipeline. Questar shall Construct, Maintain and operate the Pipeline in strict conformity with the Design Plans attached hereto as Exhibit "A" (which Design Plans have been reviewed and approved by UTA as set forth in Article II of the Master Agreement). The License is made expressly subject to the terms, conditions and limitations set forth in the Master Agreement. Except to the extent expressly contradicted by the terms of this Agreement,

all terms of the Master Agreement shall apply to the License granted hereunder as if such terms were fully set forth in this Agreement.

3. License Fee. An administrative fee has been paid by Questar for the license granted herein in the amount of \$1,000.00. This amount reflects the clerical, administrative and handling expense incurred in connection with the processing of this Agreement. Upon the execution of this Agreement, Questar agrees to pay UTA a(n) One-Time fee of \$\_\_\_\_\_ payable on or before Execution
4. Stray Current. UTA and Questar entered into a Master Stray Current Monitoring Agreement dated April 27th, 2011 (the "Stray Current Agreement"). UTA and Questar agree that the Stray Current Agreement shall have no application to the Pipeline licensed hereunder, and that UTA shall have no obligations under the Stray Current Agreement with respect to the Pipeline licensed hereunder.
5. Special Provision. Special Provisions, if any are included in the attached Exhibit "B" (Exhibit "B" is attached hereto and hereby incorporated into and made a part of this Agreement by reference).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate as of the date first herein written.

**UTAH TRANSIT AUTHORITY**

Reviewed and Approved as to Form for UTA

\_\_\_\_\_  
UTA Engineering

\_\_\_\_\_  
UTA Legal

By: \_\_\_\_\_  
Paul Edwards  
Senior Program Manger

By: \_\_\_\_\_  
Mailia Lauto'o  
Manager of Property Administration

By: \_\_\_\_\_  
Property Administrator

**QUESTAR**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT "A"**  
**DESIGN PLANS**

[Insert engineering drawings showing the proposed crossing including proposed construction methods, shoring and cribbing requirements and milepost location]



**EXHIBIT "B"**  
**SPECIAL PROVISIONS**

1. Questar or Questar's contractor must first obtain a (*Frontrunner/ Trax*) Track Access Permit from UTA before any access will be allowed on UTA property. The contact person for obtaining a (*Frontrunner/ Trax*) Track Access Permit is \_\_\_\_\_ at (801) \_\_\_\_\_.

A copy of the permit that will need to be filled out and submitted can be found on UTA's website, under the Track Access Permit tab.

[www.rideuta.com/PropertyManagement](http://www.rideuta.com/PropertyManagement)

Note: Track Access Permits will not be issued without first having an executed Contractor's Right of Entry Agreement, UTA having received proof of insurance as provided in the Right of Entry Agreement, and verification that the Contractor and all of the Contractor's Employees have gone through UTA's Roadway Worker Training.

2. Pursuant to Article V, UTA has determined that \_\_\_\_-hour days of flagging and \_\_\_\_-hour days of Special Inspection will be needed for the construction of this Pipeline. Questar will pre-pay \_\_\_\_\_ for Flagging and Special Inspection at or before the execution of this agreement. If after the construction of the Pipeline extra days of Flagging or Special Inspection have been collected, Questar may request in writing a refund from UTA. Requests for refund will need to be submitted to UTA within 30 days of the date of completion of the Pipeline. Refunds will only be issued after confirmation from UTA Operations that the flagging and special inspection days were not used. If additional flagging or special inspection are needed in connection with the Pipeline they will be charged in accordance with Article V.

- a. Note: The current cost of flagging is \$688.84/day for an eight (8) hour day and \$921.83/day for a (12) hour day. The current cost for a special inspector is \$70.22/hour with a two hour daily minimum.

# Exhibit 3

# Exhibit 3

When Recorded Return to:  
Metropolitan Water District of Salt Lake & Sandy  
Attn: General Manager  
3430 East Danish Road  
Cottonwood Heights, Utah 84093-2139  
Version: 8-24-09

**PARCEL NO.:** \_\_\_\_\_  
SE ¼ of Section 2 and the NE ¼ of Section 11  
T2S, R1E, SLB&M

## **COOPERATION AGREEMENT FOR NON-DISTRICT USE OF DISTRICT LANDS AND INTEREST IN LANDS**

THIS ENCROACHMENT AGREEMENT is entered into effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY ("District") and QUESTAR GAS COMPANY, 1140 West 200 South P.O. Box 45360, Salt Lake City, UT 84145-360. ("Applicant")

### **AGREEMENT PURPOSES**

District owns and operates the Salt Lake Aqueduct ("SLA") corridor and certain improvements located within or on the SLA corridor. (As used in this Agreement "improvements" is intended to include all manner of works, equipment, facilities and infrastructure.) District is a subdivision of the State of Utah responsible for transporting and treating public water, and as such District has regulatory authority to protect the SLA, SLA corridor, District improvements and operations, and District water.

Applicant has previously used what is now District's SLA corridor pursuant to an License Agreement Between the United States of America and Mountain Fuel Supply Company (now known as Questar Gas Company) dated December 5<sup>th</sup>, 1956, Contract No.14-00-400-563, Utah 4356. That U.S. contract will expired on December 5<sup>th</sup>, 2006. Applicant has requested a new agreement with District for the use of the SLA corridor described below.

District is willing to permit the described use of the described portion of the SLA corridor, without representation or warranty whatsoever. Without intending to limit the scope of the immediately preceding disclaimer of **all** warranties, District specifically disclaims any representation or warranty of title, and any representation or warranty regarding the condition or fitness of the SLA corridor for the intended use by Applicant.

District owns portions of the SLA corridor in fee, and holds easements in other portions. This Agreement is intended to document the fact that Applicant's described use of the described portion of the SLA corridor is acceptable to District and consistent with District regulations. Applicable District regulations are available to Applicant for review.

This Agreement grants a non-exclusive right to Applicant for only those uses of the SLA corridor described herein. District has no authority to grant Applicant any right of use that is valid as against others who have title interests in the SLA corridor lands in question, and this Agreement does not purport to do so. For example, where District holds an easement, any use by someone other than the fee title holder likely requires the consent of the fee title holder, which District cannot give and does not purport to give. Nor does this Agreement purport to satisfy any legal requirement other than District regulations. Applicant is solely responsible to obtain and maintain all other required agreements, permits, licenses, etc., including any necessary planning or zoning approvals. District has not agreed to provide any assistance to Applicant in understanding or meeting these other requirements.

**Notwithstanding anything written in this Agreement, no permission is intended to be given to: 1) adversely impact in any respect District improvements; or 2) introduce any substance into District improvements or water; or 3) adversely impact in any respect District's operations.**

#### **AGREEMENT TERMS AND CONDITIONS**

The parties agree as follows:

**I. APPLICANT'S USE OF SLA CORRIDOR.**

**(A) Description of Applicant's Use of SLA Corridor:**

Questar Gas Company proposes to renew an existing agreement with the District. This renewal incorporates from Brockbank Drive South to Fortuna Drive within Westview Drive (3320 East, a public street). Questar Gas Company's existing 2-inch and 4-inch -IHP Steel Natural Gas Mains crosses the Salt Lake Aqueduct at four locations: Station 2060+30, 2069+72, 2078+35 and 2089+95. Also, Questar Gas Company's existing 2-inch and 6-inch lines parallel the SLA between Station 2057+55 and Station 2091+90.

All pipeline encroachments and maintenance thereof shall be in accordance with District's *Chapter 16 – Regulations for Non-District Use of Salt Lake Aqueduct and Point of the Mountain Aqueduct Rights of Way and Construction Standards* (included herein by reference) and with local city codes and ordinances. Any fines or fees levied for violation of said codes and ordinances shall be the responsibility of Applicant. Failure to pay fees in a reasonable time or lack of corrective action within a time frame reasonable to the District will be considered contrary to this agreement and will nullify this agreement.

**(B) Term:**

Twenty-five (25) years. At or just prior to expiration of the term of this Agreement, the parties will discuss in good faith whether a new or renewed cooperation agreement may be in

their respective interests. As used in this provision "good faith" means only that both parties will meet at reasonable times, with a view toward reaching a consensus and does not impose an obligation to act on either party in such a way that may then be contrary to that party's own best interests as seen by that party.

(C) Location by Stationing:

Approximately SLA Station 2060+30 to 2091+90

(D) Legal Description of SLA Corridor Lands Applicant Will Be Using:

Description of a 2-inch IHP Steel Natural Gas Main crossing permanent easement granted to the Metropolitan Water District of Salt Lake & Sandy, crossing centerline stations 2060+30 and 2091+90, located at the intersections of: Fortuna Drive and Westview and Bernada Drive and Westveiw Drive, situate in the Southeast quarter of Section 2 and the Northeast quarter of Section 11, Township 2 South, Range 1 East, Salt Lake Base and Meridian, in Salt Lake County, Utah.

(E) Legal Description of Applicant's Property Benefited by this Agreement to Which the Rights and Responsibilities of Applicant Shall Run:

Not Applicable

(F) Plans, Drawings, Maps, Plats, etc. Attached and Incorporated Into This Agreement:

Drawings marked as Exhibit A-1 and Exhibit A-2 are attached to this Agreement as Exhibit A, and incorporated as part of this Agreement.

## II. REIMBURSEMENT OF COSTS

In the event that Applicant is required to reimburse District for costs pursuant to this agreement, Applicant shall reimburse District for all costs reasonably incurred by District within thirty (30) days of receipt of an itemized invoice from District for such costs. If Agreement authorizes Applicant improvements which provide a public utility service, or similar public service, and except in times of emergency, removal or correction work will be accomplished by District with an appropriately skilled and licensed contractor, and reasonable steps will be taken to minimize disruption of public service.

## III. WORK.

(A) Applicant warrants and agrees that no earthwork, construction work or other work performed by or for Applicant on the SLA corridor or close enough to the SLA corridor to present risk to District improvements or operations will take place except as expressly described in plans and specifications approved in writing by District. Any modifications to such plans and specifications must be approved in writing by District.

(B) Applicant warrants that all earthwork, construction work and other work will:

(i) strictly comply with plans and specifications approved in writing by District;

(ii) meet or exceed all applicable codes, ordinances, other legal requirements, and all applicable generally recognized written trade and industry standards and recommendations;

(iii) be performed by skilled, experienced, competent and properly licensed contractors and workers;

(iv) be conducted in a timely, careful, safe, workmanlike and professional manner;

(v) be conducted so as not to damage District improvements;

(vi) be consistent with District's Construction Standards, copies of which have been made available to Applicant, and which terms are incorporated into this Agreement as if restated here.

(C) District shall have the right, but no obligation, to inspect the progress of the work or to inspect materials at all times. District may also reasonably require inspection or testing by others of any work or materials. District shall have the right to stop work and require correction of any work, or replacement of any materials, which in its reasonable judgment does not comply with any term or condition of this Agreement. If, after notice from District which is reasonable under the circumstances, Applicant fails to remove or correct unacceptable work or materials, correction or removal of unacceptable work or materials may be accomplished by District, or its contractor, and Applicant shall reimburse District as described in Article II. District shall have no obligation whatsoever to review or supervise the method or manner in which the work is accomplished. District shall have no obligation whatsoever for the safety of workers or others on or adjacent to the job site. No approval, observation, inspection or review undertaken by District is intended to be for the benefit of Applicant, its contractors, suppliers, subcontractors, or their respective employees. Unless expressly stated in writing, any approval, observation, inspection or review by District shall not constitute an acceptance of work or materials that do not comply with the approved plans or specifications or this Agreement.

IV. MAINTENANCE OF APPLICANT'S IMPROVEMENTS.

(A) All of Applicant's improvements on the SLA corridor, or close enough to the SLA corridor to present risk to District improvements or operations, shall be maintained in a condition which:

- (i) is reasonably satisfactory to District;
- (ii) does not interfere with the ability of District to use, operate, repair, reconstruct, maintain, improve or modify the SLA; SLA corridor or any District improvements for District's purposes, as those purposes may from time to time change;
- (iii) is reasonably safe and attractive;
- (iv) complies with all applicable codes, ordinances, other legal requirements, as well as generally recognized written trade and industry standards and recommendations; and
- (v) complies with all applicable written regulations and policies of District as those policies may change from time to time.

(B) District may from time to time as is reasonable have any or all of Applicant's improvements which are on the SLA corridor inspected by qualified professionals. Applicant shall reimburse District as described in Article II.

~~(C) If after notice from District that is reasonable under the circumstances, Applicant fails to correct any unacceptable condition of any of Applicant's improvements on the SLA corridor, or close enough to the SLA corridor to present risk to District improvements or operations, correction may be accomplished by District, and Applicant shall reimburse District as described in Article II [SED].~~

V. COSTS ADVANCED.

Applicant agrees to pay the sum of \$\_\_\_\_\_ to District to cover some or all of the costs to District for its initial engineering and/or other costs incurred for the review of plans and specifications, preparation of documents, inspection of work and materials, and administration of this Agreement.

VI. RIGHTS RESERVED.

(A) Any and all rights of Applicant under the terms of this Agreement shall be limited by, subject to, and subordinate to, any and all rights of District and District Trustees, employees, agents, and permittees to enjoy, manage, supervise, use, operate, occupy, enter, exit, inspect, repair, maintain, replace, improve or modify the SLA corridor and any District improvements or operations. To the extent Applicant's use of the SLA increases the cost of District's exercise of its rights, Applicant may be required to reimburse the District as described in Article II.

(B) District will make reasonable efforts to provide reasonable advance notice to Applicant of any work District reasonably recognizes as materially adverse to Applicant's authorized use of the SLA corridor. District may implement electronic notice procedures. Applicant will be responsible to timely provide District with current contact information. Applicant accepts all risks that any or all of Applicant's improvements installed on the SLA corridor may be modified, destroyed or reconstructed at Applicant's sole cost and expense to accommodate District's exercise of District rights to use the SLA corridor. This provision is not intended to provide District with new or additional property rights to use the SLA corridor.

(C) District reserves the right to issue additional licenses or permits for uses of the SLA corridor. District will not provide a conflicting license without a finding that doing so is necessary for public purpose after reasonable efforts to notify the Applicant. District will make reasonable efforts to provide advance notice that is reasonable under the circumstances to Applicant of additional licenses that District reasonably recognizes may be temporarily or permanently disruptive to Applicant's authorized use of the SLA corridor. District may implement electronic notice procedures. It is acknowledged that District claims no right to grant permission for uses of the SLA corridor except as to District's interests in the SLA corridor. For example, where District holds only an easement for the SLA, District could not grant permission for uses by others that would be effective as to the fee title holder. This provision is not intended to provide District with new or additional property rights for licensing third party uses of the SLA corridor.

(D) District and its officers, Trustees, employees and contractors shall have no liability for any damage to, or interference with Applicant's works or improvements as a result of the exercise by District of any of its rights.

(E) It is acknowledged that the District may support the construction of public, non-motorized trails on the SLA corridor by public entities other than the District. It is acknowledged that District claims no right to grant permission for the construction or use of a public trail except as to District's interests in the SLA corridor. For example, where District holds an easement District could not grant permission for public trail uses that would be effective as to the fee title holder. This provision is not intended to provide District with new or additional property rights to authorize trail uses.



(F) All reservations of rights by District under this Agreement are in addition to any and all other rights which District may have by operation of law or otherwise.

## VII. CONTRACTORS, INSURANCE, BONDS.

(A) Applicant shall be jointly and severally liable for any act, fault, error, omission or non-compliance with this Agreement by Applicant or any of Applicant's contractors, employees or subcontractors. Applicant warrants that all persons or entities performing earthwork or construction work on the SLA corridor on behalf of Applicant will provide insurance and bonds in strict compliance with Exhibit C attached.

(B) Ordinarily, District requires applicants to maintain, at no cost to District, the following insurance policies:

GENERAL LIABILITY: Broad Form Commercial General Liability, (ISO 1993 or better), \$1,000,000 combined single limit per occurrence, personal injury and property damage, \$2,000,000 aggregate, to include Products – Completed Operations coverage with a per occurrence limit of \$1,000,000 and an aggregate limit of 2,000,000.

AUTOMOBILE LIABILITY: \$1,000,000 per occurrence, \$2,000,000 aggregate, "Any Auto" coverage required.

Ordinarily, District requires such policies name District, its trustees, officers, and employees as additional insureds for claims arising out of the applicant's activities conducted on District lands or interests in lands. The coverage is required to contain no special limitations on the scope of protection afforded to District, its trustees, officers, and employees and be primary insurance as respects to District, its trustees, officers, and employees.

Applicant has a self insurance program and desires to avoid the expense of purchasing the described policies. Applicant has asked District to accept the Applicant's self insurance program in lieu of the Applicant purchasing the described policies. Applicant agrees that if requested to do so by District in writing, Applicant will defend and indemnify District and its trustees, officers and employees against claims arising out of Applicant's activities on District lands or interests in lands described in this Agreement in the same manner and to the same extent as would be required of a liability insurer that had issued the policies detailed in this section. At its sole election, District may choose in lieu of such Applicant's self-insurance program coverage to require Applicant to simply reimburse District for any self insured retention or deductible relating to any such claim.— (A) — Applicant shall be jointly and severally liable for any negligent act, fault, error, omission or non-compliance with this Agreement by Applicant or any of Applicant's contractors, employees or subcontractors. Applicant warrants that all persons or entities performing earthwork or construction work on the SLA corridor on behalf of Applicant will provide insurance and bonds in strict compliance with Exhibit C attached~~as may be required by District~~ ~~SED2 SED3:~~

~~\_\_\_\_\_ (B) \_\_\_\_\_ Applicant shall, at Applicant's sole expense, maintain a broad form general liability policy of insurance in a form reasonably acceptable to the District, with limits of at least \$\_\_\_\_\_ per occurrence. Applicant will procure an endorsement listing District, its Trustees, officers, and employees as additional insureds for liability coverage for claims arising out of Applicant's use of the SLA corridor. Such coverage for District and its Trustees, officers and employees shall be primary to any other coverage for District. Applicant shall provide an insurance certificate and an endorsement evidencing compliance with this provision at least annually. From time to time District may increase the requirement for a liability limit by providing reasonable written notice to Applicant of such a change. Applicant shall responsibly self insure or maintain insurance to cover its obligations and liabilities as set forth in Section VIII, Defense, Indemnity (SED4) (SED5);~~

#### VIII. DEFENSE, INDEMNITY.

Applicant shall defend, indemnify and hold District and its officers, trustees and employees harmless, including costs and attorneys' fees, from any claim, demand, action or cause of action: (i) alleging that District was at fault in allowing Applicant's use of the SLA corridor; or (ii) alleging that District was at fault in failing to supervise, inspect, direct, instruct, warn or otherwise manage or control Applicant's use of the SLA corridor, or (iii) challenging in any manner Applicant's use of the SLA corridor. This defense and indemnity obligation is not intended to provide District or its officers, trustees, or employees harmless from any claim that is not derivative of Applicant's use of the SLA corridor. In no event shall any fault of Applicant or Applicant's employees or contractors be reapportioned to District, its officers, trustees or employees. Applicant shall indemnify and hold District and its officers, trustees and employees harmless from any such reapportionment of fault. The described duty to defend and indemnify is not intended to run to the benefit of any District liability insurer to the extent such insurer would be responsible for defense costs or indemnity beyond District's deductible or self insured retention.

#### IX. TERMINATION.

(A) Applicant's right to use the SLA corridor shall expire completely upon the expiration of the term described in Article I above, absent a new agreement or written extension signed by both parties.

(B) Either party may, at their sole option, terminate this Agreement upon ninety (90) days written notice to the other party.

(C) District may, at its sole option, terminate this Agreement and Applicant's right to use the SLA corridor for nonuse for a period of one (1) year.

(D) Should District reasonably determine Applicant is in breach of any of the terms and conditions of this Agreement, and if Applicant has not made diligent progress toward correcting that breach within a time set by District and reasonable under the circumstances, after

Applicant receives written notice describing the breach and time for correction, then this Agreement may be terminated by District.

(E) The following, as described in this Agreement, shall survive any termination of this Agreement:

- (i) All of Applicant's obligations to reimburse any costs incurred by the District; and
- (ii) All of Applicant's obligations to remove Applicant's improvements and make restoration; and
- (iii) All of Applicant's obligations to defend and indemnify District and its officer, trustees and employees, as described in this Agreement; and
- (iv) All provisions regarding remedies, and limitations of warranties or representations.

(F) Notwithstanding termination, Applicant's use of the SLA corridor following termination shall not be considered adverse and shall not cause any adverse possessory right or prescriptive right of Applicant to begin to accrue.

#### X. REMOVAL OF FACILITIES.

(A) District will reasonably determine what portion of Applicant's improvements on the SLA corridor will be removed upon termination of this Agreement and set a deadline and specifications for removal and restoration. Such removal and restoration will be at the sole expense of the Applicant.

(B) If, after reasonable notice from District, Applicant fails to remove improvements or restore lands as directed by District, removal may be accomplished by District or its contractor, and Applicant shall reimburse District as described in Article II.

#### XI. REMEDIES.

Applicant will first submit any claim or dispute to the authorized District representative. If the matter is not resolved satisfactorily, Applicant may submit the dispute or claim in concise written form with any supporting documentation to District's Board of Trustees, or committee assigned by the Board to hear the matter. If the matter is not resolved satisfactorily the dispute or claim will be submitted to non-binding mediation, with a qualified mediator selected by the parties, with each party sharing the cost of that non-binding mediation. After and only if these processes are first followed and Applicant's dispute or claim remains unresolved, an action may be brought in the Third Judicial District Court of the State of Utah In and For Salt Lake County. The prevailing party shall be awarded reasonable costs, including engineering, witness and

attorneys' costs and fees. Under no circumstances shall District or its officers, trustees or employees be liable for any consequential damages resulting from interruption of Applicant's use of the SLA corridor.

## XII. INTERPRETATION.

Because the SLA is critical public infrastructure, any ambiguity in this Agreement shall be interpreted in favor of District's full use and enjoyment of the SLA and SLA corridor, with a minimum of delay, restriction or expense resulting from Applicant's use of the SLA. In the event of conflict between this Agreement and District written rules, regulations or policies, as the same may change from time to time, such District rules, regulations and policies shall control.

## XIII. PRESUMPTION.

~~As against the Applicant, any calculation, determination or interpretation made by District in good faith with respect to this Agreement shall be *prima facie* correct, subject to rebuttal by a preponderance of the evidence. (SED6).~~

## XIV. SUCCESSORS, ASSIGNS.

Applicant's rights and obligation may not be assigned or transferred without the prior written consent of District, which District is under no obligation to give. Any bankruptcy filing by Applicant, other purported assignment by operation of law, or appointment of a receiver, shall be grounds for immediate termination of this Agreement. Any attempt to assign without the prior written consent of District shall be considered null and void and shall be grounds for immediate termination of this Agreement.

## XV. AUTHORITY.

The person(s) signing on behalf of Applicant represents and warrants that they have been duly authorized by formal action of the governing body of Applicant to execute this Agreement on behalf of Applicant. Certifications of the authority of persons signing on behalf of Applicant are attached at Exhibit DC.

## XVI. NO WARRANTY.

(A) District makes no warranty or representation, either express or implied, as to the extent or validity of any grant or license contained in this Agreement.

(B) District makes no warranty or representation as to the condition of the SLA corridor or any District improvements, or the fitness or compatibility of any of the same for use as described by Applicant.

#### XVII. COMPLIANCE WITH APPLICABLE LAWS.

(A) Applicant shall strictly comply with all applicable Federal, State, and local statutes, rules, regulations, codes, ordinances and other laws.

(B) Applicant shall strictly comply with all of District's Regulations for Non-District Use of Salt Lake Aqueduct and Point of the Mountain Aqueduct Rights of Way, as those regulations may change from time to time. Copies of those regulations have been made available to Applicant, which terms are incorporated into this Agreement as if restated here.

~~(C) If after reasonable notice from District, Applicant fails to bring Applicant's use of the SLA corridor into compliance with this Agreement and any applicable Federal, State, and local statutes, rules, regulations, codes, ordinances and other laws, including, but not limited to, District's Regulations for Non-District Use of Salt Lake Aqueduct and Point of the Mountain Aqueduct Rights of Way, District may, at its sole option, effect such compliance and Applicant shall reimburse District as described in Article II (SED7).~~

#### XVIII. NOTICES.

Any notice required by this Agreement shall be deemed given when mailed or delivered to:

Metropolitan Water District of Salt Lake & Sandy  
Attn: General Manager  
3430 East Danish Road  
Cottonwood Heights, Utah 84093  
Phone: (801) 942-1391  
Email: [rightsofway@mwdslds.org](mailto:rightsofway@mwdslds.org)

Questar Gas Company  
Attn: Property and Right of Way  
1140 West 200 South P.O. Box 45360  
Salt Lake City, UT 84145-0360

Each party may change the designation of the addressee or the address for that party to receive notice by sending written notice of the change.

#### XIX. ENTIRE AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

METROPOLITAN WATER DISTRICT  
OF SALT LAKE & SANDY

STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

STATE OF UTAH )  
 : ss.  
COUNTY OF )

On the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, personally appeared before me  
\_\_\_\_\_[name], the \_\_\_\_\_ [title] of \_\_\_\_\_  
\_\_\_\_\_[corporation name] and having been first duly  
sworn, acknowledges that they have been duly authorized through resolution of the Board of  
Directors of \_\_\_\_\_ [corporation name] to execute the  
foregoing Cooperation Agreement for and on behalf of \_\_\_\_\_  
\_\_\_\_\_[corporation name] for the purposes stated therein.

\_\_\_\_\_  
NOTARY PUBLIC

EXHIBIT A  
DRAWINGS

EXHIBIT B  
CONSTRUCTION STANDARDS



## CONSTRUCTION STANDARDS

The following Standards are meant to supplement the Protection Standards in Chapter 16 "Regulations for Non-District Use of Salt Lake Aqueduct and Point of the Mountain Aqueduct Rights of Way", adopted September 15, 2008.

A. If unusual conditions are proposed for the Improvements or unusual field conditions within the Corridor are encountered, as designated and characterized by the District, the District may, at its discretion, impose conditions or requirements which are different from or more stringent than those prescribed in these Guidelines.

B. All backfill material within the Corridor shall be compacted to ninety percent (90%) of maximum density, unless otherwise allowed or required by the District. Mechanical compaction shall not be allowed within six inches (6") of any of the District's facilities and pipeline(s). Mechanical compaction using heavy equipment, as designated and characterized by the District, will not be allowed over District facilities and pipeline(s) or within eighteen inches (18") horizontally.

C. Backfilling of any excavation or around any facilities or pipeline(s) within the Corridor shall be compacted in layers not exceeding six inches (6") thick to the following requirements: (1) cohesive soils to 90 percent (90%) maximum density specified by ASTM Part 19, D-698, method A; (2) noncohesive soils to 70 percent (70%) relative density specified by ANSI/ASTM Part 19, d-2049, par. 7.1.2, wet method.

EXHIBIT C  
INSURANCE/BOND REQUIREMENTS

**"EXHIBIT C"**

**INSURANCE AND BOND REQUIREMENTS FOR  
PARTIES ENTERING INTO COOPERATION AGREEMENTS WITH  
METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY**

**A. MINIMUM LIMITS OF INSURANCE**

Except as approved in writing by District in advance of the work to be performed, all of Applicant's contractors, and all subcontractors of Applicant's contractors, shall maintain limits no less than:

1. ~~GENERAL LIABILITY: \$1,000,000 combined single limit per occurrence, personal injury and property damage, \$2,000,000 Aggregate, Broad Form Commercial General Liability, (ISO 1993 or better), to include Products - Comp/OP, aggregate of 2,000,000, limits to apply to this project individually.~~

2. ~~PROFESSIONAL LIABILITY: \$1,000,000 per occurrence, \$2,000,000 aggregate.~~

3. ~~AUTOMOBILE LIABILITY: \$1,000,000 per occurrence, "Any Auto" coverage required.~~

4. ~~WORKERS' COMPENSATION and EMPLOYERS LIABILITY: Workers' compensation statutory limits as required by the Workers Compensation Act of the State of Utah. Employers Liability limits of \$1,000,000 per occurrence.~~

**B. DEDUCTIBLES AND SELF INSURED RETENTIONS**

Any deductibles or self-insured retention must be declared to and approved by the District in writing. At the option of the District, either, the insurer may be required to reduce or eliminate such deductibles or self-insured retention as respects the District, its trustees, officers, and employees; or the Applicant may be required to procure a bond guaranteeing payment of losses and related investigations, claim distribution and defense expenses

**C. PERFORMANCE AND PAYMENT BONDS**

All persons and entities performing any work on District lands or rights of way will provide performance and payment bonds for the full sum of their contracts, naming the District as co-obligee.

**D. OTHER INSURANCE PROVISIONS**

The policies are to contain, or be endorsed to contain, the following provisions:

**I. General Liability and Automobile Liability Coverages**

A. ~~District, its trustees, officers, and employees are to be covered as additional insureds as respects liability arising out of any activities conducted on District lands or interests in lands. The coverage shall contain no special limitations on the scope of protection afforded to District, its trustees, officers, and employees.~~

B. ~~The insurance coverage of Applicant's contractors and subcontractors, shall be a primary insurance as respects to District, its trustees, officers, and employees. Any insurance or self insurance maintained by~~

District, its trustees, officers, and employees shall be in excess of the insurance described here, and shall not contribute with it.

C. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to District, its trustees, officers, and employees.

## H. — All Coverages

~~Each insurance policy required here shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the District.~~

## E. — ACCEPTABILITY OF INSURERS

~~Insurance and bonds are to be placed with insurers admitted in the State of Utah with a Bests' rating of no less than A, IX, and in the limits as listed in this document, unless approved in writing by the authorized representative of the District.~~

## F. — VERIFICATION OF COVERAGE

~~Applicant and all of Applicant's contractors and all subcontractors of Applicant's contractors shall furnish District with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by District before work commences. District reserves the right to require complete, certified copies of all required insurance policies, with all endorsements, at any time.~~

## G. — APPLICANT STRICTLY LIABLE FOR COMPLIANCE OF CONTRACTORS

~~Applicant shall see that each of Applicant's contractors, and each of their subcontractors, complies with these insurance requirements, and Applicant shall be strictly liable for any failure of such contractors and subcontractors to meet these requirements.~~

EXHIBIT DC  
APPLICANTS' AUTHORITY RESOLUTIONS

*Exhibit 2*

7/13/1928 and 8/6/1928 Franchise Ordinances

AN ORDINANCE

GRANTING TO UTAH GAS AND COKE COMPANY, ITS SUCCESSORS  
AND ASSIGNS, A GAS FRANCHISE FOR ALL USEFUL PURPOSES.

- - - - -

The Board of County Commissioners of the County of Salt Lake ordains as follows:

SECTION 1. That there is hereby granted to the Utah Gas and Coke Company, its successors and assigns, hereinafter called the grantee, the right, privilege, or franchise, for the period of fifty (50) years from and after the passage of this ordinance, to lay, construct, operate and maintain gas mains, service pipes and lines, curb boxes, and other necessary attachments and appliances below the surface of the ground in the present and future roads, highways, alleys, lanes and public places in the County of Salt Lake over which the Board of County Commissioners has jurisdiction, for the purpose of conveying, distributing, supplying and selling gas to said county, the inhabitants thereof, and property owners and users therein, and to persons and corporations beyond the limits thereof, for all useful purposes.

SECTION 2. That before the grantee shall lay, construct or install any gas mains or pipes under this grant, it shall make written application to the Board of County Commissioners of Salt Lake County for permission so to do, which application shall fully describe the nature of the proposed installation and shall set forth the street or streets upon which it is to be laid, and such installation shall not be made until grantee receives from such Board of County Commissioners permission therefor. The Board of County Commissioners shall designate the exact location within the streets where any mains or pipes are to be laid.

SECTION 3. That said grantee, its successors and assigns, shall lay and construct all gas mains and pipes under this grant with dispatch in accordance with established practices with respect to gas line construction, and so as not to unnecessarily interfere with water pipes or other pipes which may have been previously laid in said roads, highways, alleys, lanes and public places,

having regard to the safety and convenience of said county and its citizens.

SECTION 4. That all roads, highways, alleys, lanes and public places that may be opened by the grantee for the aforesaid purposes shall be filled in and put in as good repair as they were prior to the opening thereof and so as to present the least possible obstruction and inconvenience to the travelling public.

SECTION 5. That said county shall in no way be liable or responsible for any accident or damage that may occur in the construction, operation or maintenance by the grantee of its pipe lines and appurtenances hereunder, and the acceptance of this franchise shall be deemed an agreement on the part of said grantee, its successors and assigns to indemnify said county and hold it harmless against any and all liability, loss, cost, damage, or expense which may accrue to said county by reason of any neglect, default, or misconduct of the grantee in the construction, operation or maintenance of said pipe lines and appurtenances.

SECTION 6. That said grantee shall, within fifteen (15) days after the passage of this ordinance, accept in writing, duly filed with the County Clerk of Salt Lake County, this franchise and the grants and privileges herein given, together with the conditions upon said grantee binding.

SECTION 7. This ordinance shall take effect on the 1st day of August, 1928, which date is not less than fifteen days after the passage of said ordinance.

Passed by the Board of County Commissioners of Salt Lake County, Utah, this 13th day of July, 1928, the vote on said ordinance being as follows:

Commissioner Wm. H. Stenacker voting "Aye",  
Commissioner Rulon H. Labrum voting "Aye",  
Commissioner Reuben T. Dahlquist voting "Aye".

(Signed) WM. H. STENACKER,  
Chairman, Board of County Commissioners  
of Salt Lake County.

(SEAL)

ATTEST:  
ALONZO MACKAY,  
County Clerk.



AN ORDINANCE GRANTING TO JOHN McFADYEN AND L. B. DENNING, THEIR SUCCESSORS AND ASSIGNS, A FRANCHISE FOR THE CONSTRUCTION OF NATURAL GAS PIPE LINES, TOGETHER WITH APPURTENANT FIXTURES AND EQUIPMENT, AND ALSO A TELEGRAPH AND TELEPHONE LINE IN CONNECTION THEREWITH:

THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF *Salt Lake*, STATE OF UTAH, ORDAINS:

#### SECTION I.

That there is hereby granted to John McFadyen of Casper, Wyoming, and L. B. Denning of Dallas, Texas, their successors and assigns, hereinafter called Grantees, the right, privilege and franchise to construct, maintain and operate natural gas pipe lines, together with all necessary or desirable appurtenant fixtures and equipment, and also including a line of telegraph and telephone poles with wires in connection therewith along, across and under all present and future roads, highways and public grounds in the County of *Salt Lake*, over which the Board of County Commissioners of said county have jurisdiction, for the purpose of transporting, distributing and selling natural gas for light, heat, power and all other purposes to said county, the inhabitants thereof, and persons and corporations beyond the limits of said county.

The rights, privilege and franchise herein granted shall be and remain in said Grantees, John McFadyen and L. B. Denning, their successors and assigns, for a period of fifty years from and after the passage of this ordinance.

#### SECTION II.

That the Grantees shall lay and construct all pipe lines under this franchise in accordance with modern and established practice and in such a manner as not to unreasonably interfere with water pipes or other pipes which may have been previously laid.

#### SECTION III.

That all construction work of the Grantees shall be so conducted as not to unreasonably interfere with public traffic over the roads, highways and public grounds of said county. The Grantees shall repair, clean up and restore to the approximate original condition, all roads, highways and public grounds disturbed by Grantees in their construction work under this franchise.

#### SECTION IV.

That the Grantees, upon acceptance of this franchise, shall thereby be bound to indemnify said county and hold it harmless against any and all liability arising out of or created by any act of neglect, default, or misconduct of the Grantees under this franchise grant.

#### SECTION V.

That the Grantees, within thirty days after the passage of this ordinance, shall file in writing their acceptance of this franchise, together with the conditions binding upon the Grantees.

SECTION VI.

That this ordinance shall take effect when approved and published as provided by law, and when deposited and recorded in the office of the County Clerk, and accepted as herein required.

Passed by the Board of Commissioners of Salt Lake  
County, Utah, on this 1<sup>st</sup> day of August 1925.

(Signed) R. H. Labrun, Acting  
Chairman of the Board of Commissioners.

Attest:

(Signed) Alonzo Mackay  
County Clerk, Ex-officio Clerk  
of the Board of County Commissioners.

## ACCEPTANCE OF FRANCHISE

WHEREAS, by an ordinance duly and regularly passed on the 5th day of August, 1928, the Board of County Commissioners of Salt Lake County, Utah, did grant to the undersigned, John McFayden, of Casper, Wyoming, and L. B. Denning, of Dallas, Texas, their successors and assigns, a gas franchise for all useful purposes as in said ordinance more particularly provided; and whereas said ordinance provides that the grantees shall, within thirty days after the passage of said ordinance, accept in writing, duly filed with the County Clerk of Salt Lake County said franchise and the grants and privileges therein given, together with the conditions therein provided,

NOW, THEREFORE, the undersigned, John McFayden, of Casper, Wyoming, and L. B. Denning, of Dallas, Texas, do hereby accept said franchise and the grants and privileges therein given, together with and subject to the conditions therein contained.

Dated at Salt Lake City, Salt Lake County, State of Utah, this 17<sup>th</sup> day of August, 1928.

(SIGNED) JOHN McFAYDEN

(SIGNED) L. B. DENNING

STATE OF UTAH )  
 ) ss.  
COUNTY OF SALT LAKE )

On the 7<sup>th</sup> day of August, A. D. 1928, personally appeared before me John McFayden and L. B. Denning, the signers of the foregoing instrument, who duly acknowledged to me that they executed the same.

(Signed) FLORENCE GRAEHL  
Notary Public  
Residing at Salt Lake City, Utah.

My commission expires July 10, 1931.

I hereby certify that on this 17<sup>th</sup> day of August, 1928, I received and filed the original signed and acknowledged acceptance of franchise of which the foregoing is a copy.

Alonso Blackman  
County Clerk of Salt Lake County

by G. L. Salas  
Deputy Clerk

TRANSFER OF FRANCHISE

THIS INDENTURE, made and executed this 14th day of May, 1929, by and between L. B. DENNING, of Dallas, Texas, and JOHN McFADYEN, of Casper, Wyoming, parties of the first part, herein called the "Grantors", and WASATCH GAS COMPANY, a corporation of the State of Utah, party of the second part, herein called "Grantee", WITNESSETH:

That for and in consideration of the sum of One Dollar (\$1.00) and other valuable consideration to them in hand paid, receipt whereof is hereby acknowledged, the Grantors do hereby transfer, set over, assign, bargain, sell and convey unto the said Grantee, its successors in interest and assigns, the following described franchise, entitled

"An ordinance granting to John McFadyen and L. B. Denning, their successors and assigns, a franchise for the construction of natural gas pipe lines, together with appurtenant fixtures and equipment, and also a telegraph and telephone line in connection therewith", within the County of Salt Lake, State of Utah,

adopted and passed by the Board of Commissioners of Salt Lake County, Utah, the 6th day of August, 1928, and expiring fifty years from the date of the granting of said franchise.

EXECUTED the day and year first hereinabove written.

WITNESS:

Robert R. Rawl

John McFadyen  
L. B. Denning

STATE OF UTAH )  
COUNTY OF SALT LAKE ) ss.

On the 14th day of May, 1929, personally appeared before me L. B. Denning and John McFadyen, the signers of the above instrument, who duly acknowledged to me that they executed the same.

Florence Shacht  
Notary Public residing at:  
Salt Lake City, Utah.

I hereby acknowledge that  
I have this day received and filed original assignment  
of L. B. DENNING and JOHN McFADYEN to WASATCH GAS  
COMPANY of franchise granted by the County of Salt Lake,  
State of Utah, to said Denning and McFadyen on the 6th  
day of August, 1928.

Dated this 13 day of  
July, 1929.

Alonso Mackay  
Clerk of Salt Lake County, Utah.

by John G. Gabel  
Deputy Clerk.

COUNTY OF SALT LAKE.

Application for franchise filed with W. H. Stenacker and R. H. Labrum,  
County Commissioners of Salt Lake County, 7/14/28.

Regular meetings Mondays, Wednesdays and Fridays. This application will  
come up Friday, 7/20/28.

*Exhibit 3*  
8/23/1956 - 1/2/1965 Road Excavation Permits

## NOTICE

This permit for connection to water, gas or sewer lines is for the construction of water, gas, sewer, pole lines or other facilities upon the County or State road or highways in Salt Lake County and is issued with the understanding that the holder of this permit will be held responsible for the proper restoration of highway surfaces, sidewalk surfaces, ditch restoration to carry water in the same efficiency as before disturbed without loss to the beneficiaries, and that before highway or sidewalks are disturbed to perform the work covered by this permit that the holder will make proper provisions for protecting the public with necessary barricades, lights, and other appurtenances necessary to safeguard the lives and property of users, of said roadway, sidewalk and other facilities.

It is further agreed and understood that the holder of this permit for the work designated hereon is responsible for any liability or personal injury involved through neglect. And the holder also shall restore all properties of the County and properties of abutting land owners to its original condition satisfactory to the County or property owner involved.

Wm. H. Thompson  
Holder of Permit

Main St.  
Address

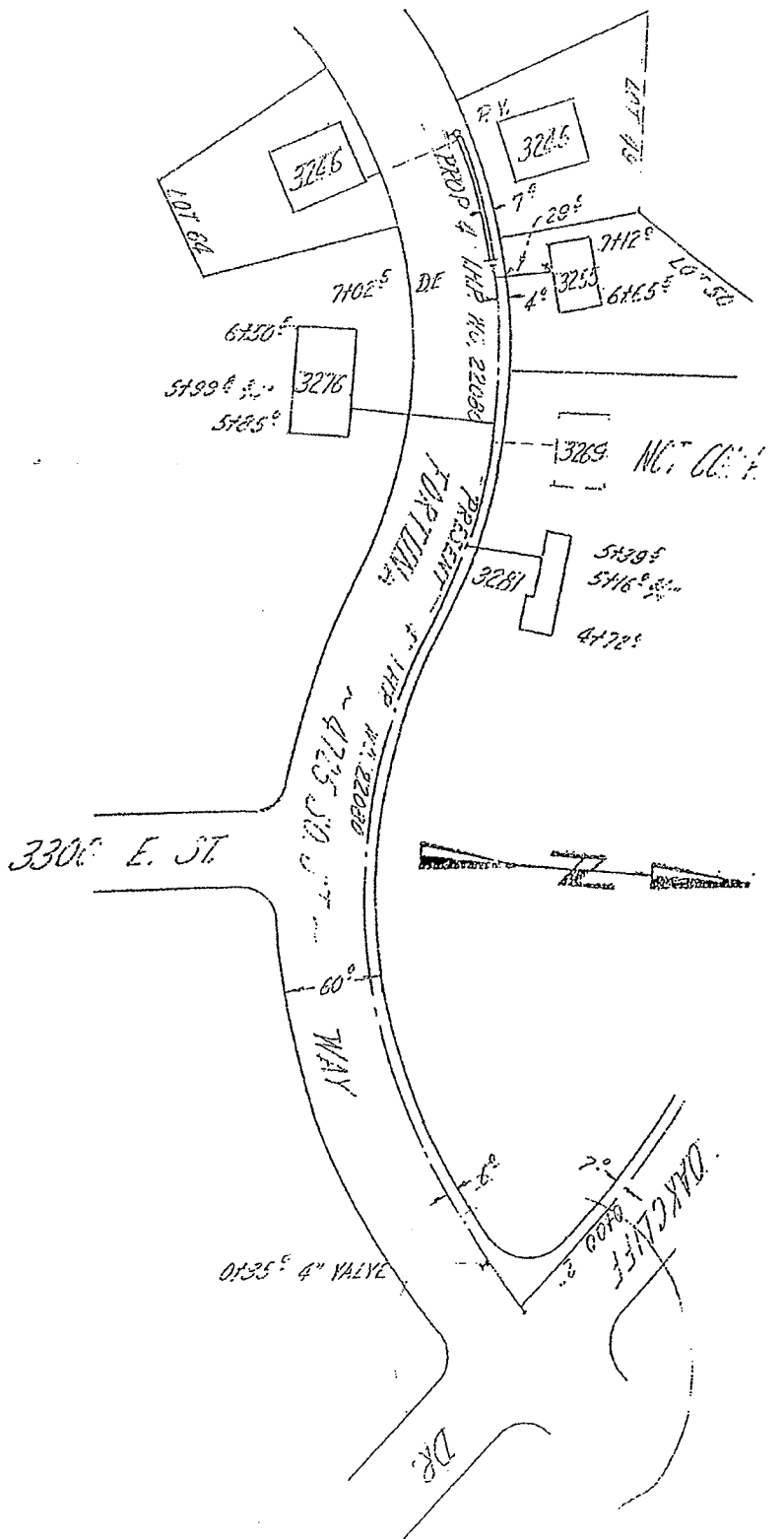
12-22  
Permit Number

8-25-56  
Date

Concrete pipe 18" South of Western Blvd.  
Type of connection and other additional information

A. D. 12-22-56 at 12-22-56 1505 ft.



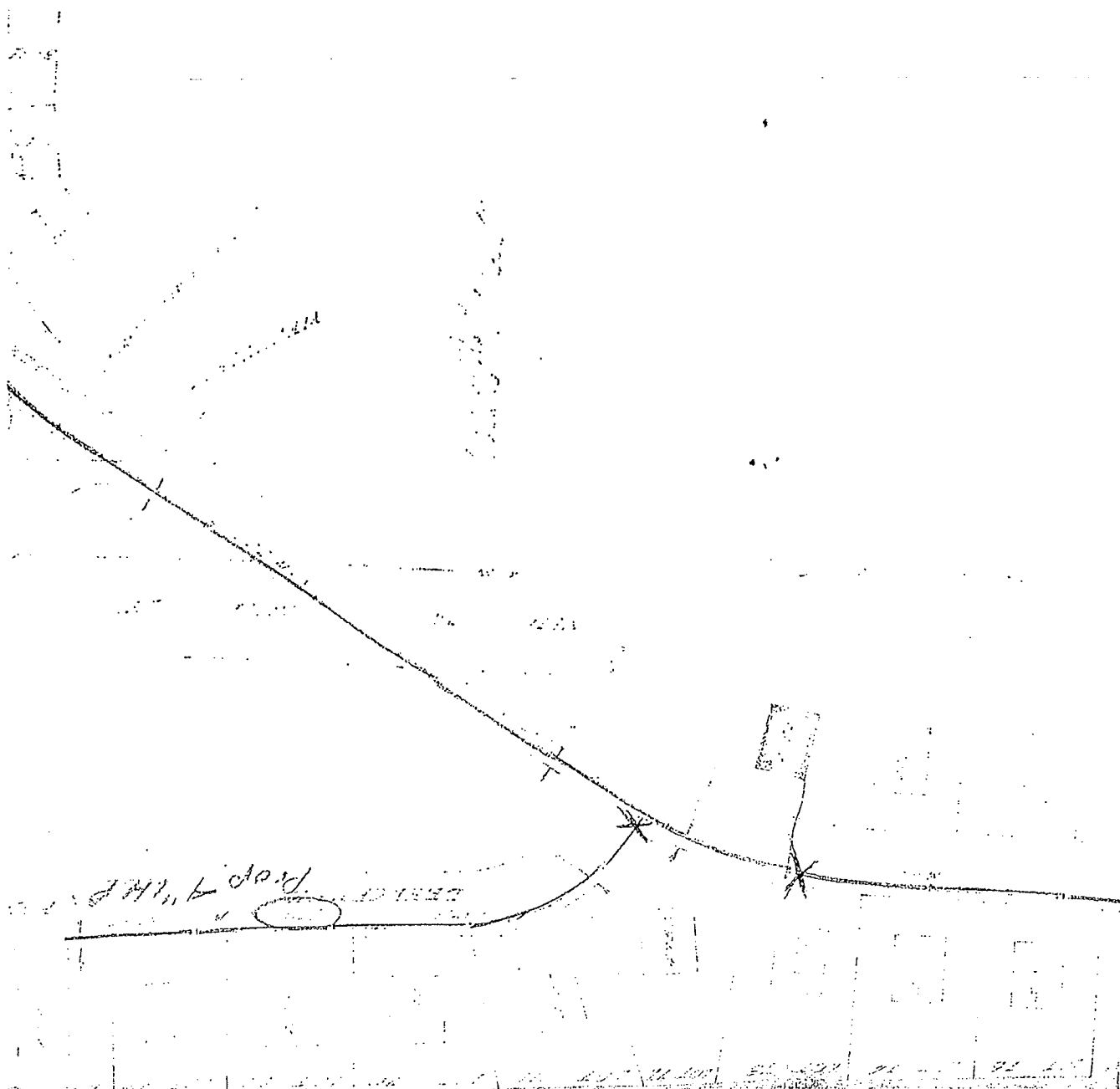


PROVIDED  
 APPROX. 85° FT OF 4" PIPE  
 MAP E-8  
 JUNE 11, 1937  
 T.H.S.

MOUNTAIN FUEL SUPPLY COMPANY  
 PROJECTED TO MAIN EXTENSION  
 SALT LAKE COUNTY  
 SCALE 1" = 100'  
 SHEET NO. 1  
 M. O. # 22080

1000

1000



W-56-3.3 2

## NOTICE

This permit for connection to water, gas or sewer lines is for the construction of water, gas, sewer, pole lines or other facilities upon the County or State road or highways in Salt Lake County and is issued with the understanding that the holder of this permit will be held responsible for the proper restoration of highway surfaces, sidewalk surfaces, ditch restoration to carry water in the same efficiency as before disturbed without loss to the beneficiaries, and that before highway or sidewalks are disturbed to perform the work covered by this permit that the holder will make proper provisions for protecting the public with necessary barricades, lights, and other appurtenances necessary to safeguard the lives and property of users, of said roadway, sidewalk and other facilities.

It is further agreed and understood that the holder of this permit for the work designated hereon is responsible for any liability or personal injury involved through neglect. And the holder also shall restore all properties of the County and properties of abutting land owners to its original condition satisfactory to the County or property owner involved.

Holder of Permit

Mt. Fuel Supply Co.

Address

180 E. 10th St.

Permit Number

211

Date

Sept. 5, 1939

Type of connection and other additional information

Gas Main - for turn off at Denver Road

18039

W.O. W 26332

**MOUNTAIN FUEL SUPPLY COMPANY**

180 EAST FIRST SOUTH STREET  
TELEPHONE DAVIS 8 8315

**SALT LAKE CITY 10, UTAH**

September 2, 1958

Salt Lake County Dept. of Roads & Bridges  
165 Sugar Street  
Midvale, Utah

Dear Sir:

The Mountain Fuel Supply Company hereby makes application to extend its present system of gas mains in the Salt Lake County, on Fortuna Way and Deercreek Road, as follows:

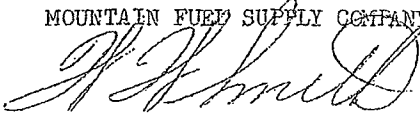
From proposed 4" IHP main dead end located approx. 943.0' southwest of the west property line of Oakcliff Drive, and located 7.0' southeast of the northwest property line of Fortuna Way, lay a 4" IHP wrapped steel main southwesterly on this location approx. 1,440.0'; also from proposed 4" IHP main located 7.0' east of the west property line of Fortuna Way, and located 7.0' northeast of the southwest property line of Deercreek Road, lay a 2" IHP wrapped steel main northwesterly and north on this location a distance of approx. 450.0'.

As shown on attached print.

The permit fee of \$2.00 will be paid at the end of the month, along with other gas connection fees, as per agreement.

Respectfully,

MOUNTAIN FUEL SUPPLY COMPANY



W. W. Smith

Office Manager - Dist. Dept.

WWS:jg

NOTICE

This permit for connection to water, gas or sewer lines is for the construction of water, gas, sewer, pole lines or other facilities upon the County or State road or highways in Salt Lake County and is issued with the understanding that the holder of this permit will be held responsible for the proper restoration of highway surfaces, sidewalk surfaces, ditch restoration to carry water in the same efficiency as before disturbed without loss to the beneficiaries, and that before highway or sidewalks are disturbed to perform the work covered by this permit that the holder will make proper provisions for protecting the public with necessary barricades, lights, and other appurtenances necessary to safeguard the lives and property of users, of said roadway, sidewalk and other facilities.

It is further agreed and understood that the holder of this permit for the work designated hereon is responsible for any liability or personal injury involved through neglect. And the holder also shall restore all properties of the County and properties of abutting land owners to its original condition satisfactory to the County or property owner involved.

Holder of Permit

Address

Permit Number

Date

Type of connection and other additional information

5320

W.O. W-26549

MOUNTAIN FUEL SUPPLY COMPANY

180 EAST FIRST SOUTH STREET  
TELEPHONE DAVIS 8-8315

SALT LAKE CITY 10, UTAH

October 1, 1958

@ 1,1958  
# 294,  
V.L.W.

Salt Lake County  
Dept. of Roads & Bridges  
165 East Sugar Street  
Midvale, Utah

Dear Sir:


The Mountain Fuel Supply Company hereby makes application to extend its present system of gas mains in Salt Lake County, on Brockbank Drive, and Mount Olympus Hills #1, as follows:

From present 4" IHP main located 17.0' west of the monument line of Wasatch Boulevard, and a point 7.0' north of the south property line of Brockbank Drive (South of 4425 South Wasatch Boulevard), lay approx. 1,185.0' of 4" IHP and approx. 4,235.0' of 2" IHP wrapped steel mains east, north and south, in streets of Mount Olympus Hills Subdivision #1, at various locations, as shown and described on attached print.

The permit fee of \$2.00 will be paid at the end of the month, along with other gas connection fees, as per agreement.

Respectfully,

MOUNTAIN FUEL SUPPLY COMPANY



W. W. Smith  
Office Manager - Dist. Dept.

WWS:fs



400#29765

Nº 1073

# NOTICE

This permit for connection to water, gas or sewer lines is for the construction of water, gas, sewer, pole lines or other facilities upon the County or State road or highways in Salt Lake County and is issued with the understanding that the holder of this permit will be held responsible for the proper restoration of highway surfaces, sidewalk surfaces, ditch restoration to carry water in the same efficiency as before disturbed without loss to the beneficiaries, and that before highway or sidewalks are disturbed to perform the work covered by this permit that the holder will make proper provisions for protecting the public with necessary barricades, lights, and other appurtenances necessary to safeguard the lives and property of users, of said roadway, sidewalk and other facilities.

It is further agreed and understood that the holder of this permit for the work designated hereon is responsible for any liability or personal injury involved through neglect. And the holder also shall restore all properties of the County and properties of abutting land owners to its original condition satisfactory to the County or property owner involved.

Street surfacing must be cut, leaving well defined edges, rather than gouged with a backhoe.  
Before you dig . . . call Telephone Co. for cable location . . . ELgin 5-1781 — Ext. 554.

Holder of Permit

Address

Permit Number

Date

Type of connection and other additional information



W. O. 297650

MOUNTAIN FUEL SUPPLY COMPANY

180 EAST FIRST SOUTH STREET  
TELEPHONE DAVIS 8-8315

SALT LAKE CITY 10, UTAH

June 21, 1960

*June 23, 1960*  
*# 1073*  
*V.L. Webb*

Salt Lake County  
Dept of Roads & Bridges  
165 Sugar Street  
Midvale, Utah

Gentlemen:

The Mountain Fuel Supply Company hereby makes application to extend its present system of gas mains in Salt Lake County on Westview Drive south of Brockbank Drive, as follows:

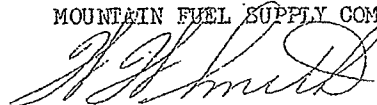
From dead end of present 2" IHP gas main located 281.0' south of the south property line of Brockbank Drive (4440 South Street) and located 6.0' west of the east property line of Westview Drive (3300 East Street), we propose to angle to 7.0' west of the east property line and lay a 2" IHP wrapped steel main south on this location a distance of approx. 425.0'.

As shown on attached print.

The permit fee of \$2.00 will be paid at the end of the month along with other gas connection fees, as per agreement.

Respectfully,

MOUNTAIN FUEL SUPPLY COMPANY



W. W. Smith  
Office Manager - Dist. Dept.

WWS:wb



MOUNTAIN FUEL SUPPLY COMPANY

PROPOSED AL. BE. EXTENSION

SALT LAKE COUNTY

SCALE 1" = 100'

Y&O - 11-11-1964

UN 00000

Nº 1218

# NOTICE

This permit for connection to water, gas or sewer lines is for the construction of water, gas, sewer, pole lines or other facilities upon the County or State road or highways in Salt Lake County and is issued with the understanding that the holder of this permit will be held responsible for the proper restoration of highway surfaces, sidewalk surfaces, ditch restoration to carry water in the same efficiency as before disturbed without loss to the beneficiaries, and that before highway or sidewalks are disturbed to perform the work covered by this permit that the holder will make proper provisions for protecting the public with necessary barricades, lights, and other appurtenances necessary to safeguard the lives and property of users, of said roadway, sidewalk and other facilities.

It is further agreed and understood that the holder of this permit for the work designated hereon is responsible for any liability or personal injury involved through neglect. And the holder also shall restore all properties of the County and properties of abutting land owners to its original condition satisfactory to the County or property owner involved.

Street surfacing must be cut, leaving well defined edges, rather than gouged with a backhoe. Before you dig . . . call Telephone Co. for cable location . . . ELgin 5-1781 — Ext. 554.

Holder of Permit	Address
Permit Number	Date
Type of connection and other additional information	



No 1804

## NOTICE

This permit for connection to water, gas or sewer lines is for the construction of water, gas, sewer, pole lines or other facilities upon the County or State road or highways in Salt Lake County and is issued with the understanding that the holder of this permit will be held responsible for the proper restoration of highway surfaces, sidewalk surfaces, ditch restoration to carry water in the same efficiency as before disturbed without loss to the beneficiaries, and that before highway or sidewalks are disturbed to perform the work covered by this permit that the holder will make proper provisions for protecting the public with necessary barricades, lights, and other appurtenances necessary to safeguard the lives and property of users of said roadway, sidewalk and other facilities.

It is further agreed and understood that the holder of this permit for the work designated hereon is responsible for any liability or personal injury involved through neglect. And the holder also shall restore all properties of the County and properties of abutting land owners to its original condition satisfactory to the County or property owner involved.

Street surfacing must be cut, leaving well defined edges, rather than gouged with a backhoe.  
Before you dig . . . call Telephone Co. for cable location . . . ELgin 5-1781 -- Ext. 554.

Holder of Permit

Address

Permit Number

Date

Type of connection and other additional information

W. O. 31463  
MOUNTAIN FUEL SUPPLY COMPANY  
180 EAST FIRST SOUTH STREET  
TELEPHONE DAVIS 8-8315  
SALT LAKE CITY 10, UTAH

2/15, 61  
HOB  
1804

February 14, 1961

Salt Lake County  
Dept. of Roads and Bridges  
165 East Sugar Street  
Midvale, Utah

Dear Sir:

The Mountain Fuel Supply Company hereby makes application to extend its present system of gas mains in Salt Lake County, on Westview Drive south of Bernada Drive, as follows:

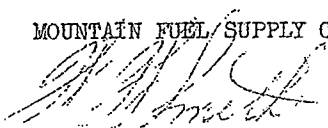
From dead end of present 2" IHP main located 1643.5' north of the south property line on Oakcliff Drive (north of 4580 South) and located 5.0' west of the east property line on Westview Drive (3260 East Street), we propose to angle to a location of 9.0' west of the east property line and lay a 2" IHP wrapped steel main north approx. 250.0'; thence angle and tie into 2" IHP main dead end located 5.0' west of the east property line on 3260 East Street.

As shown on attached print.

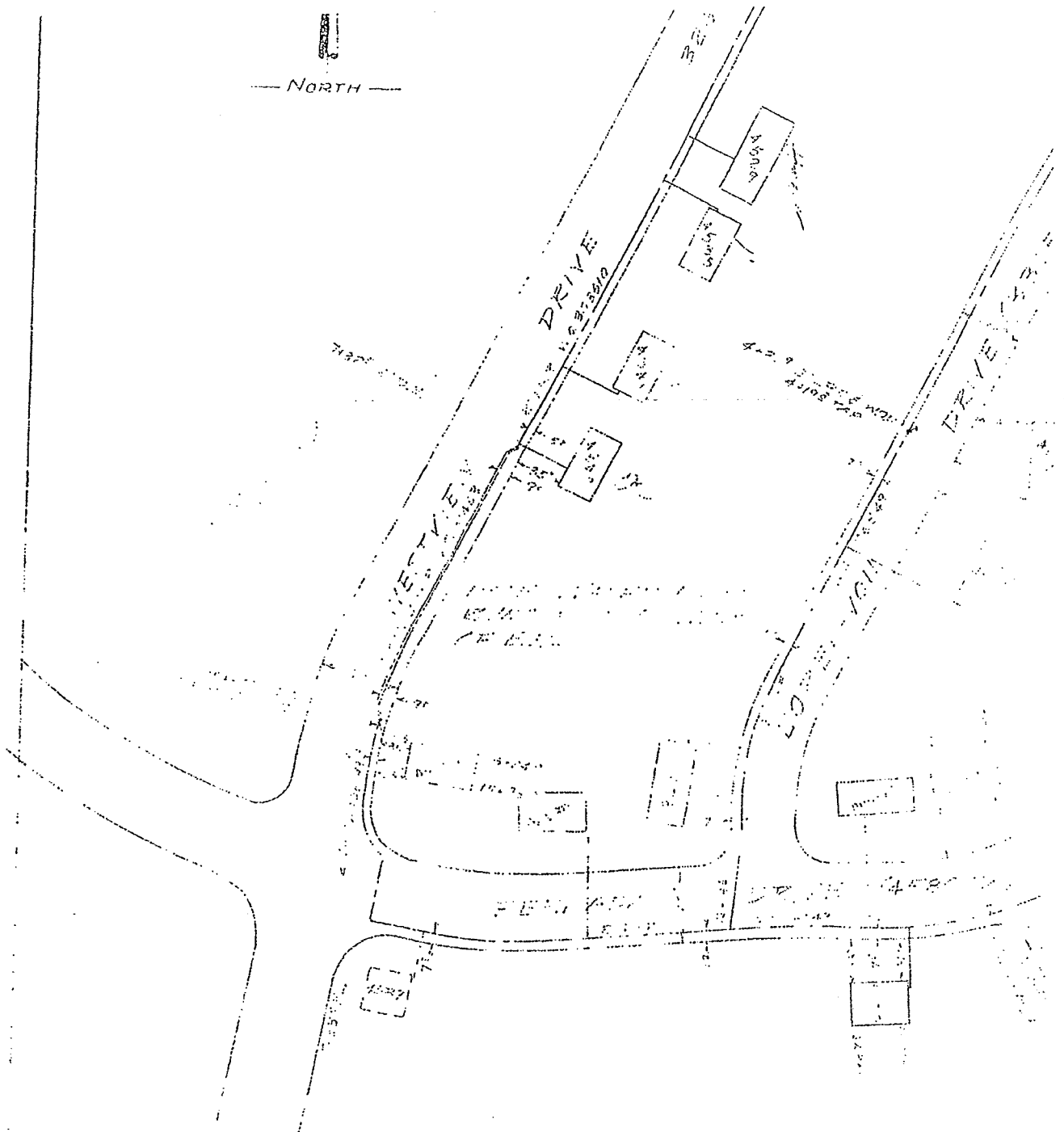
The permit fee of \$2.00 will be paid at the end of the month, along with other gas connection fees, as per agreement.

Respectfully,

MOUNTAIN FUEL SUPPLY COMPANY

  
W. W. Smith  
Office Manager - Dist. Dept.

WWS:AA



200' IS S' N OF S. 21' ON CANTONMENT DRIVE

PEOR APPROX 150' OF 21' LINE. P. 100  
 MAP E-2  
 MOUNT OLYMPUS HILLS NO. 1  
 FEBRUARY 13, 1961 E.B.W.

W. O. 31849

**MOUNTAIN FUEL SUPPLY COMPANY**

180 EAST FIRST SOUTH STREET  
TELEPHONE DAVIS 8-8315

SALT LAKE CITY 10, UTAH

May 2, 1961

*1400*  
*2027*

Salt Lake County  
Dept. of Roads & Bridges  
165 Sugar Street  
Midvale, Utah

Gentlemen:

The Mountain Fuel Supply Company hereby makes application to extend its present system of gas mains in Salt Lake County on Bernada Drive west of Westview Drive, as follows:

From present 2" IHP gas main located 25.0' east of the east property line of Westview Drive (3260 East Street) and a point 6.0' north of the south property line of Bernada Drive (4580 South Street), we propose to lay a 2" IHP wrapped steel main west on this location a distance of approx. 520.0'.

As shown on attached print.

The permit fee of \$2.00 will be paid at the end of the month along with other gas connection fees, as per agreement.

Respectfully,

MOUNTAIN FUEL SUPPLY COMPANY

*W. W. Smith*  
W. W. Smith  
Office Manager-Dist. Dept.

WWS:wb





No 2843

NOTICE

This permit for connection to water, gas or sewer lines is for the construction of water, gas, sewer, pole lines or other facilities upon the County or State road or highways in Salt Lake County and is issued with the understanding that the holder of this permit will be held responsible for the proper restoration of highway surfaces, sidewalk surfaces, ditch restoration to carry water in the same efficiency as before disturbed without loss to the beneficiaries, and that before highway or sidewalks are disturbed to perform the work covered by this permit that the holder will make proper provisions for protecting the public with necessary barricades, lights, and other appurtenances necessary to safeguard the lives and property of users, of said roadway, sidewalk and other facilities.

It is further agreed and understood that the holder of this permit for the work designated hereon is responsible for any liability or personal injury involved through neglect. And the holder also shall restore all properties of the County and properties of abutting land owners to its original condition satisfactory to the County or property owner involved.

Street surfacing must be cut, leaving well defined edges, rather than gouged with a backhoe.  
Before you dig . . . call Telephone Co. for cable location . . . ELgin 5-1781 — Ext. 554.

Holder of Permit	Address
Permit Number	Date
Type of connection and other additional information	

# MOUNTAIN FUEL SUPPLY COMPANY

## APPLICATION FOR PERMIT

WORK ORDER NO. 33973

DATE April 2, 19 62

The MOUNTAIN FUEL SUPPLY COMPANY hereby makes application to extend or replace its present system of gas mains in Salt Lake County on streets as follows and shown on attached drawing:

<u>Westview Drive</u>	<u>355.0</u>	ft.
<u>Lanark Road</u>	<u>300.0</u>	ft.
<u>Oak Dale Drive</u>	<u>395.0</u>	ft.
<u>Chaundra Avenue</u>	<u>775.0</u>	ft.
_____	_____	ft.

Total distance 1825.0 ft.

The above work will require approximately 19 day (s) after commencement.

Mountain Fuel Supply Company

By

W. W. Smith

Office Manager - Dist. Dept.

AA

## APPROVAL

Permission is hereby granted to proceed with above work subject to laws and ordinances relating to such work.

Permit No. 2843

Date 4/2/62

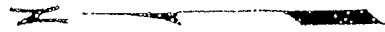
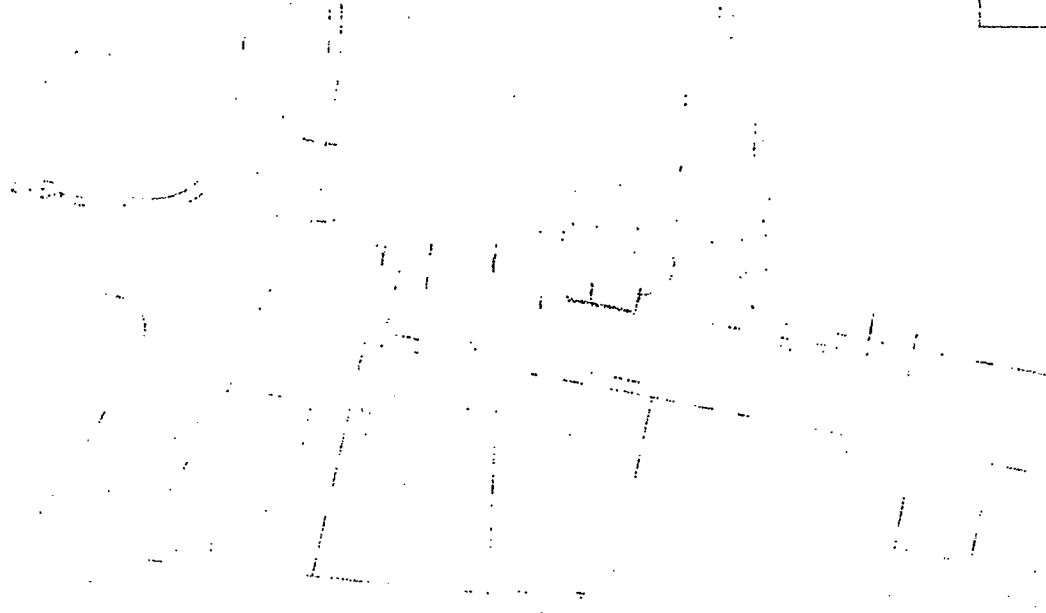
By

ACB

MOUNTAIN FUEL SUPPLY COMPANY  
PROPOSED MAIN EXTENSION

GRANITE- MURRAY AREA

SCALE 1"=100'  
35973 SUPP-A  
39794



# MOUNTAIN FUEL SUPPLY COMPANY

## APPLICATION FOR PERMIT

WORK ORDER NO. 3979

DATE January 8, 19 64

The MOUNTAIN FUEL SUPPLY COMPANY hereby makes application to extend or replace its present system of gas mains in Salt Lake County on streets as follows and shown on attached drawing:

Westview Drive (3260 East Street) 165.0 ft.

\_\_\_\_\_ ft.

\_\_\_\_\_ ft.

\_\_\_\_\_ ft.

\_\_\_\_\_ ft.

Total distance 165.0 ft.

The above work will require approximately 2 day (s) after commencement.

Mountain Fuel Supply Company

By

W. W. Smith

Office Manager - Dist. Dept.

## APPROVAL

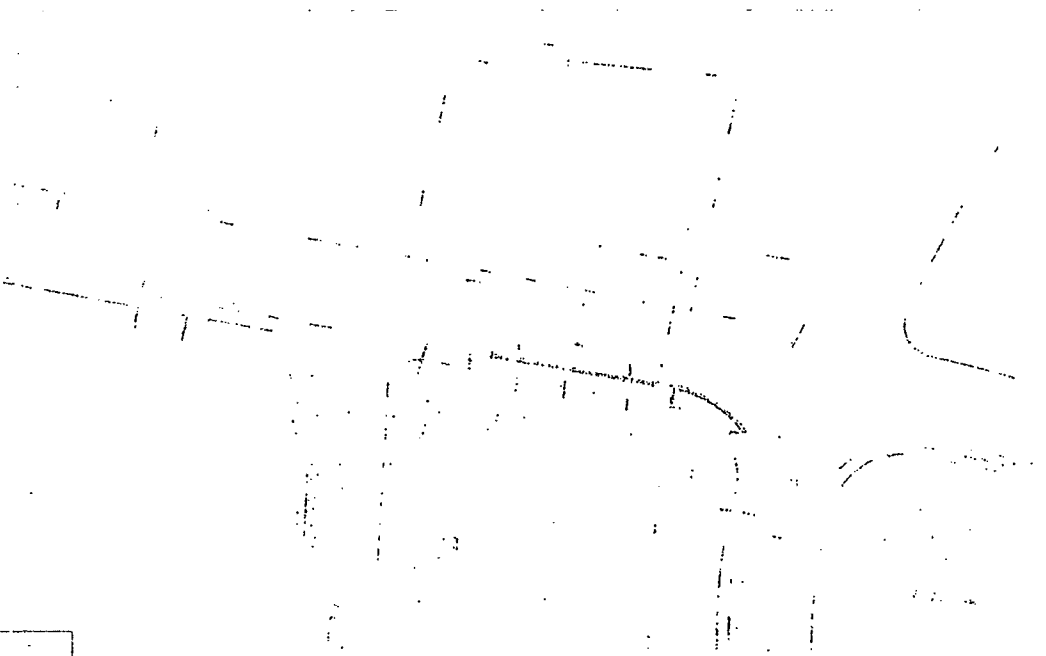
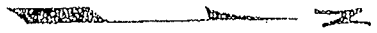
Permission is hereby granted to proceed with above work subject to laws and ordinances relating to such work.

Permit No. 953

Date 1-18-64

By

H. O. B.



MOUNTAIN FUEL SUPPLY COMPANY  
PROPOSED MAIN EXTENSION  
GRANITE-MURRAY AREA  
SCALE 1" = 100'  
33973 SUPPLY  
W. 33 39794

# SALT LAKE COUNTY DEPT. OF ROADS AND BRIDGES

165 SUGAR ST. PHONE AM 5-4283

MIDVALE, UTAH

## - NOTICE -

This permit for connection to water, gas or sewer lines is for the construction of water, gas, sewer, pole lines or other facilities upon the County roads or highways in Salt Lake County and is limited to the area hereinafter described. It is issued with the understanding that the holder of this permit will be responsible for the proper restoration of highway surfaces, sidewalk surfaces, ditch restoration to carry water in the same efficiency as before disturbed without loss to the beneficiaries, and that before highway or sidewalks are disturbed to perform the work covered by this permit the holder will make proper provisions for protecting the public with necessary barricades, lights and other appurtenances necessary to safeguard the lives and property of users of said roadway, sidewalk and other facilities.

It is further understood and agreed that the holder of this permit for the work designated hereon is responsible for any liability or personal injury involved through neglect. And the holder also shall restore all properties of the county and properties of abutting land owners to its original condition satisfactory to Salt Lake County or property owner involved within 10 days from date.

And that if said holder does not restore said properties to their original condition on or before the expiration of this permit it is agreed that Salt Lake County can restore the same and the holder hereof agrees to pay the Salt Lake County those monies expended by it to restore the property mentioned herein to its original condition, together with interest at six percent until paid in full.

Street surfacing must be cut, leaving well defined edges, rather than gouged with a backhoe or other similar equipment. Before the holder hereof begins to dig he must call telephone company for cable location, Elgin 5-1781 - Extension 554.

All excavation under this permit must be refilled with proper compaction from the bottom to the top according to the specifications of Salt Lake County Roads & Bridges Department and in full compliance with the County Inspector's demands in that regard. The term, "Compaction" shall be defined and limited to by the Roads & Bridges Department of Salt Lake County.

HOLDER OF PERMIT Mt. Fuel Supply Co. ADDRESS 180 E 1st PHONE DA 88315 DATE Jan 10 1964

THIS PERMIT LIMITED TO THE FOLLOWING AREA Westview Dr. (3260 East,) So of 45th So

165' on W.C. 39794  
PERMIT VALID FOR 60 DAYS FROM ISSUE. #1 (BECAUSE OF CONDITIONS BEYOND CONTROL OF PERMIT HOLDER, EXTENSION OF TIME MAY BE GRANTED BY SUPERINTENDENT OR OFFICE OF SALT LAKE COUNTY ROADS & BRIDGES DEPT.) C.M.

# SALT LAKE COUNTY DEPT. OF ROADS AND BRIDGES

165 SUGAR ST. PHONE AM 5-4283

MIDVALE, UTAH

## - NOTICE -

This permit for connection to water, gas or sewer lines is for the construction of water, gas, sewer, pole lines or other facilities upon the County roads or highways in Salt Lake County and is limited to the area hereinafter described. It is issued with the understanding that the holder of this permit will be responsible for the proper restoration of highway surfaces, sidewalk surfaces, ditch restoration to carry water in the same efficiency as before disturbed without loss to the beneficiaries, and that before highway or sidewalks are disturbed to perform the work covered by this permit the holder will make proper provisions for protecting the public with necessary barricades, lights and other appurtenances necessary to safeguard the lives and property of users of said roadway, sidewalk and other facilities.

It is further understood and agreed that the holder of this permit for the work designated hereon is responsible for any liability or personal injury involved through neglect. And the holder also shall restore all properties of the county and properties of abutting land owners to its original condition satisfactory to Salt Lake County or property owner involved within 10 days from date.

And that if said holder does not restore said properties to their original condition on or before the expiration of this permit it is agreed that Salt Lake County can restore the same and the holder hereof agrees to pay the Salt Lake County those monies expended by it to restore the property mentioned herein to its original condition, together with interest at six percent until paid in full.

Street surfacing must be cut, leaving well defined edges, rather than gouged with a backhoe or other similar equipment. Before the holder hereof begins to dig he must call telephone company for cable location, Elgin 5-1781 - Extension 554.

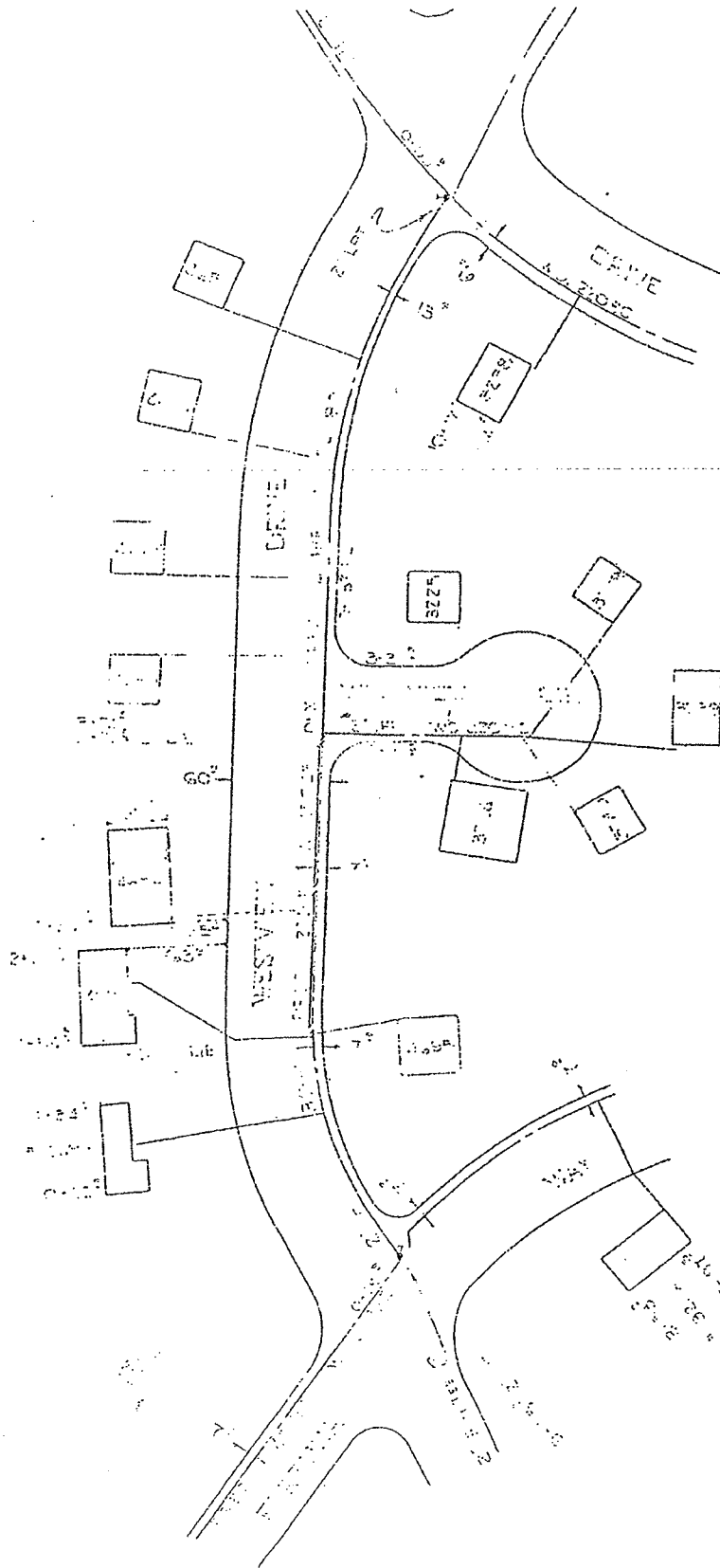
All excavation under this permit must be refilled with proper compaction from the bottom to the top according to the specifications of Salt Lake County Roads & Bridges Department and in full compliance with the County Inspector's demands in that regard. The term, "Compaction" shall be defined and limited to by the Roads & Bridges Department of Salt Lake County.

Mtn Fuel Supply Co 180 E 1st DA88315 6-21-65  
HOLDER OF PERMIT ADDRESS PHONE DATE

THIS PERMIT LIMITED  
TO THE FOLLOWING AREA Westview Drive (7650 So.) about 3238 E.

for 200' on W.O. 45643  
PERMIT VALID FOR 60 DAYS FROM ISSUE #1  
(BECAUSE OF CONDITIONS BEYOND CONTROL OF PERMIT HOLDER, EXTENSION OF TIME MAY BE GRANTED BY SUPERINTENDENT OR OFFICE OF SALT LAKE COUNTY ROADS & BRIDGES DEPT.)





NOT TO SCALE

# MOUNTAIN FUEL SUPPLY COMPANY

## APPLICATION FOR PERMIT

WORK ORDER NO. 45643

DATE June 18, 19 65

The MOUNTAIN FUEL SUPPLY COMPANY hereby makes application to extend or replace its present system of gas mains in Salt Lake County on streets as follows and shown on attached drawing:

Westview Drive 200.0 ft.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total distance 200.0 ft.

The above work will require approximately 2 day (s) after commencement.

Mountain Fuel Supply Company

By

W. W. Smith  
W. W. Smith, Office Manager  
Distribution Department

## APPROVAL

Permission is hereby granted to proceed with above work subject to laws and ordinances relating to such work.

Permit No. \_\_\_\_\_

Date 6-21-65

By

Ernest L. Cowdell

**SALT LAKE COUNTY DEPT. OF ROADS AND BRIDGES**  
165 SUGAR STREET  
MIDVALE, UTAH 84047  
PHONE 255-4283

— PERMIT —

This permit is for the construction of water, gas, sewer, pole lines or other facilities upon roads or highways in Salt Lake County. It is issued with the understanding that the holder will be responsible for the proper restoration of all highway and sidewalk surfaces, and for ditches, to the same efficiency as before disturbed without loss to the beneficiaries, and that before highways or sidewalks are disturbed to perform the work covered by this permit, that holder will make proper provisions for protecting the public with necessary barriers, lights and with all other appliances necessary to safeguard the lives and property of the users of such roadway, sidewalk and other facilities.

It is further understood and agreed that the holder of this permit is responsible for any liability or personal injury involved through neglect. Holder agrees to execute an indemnity agreement running to Salt Lake County, indemnifying the County against all claims, demands, costs, damages, attorneys fees or other expenses of any kind occasioned by such neglect. Holder shall, in addition, restore all properties of the County and of abutting land owners to their original condition in a manner satisfactory to Salt Lake County and the property owner. Such restoration shall take place within 15 days from the date of the issuance of the permit and shall be guaranteed by any such bond requirements as the County shall, from time to time, establish by ordinance. If the holder does not restore properties to their original condition on or before the expiration of this permit, it is agreed that Salt Lake County shall make the necessary restoration at holders expense, which expense shall be deemed to include interest at the rate of six per cent until paid in full.

STREET SURFACING MUST BE CUT, LEAVING WELL DEFINED EDGES, RATHER THAN GOUGED WITH A BACKHOE OR OTHER SIMILAR EQUIPMENT. BEFORE HOLDER BEGINS 1 DIG, HE MUST CALL ALL PUBLIC UTILITY COMPANIES FOR INFORMATION PERTAINING TO THE LOCATION OF COMPANY LINES.

All excavation under this permit must be in accordance with the applicable ordinances and laws of Salt Lake County and of the State of Utah.

*Mountain Fuel Supply Co. 180 East 1st St. 328-8315-1-2-6*  
HOLD OF PERMIT ADDRESS PHONE DATE

PERSON FOR WHOM WORK IS DONE  
*4700 So. 3236 Ave. 2nd*  
ADDRESS PHONE

THIS PERMIT LIMITED TO THE FOLLOWING AREA

# MOUNTAIN FUEL SUPPLY COMPANY

## APPLICATION FOR PERMIT

WORK ORDER NO. 52123

DATE December 21, 19 67

The MOUNTAIN FUEL SUPPLY COMPANY hereby makes application to extend or replace its present system of gas mains in Salt Lake County on streets as follows and shown on attached drawing:

<u>Fairfield Road</u>	<u>225.0'</u> ft.
_____	ft.
_____	ft.
_____	ft.
_____	ft.
Total distance <u>225.0'</u> ft.	

The above work will require approximately 2 day (s) after commencement.

Mountain Fuel Supply Company

By W.W. Smith  
W.W. Smith, Office Manager  
Distribution Department

## APPROVAL

Permission is hereby granted to proceed with above work subject to laws and ordinances relating to such work.

Permit No. 545

Date 1-2-68

By Mitzi Bray



*Exhibit 4*  
BLM Provo River Project License Agreement

Dep. Orig. - Licensee

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

PROVO RIVER PROJECT

LICENSE AGREEMENT

Contract No.

16-03-400-563

UTAH

4356

THIS LICENSE AGREEMENT, made this 5th day of Dec., 1956, pursuant to the Act of Congress of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, between THE UNITED STATES OF AMERICA, herein styled the United States, represented by the officer executing this agreement, and the MOUNTAIN FURNACE SUPPLY COMPANY, a corporation of the State of Utah, hereinafter styled the Company,

WITNESSETH:

2. WHEREAS, the Company proposes to construct a high pressure gas pipeline in, on, over, and across easements of the United States acquired as right-of-way for the Salt Lake Aqueduct, and the granting of the license to cross said easements in the manner and at the places hereinafter described will not be incompatible with the purposes for which they were acquired and are being administered.

3. NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained, but without cash consideration, the United States hereby grants to the Company upon the terms hereinafter provided, a license for a period of fifty (50) years from date hereof to construct, operate and maintain a high pressure gas pipeline between

centerline stations 2060+30 and 2091+00 of the Salt Lake Aqueduct in the SE<sup>1</sup> of Sec. 2 and the NE<sup>1</sup> of Sec. 11, T. 2 S., R. 1 E., Salt Lake Base and Meridian, as shown on the map marked Exhibit "A", attached hereto and made a part hereof.

4. The Company agrees that said pipeline will be constructed in accordance with the engineering detail shown on said Exhibit "A" and particularly in accordance with the following conditions:

(a) That the work performed under this license agreement shall be satisfactory to the United States and the Metropolitan Water District of Salt Lake City.

(b) That the backfill material in the trench section crossing the aqueduct be placed in a manner satisfactory to the United States and the Metropolitan Water District of Salt Lake City.

5. The Company agrees that the license hereby granted shall be held and exercised subject to the right of the United States, its successors and assigns, to use or cross the land covered by the license for the construction, operation and maintenance of ditches, canals, reservoirs, telephone or electric transmission lines, and for all other purposes whatsoever in connection with or incidental to the construction, operation or maintenance of the Salt Lake Aqueduct, and other works or facilities of the Provo River Project, or other reclamation projects, without any obligation whatsoever to the Company.



6. The Company agrees that said pipeline will be constructed, operated, and maintained without cost to the United States or its assigns, and in such a manner and at such times as to cause no interference with the operation or maintenance of the Salt Lake Aqueduct or other works or facilities of the Provo River Project.

7. The Company agrees to hold the United States harmless against all claims of every character arising out of or in connection with the construction, operation or maintenance of the said gas pipeline, and agrees to release the United States from all claims for damage to the gas pipeline which may hereafter result from the construction, operation or maintenance of any works or facilities of the Provo River Project or any other reclamation project.

8. Non-use by the Company of the described land for gas pipeline purposes for a period of three (3) years shall, at the option of the United States, work a termination of this agreement and of all rights of the Company hereunder, and the term of this license shall in any event expire by limitation at the end of fifty (50) years from the date hereof. All rights granted to the Company under this agreement shall be terminated at the option of the United States if the Company fails or refuses to comply with the terms hereof. Written notice of such termination shall be given to the Company at least ninety (90) days before the effective date thereof, and the Company may, at its option, remove all the gas pipeline within the ninety (90) day period,

and unless so removed, said gas pipeline shall become the property of the United States.

9. This license shall be effective only as against such interests as the United States may have in and to the land and premises affected hereby.

10. This license agreement shall not be effective until approved by the Metropolitan Water District of Salt Lake City.

11. This agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, however, it shall not be assigned or otherwise transferred by the Company without the written consent of the United States.

12. In connection with the performance of work under this contract, the Company agrees not to discriminate against any employee or applicant for employment because of race, religion, color or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. ~~The Company agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the United States setting forth the provisions of the non-discrimination clause. The Company further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

UTAH  
4356

13. The Company warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Company for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to avoid this contract without liability.

14. No Member or or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this agreement or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this agreement if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the day and year first above written.

UNITED STATES OF AMERICA

By Robert B. Keating  
Regional Director  
Bureau of Reclamation

MOUNTAIN FUEL SUPPLY COMPANY

By W. K. Smith  
President

(Seal)

Attest:

A. D. Johnson  
TITLE: ASSISTANT SECRETARY

APPROVED:

Blair Richardson  
Metropolitan Water District of  
Salt Lake City

(Seal)

*Exhibit 5*

Clyde Snow 3/16/2011 Letter to Shawn Draney

**ClydeSnow**  
ATTORNEYS AT LAW  
CLYDE SNOW & SESSIONS  
A PROFESSIONAL CORPORATION

ONE UTAH CENTER • THIRTEENTH FLOOR  
201 SOUTH MAIN STREET  
SALT LAKE CITY, UTAH 84111-2216  
TEL 801.322.2516 • FAX 801.521.6280  
www.clydesnow.com

RECEIVED  
3-18-11

CLARK W. SESSIONS ‡  
RODNEY G. SNOW  
STEVEN E. CLYDE  
EDWIN C. BARNES  
NEIL A. KAPLAN\*  
D. BRENT ROSE  
CHARLES R. BROWN §  
J. SCOTT HUNTER  
PERRIN R. LOVE\*  
DEAN C. ANDREASEN  
ANNELI R. SMITH  
WALTER A. ROMNEY, JR.  
MATTHEW A. STEWARD  
T. MICKELL JIMENEZ ROWE  
JENNIFER A. JAMES †  
WENDY BOWDEN CROWTHER  
CHRISTOPHER B. SNOW\*

AARON D. LEBENTA  
KEVIN A. TURNEY  
ROBERT D. ANDREASEN  
KATHERINE E. JUDD  
JOSEPH D. KESLER  
SARAH L. CAMPBELL ‡  
DIANA L. TELFER  
JONATHAN S. CLYDE  
SHANNON K. ZOLLINGER  
OF COUNSEL:  
NATHAN B. WILCOX  
EDWARD W. CLYDE (1917-1991)  
‡ SENIOR COUNSEL  
\* ALSO ADMITTED IN WASHINGTON, D.C.  
† ALSO ADMITTED IN COLORADO  
§ ALSO ADMITTED IN IDAHO  
‡ ALSO ADMITTED IN CALIFORNIA

March 16, 2011

*Via Email and U.S. Mail*

Mr. Shawn E. Draney  
SNOW, CHRISTENSEN & MARTINEAU  
10 Exchange Place, Eleventh Floor  
Salt Lake City, Utah 84111

sed@scmlaw.com

Re: Questar Gas Company/Metropolitan Water District Easement Crossing

Dear Shawn:

Questar Gas Company ("Questar Gas") has fully researched and analyzed the property rights involved with Questar Gas's placement and operation of its natural gas lines which run parallel to, or in some instances cross, Metropolitan Water District of Salt Lake & Sandy's ("Metro Water") Salt Lake Aqueduct in and near Westview Drive in Salt Lake County.

Based on its review, Questar Gas will not sign an encroachment agreement with Metro Water. Each of Questar Gas's natural gas lines was installed in a public street after obtaining permits from Salt Lake County under Questar Gas's franchise with the county. Moreover, Questar Gas has occupied its present location for over fifty years without any conflict or interference to Metro Water.

Additionally, please take notice that for any construction Metro Water undertakes near Questar Gas's natural gas pipelines, Questar Gas shall require Metro Water to comply with all applicable laws and regulations and any and all applicable industry practices, and take reasonable precautions to prevent damage to Questar Gas's pipelines, including but not limited to those outlined in this letter.

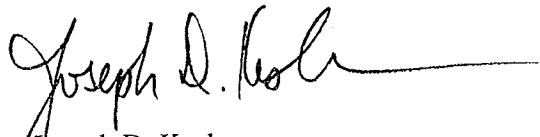
Construction near Questar Gas's pipelines is governed by, among others, regulations of the United States Department of Transportation ("DOT") in 49 C.F.R. Part 192. Metro Water is also required by law to observe and comply with the requirements of Utah Code Ann. § 54-8a-2 *et seq.*, Damage to Underground Utility Facilities, in connection with any construction activities in the vicinity of Questar's pipelines.

Questar Gas demands that it receive reasonable notice prior to any work performed within twenty-five (25) feet of Questar Gas's pipelines. Further, during construction performed by Metro Water work shall not be performed within twenty-five (25) feet of Questar Gas's pipelines unless Questar Gas has a qualified inspector on site.

Please feel free to contact me if you have any questions.

Very truly yours,

CLYDE SNOW & SESSIONS



Joseph D. Kesler  
Attorneys for Questar Gas Company

cc: Colleen L. Bell (Questar Gas)  
Perrin R. Love

*Exhibit 6*  
Common Use and Crossing Agreement

## COMMON USE AND CROSSING AGREEMENT

THIS COMMON USE AND CROSSING AGREEMENT (the "Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_ 2011, by and between Questar Gas Company, a Utah corporation, with offices located at 1140 West 200 South, Salt Lake City, Utah 84145-0360 ("Questar Gas"), and Metropolitan Water District of Salt Lake and Sandy ("MWDSLs"), a political subdivision of the State of Utah. Questar Gas and MWDSLs are sometimes hereafter collectively referred to as the "Parties" and either may be referred to individually as a "Party," all as governed by the context in which such words are used.

### RECITALS

A. MWDSLs owns and operates a [MWDSLs to provide description] ("\_\_\_\_") within an easement \_\_\_\_\_.

B. Questar Gas owns and operates a \_\_\_\_ inch natural gas pipeline referred to as \_\_\_\_\_ (the "Pipeline") which runs \_\_\_\_\_.

C. Because the Parties will be operating their respective facilities in relatively close proximity to each other and both will be performing work near the crossing, now or in the future, the Parties enter into this Agreement to provide construction guidelines and procedures which the Parties shall use when performing work.

### TERMS

NOW, THEREFORE, in the stated Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits of the Parties to be derived herefrom, and for other valuable consideration, the receipt and sufficiency of which the Parties acknowledge, it is hereby agreed as follows:

1. Crossing Location. The crossing is located at approximately \_\_\_\_\_ (the "Crossing"). When a Party to this Agreement is performing work within 25 feet of the Crossing, the terms of this Agreement shall apply.

2. Protection of Facilities. Questar Gas shall comply with the requirements of this Agreement, including the construction specifications found in Exhibit A, attached hereto and incorporated by reference, to protect [DESCRIPTION OF OTHER PARTY'S FACILITIES] during construction and relocation of the Pipeline and at such times in the future when repairs or maintenance are performed within 25 feet of the Pipeline. MWDSLs shall comply with the requirements set forth in this Agreement, including Exhibit B, attached hereto and incorporated by reference, to protect the Pipeline during performance of any repairs, maintenance or construction being performed within 25 feet of the Pipeline.



3. Reasonable Precautions. Questar Gas shall take all reasonable precautions to protect the [DESCRIPTION OF OTHER PARTY'S FACILITIES], property and persons, including, but not limited to, third parties, from damage or injury during any period when the [DESCRIPTION OF OTHER PARTY'S FACILITIES] is exposed, being excavated or backfilled, or when work is occurring above or within 25 feet of the [DESCRIPTION OF OTHER PARTY'S FACILITIES]. MWDSLs shall take all reasonable precautions to protect the Pipeline, property, and persons, including, but not limited to, third parties, from damage or injury during any period when the Pipeline is exposed, being excavated or backfilled, or when work is occurring above or within 25 feet of the Pipeline.

4. Compliance with Applicable Laws. MWDSLs acknowledges that Questar Gas must ensure that construction operations involving or near the Pipeline comply with applicable regulations, including, but not limited to, regulations of the United States Department of Transportation ("DOT") in 49 C.F.R. Part 192. Both Parties agree to comply with all applicable laws and regulations while performing work within twenty five feet of the Crossing.

5. Inspectors. The Party initiating construction or work on its facilities ("Constructing Party") shall give reasonable notice to the other Party ("Inspecting Party") prior to any work within twenty-five (25) feet of the Inspecting Party's facilities described in this Agreement. The Constructing Party shall not perform any excavation, construction, maintenance or repair requiring earth disturbance within twenty-five (25) feet of the Inspecting Party's facilities unless a qualified inspector designated by the Inspecting Party is on-site. In the event that the Inspecting Party's inspector determines that there is a threat of imminent danger to the Inspecting Party's facilities, the inspector may suspend the Constructing Party's activities. The Constructing Party agrees to defer to the judgment of the Inspecting Party's inspector in such circumstances, provided such judgment by the inspector is made in good faith. The Parties agree to cooperate and attempt to promptly resolve any such conflicts, so as to limit the interference with or delay of construction activities. The Constructing Party shall fully reimburse the Inspecting Party for costs incurred for having its inspector on-site. The Inspecting Party shall submit an invoice detailing the costs within 60 days of completion of the work requiring the presence of an inspector under this Agreement. The Constructing Party shall pay the Inspecting Party's invoice within 30 days of receipt.

6. One Call Notice. The Constructing Party shall notify Blue Stakes at least 48 hours prior to starting installation or construction activities near the Pipelines.

7. Crossing. All construction, installation, and maintenance activities, performed or authorized by either Party within twenty-five (25) feet of the Crossing, including but not limited to excavating, surveying, leveling, grading, installing, planting, placing, removing, reclaiming, re-contouring, construction and any subsequent improvements, or modifications, are to be completed in accordance with any and all applicable industry practices or federal and state laws and regulations.

8. Cathodic Protection. The Parties shall cooperate to minimize any stray current interference between the [DESCRIPTION OF OTHER PARTY'S FACILITIES] and the Pipeline. The Parties agree that all metallic pipelines with metallic parts or structures, that cross

the other Party's pipeline(s) shall have cathodic monitoring facilities installed at the crossing and where interference is occurring as a result of the Project, cathodic mitigation facilities shall be installed.

9. Indemnity. Each Party hereto ("Indemnifying Party") shall release, indemnify, hold harmless, and defend the other and its respective successors, corporate parents, and affiliates at any tier, and their respective directors, officers, shareholders, representatives, employees, agents, and contractors ("Indemnified Parties") from and against any and all claims, liabilities, losses, damages, costs, expenses, actions, and causes of action, including reasonable attorney fees, for damage or injury to any persons or property (collectively "Losses"), to the extent caused by the negligent, or intentional acts of the Indemnifying Party or its agents in its performance of work covered under this Agreement.

10. Parties Maintain Existing Rights. MWDSLS and Questar Gas acknowledge and agree that the Parties maintain all of their respective rights under any applicable franchises, licenses, easements, permits, statutes or regulations.

11. Law and Attorney Fees. If any dispute arises between the Parties relating to the subject matter of this Agreement, the breaching Party shall pay all of the non-breaching Party's reasonable court costs and attorney's fees whether or not litigation is commenced.

12. Emergency Notification. For damage or rupture of Questar facilities, immediately call 911 and notify Questar Gas at 1-800-797-1689. For damage to MWDSLS's facilities, immediately notify \_\_\_\_\_ at \_\_\_\_\_.

13. Notices. All notices to either Party shall be in writing and served personally on, or sent by first class U.S. Mail, postage-prepaid, to:

Questar Gas Company  
Attn: High Pressure Construction  
PO Box 45360  
Salt Lake City, Utah 84145-0360

Company Name  
Attn:  
Address

14. Miscellaneous. This Agreement shall inure to the benefit of and be binding on the respective heirs, successors, assigns, agents, contractors, and personal representatives of the Parties to this Agreement. Nothing contained in this Agreement shall be construed to abrogate or relinquish any rights granted or otherwise available to MWDSLS or Questar Gas, unless any such rights are specifically assigned or relinquished. This Agreement is entered into for the sole benefit of Questar Gas and MWDSLS and their respective successor or assigns, and no other party shall have any right, benefit or interest under, or because of the existence of, this Agreement.

15. Authority to Bind. Each person signing this Agreement warrants that the person has full legal capacity, power, and authority to execute this Agreement for and on behalf of the respective Party and to bind such Party.

AGREED AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE:

QUESTAR GAS COMPANY

METROPOLITAN WATER DISTRICT OF SALT  
LAKE & SANDY

---

C. Kim Blair  
General Manager,  
Engineering and Project Management

---

Michael L. Wilson  
General Manager

**EXHIBIT A**

**INSERT MWDSLS CONSTRUCTION STANDARDS**

## **EXHIBIT B**

### **QUESTAR GAS CONSTRUCTION STANDARDS**

This Exhibit B ("Exhibit B") is part of and subject to the Common Use and Crossing Agreement by and between Questar Gas Company ("Questar Gas") and Metropolitan Water District of Salt Lake & Sandy ("MWDSL") to which it is attached ("Agreement"). Capitalized terms used but not defined in this Exhibit B have the meanings assigned them in the Agreement.

**INSERT QUESTAR GAS SPECIFIC CONSTRUCTION STANDARDS FOR LOCATION OF  
PROPOSED CROSSING OR PARALLEL FACILITIES**

Exhibit 4

Exhibit 4

## Shelly Deal

---

**From:** Joseph Kesler (J.D.) [JD.Kesler@questar.com]  
**Sent:** Thursday, June 05, 2014 2:57 PM  
**To:** Shawn Draney  
**Cc:** Perrin R. Love; Scott Martin; Mike Wilson; Wayne Winsor  
**Subject:** RE: Questar threatened condemnation Corner Canyon [SCM-iDocs.FID813181]

Shawn:

Your emails appear to ask questions that have been answered previously. To reiterate, and perhaps clarify, Questar Gas' position to you I provide the following information.

Questar Gas has offered to purchase an easement across Metro Water's fee property in the corner canyon area of Draper. One point that is not clear from any of your emails is whether Metro Water is willing to negotiate a sale of an easement across the entire fee property area in corner canyon. If Metro Water is interested in negotiating Questar Gas' purchase of an easement, we would be happy to have a meeting to discuss purchasing an easement.

You have been given the opportunity to meet with Mr. Stuart, our appraiser, if you choose to use it. In a letter dated May 13, 2014, addressed to you, Metro Water was told "[i]f you desire to meet our appraiser on Metro Water's property, please contact me at your earliest convenience." I have not received a request from you to have the opportunity to meet with Mr. Stuart. Additionally, Mr. Stuart's appraisal acknowledges that "If any new information were to come to light as provided by Metropolitan Water in the future, my appraisal report could be amended to accommodate such information." Stuart Appraisal, p. 2.

Metro Water told Questar Gas they had no desire to discuss our project after our early attempts to contact Metro Water. Despite your post hoc attempts to interpret Mr. Winsor's email dated November 19, 2013, a simple reading of the email shows that we were told that Metro Water had "suspended all contact with Questar or its consultants with regard to [Metro Water] property or right-of-way." Consequently, Questar Gas waited to begin negotiations on this easement until we were certain we would be crossing Metro Water's property with our pipeline. However, as stated above, it is still unclear whether Metro Water is willing to negotiate a purchase/sale of an easement.

You have already been provided Questar Gas' current plans. As I explained to you in an email dated May 16, 2014, the Addendum to Mr. Stuart's appraisal includes a copy of the Right-of-Way and Easement Grant Questar Gas is offering to purchase, the description of the proposed easement, and a map showing the location of the easement on Metro Water's property. Final plans for the pipeline within the easement area will be completed after Questar Gas conducts the surveys and studies on Metro Water's property allowed under Section 78B-6-506.

Thank you for identifying neighboring landowners. Questar Gas has already identified them and has discussed our project with them.

Please let me know at your earliest convenience if you desire to negotiate the sale of an easement and if you desire to meet Mr. Stuart on site.

Thanks,

J.D.

**J.D. Kesler**  
Senior Attorney

# QUESTAR

333 South State Street  
P.O. Box 45433  
Salt Lake City, Utah 84145  
Direct: 801-324-5936

---

**From:** Shawn Draney [mailto:sed@scmlaw.com]  
**Sent:** Friday, May 30, 2014 2:54 PM  
**To:** 'JD.Kesler@questar.com'  
**Cc:** Perrin R. Love; Scott Martin; Mike Wilson; Wayne Winsor  
**Subject:** FW: Questar threatened condemnation Corner Canyon [SCM-iDocs.FID813181]

JD,

May I trouble you for the courtesy of a reply? Thanks.

---

**From:** Shawn Draney  
**Sent:** Friday, May 23, 2014 3:05 PM  
**To:** 'JD.Kesler@questar.com'  
**Cc:** Mike Wilson; 'Wayne Winsor'; Perrin R. Love  
**Subject:** Questar threatened condemnation Corner Canyon [SCM-iDocs.FID813181]

J.D.,

A portion of the District lands over which Questar seeks an easement do not appear to be in the corridor, and thus would not be the subject of the District's corridor regulations. Staff has authority under the regs for licensing encroachments in the corridor without specific Board approval if the license is consistent with the regs. As to other lands, the District staff has no authority to finalize an agreement. As to those lands, staff would have to negotiate an agreement to be proposed to the Board for its approval. Usually such an agreement goes to the Board's Engineering Committee for a recommendation for the Board.

The District does not hold a July Board meeting. The June Board meeting is set for June 16. The agenda goes out not later than the Wednesday evening before Board meeting. There currently is no Engineering Committee meeting set between now and the June Board meeting. I do not know if there will be time available on the June 16 agenda. That's the date when the District must adopt a budget for FY 2015.

Any pipe crossing the corridor will be required to be in a casing to facilitate supporting the pipe during work on the aqueduct.

The District will insist that Questar follow applicable condemnation requirements without excuse. For example, your appraisal was accomplished without giving the District a right to be present. You are obligated to negotiate in good faith and we're happy to schedule meetings and participate in those negotiations. If negotiations are not successful the District has a right to demand mediation before the Ombudsman, and the District will likely exercise that right. If the mediation is not successful the District has a right to demand arbitration, and the District will likely do so. Efforts to circumvent the law will be resisted.

Call to schedule a meeting between Questar and the appropriate senior management staff of the District at your earliest convenience, or suggest some dates and time. The District management folk typically work four tens, and thus do not work Fridays. In addition to negotiations, there are several other matters that would be important to discuss at that time, including the entities that have interests in the area. I do not know if the attached documents constitute a complete list. I highlight for you the fact that the Questar proposed alignment may match rather exactly a Water Pro pipeline alignment. Questar plans would be most helpful to making progress.



I understand that Questar has taken the position in the POMA litigation that the mere response of a District employee to a blue stakes request for marking without objection to what is unknown, Questar plans, is somehow consent to whatever Questar project prompted the blue stakes request. No one responding to a blue stakes request has any authority to bind the District to anything. I'm sure Questar would take the same position about its employees responsible for blue stakes responses. In any event you are expressly on notice of what is otherwise already obvious.

Regards,

**Shawn E. Draney**

Lawyer

**SNOW, CHRISTENSEN & MARTINEAU**

10 Exchange Place, Eleventh Floor | Salt Lake City, Utah 84111

Phone: (801) 322-9138 | Fax: (801) 363-0400

[sed@scmlaw.com](mailto:sed@scmlaw.com) | [Vcard](#) | [www.scmlaw.com](http://www.scmlaw.com)

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## Shelly Deal

---

**From:** Joseph Kesler (J.D.) [JD.Kesler@questar.com]  
**Sent:** Friday, May 16, 2014 12:14 PM  
**To:** Shawn Draney  
**Cc:** Perrin R. Love (PRL@ClydeSnow.com)  
**Subject:** RE: Questar/MWDSLS Corner Canyon [SCM-iDocs.FID813181]  
**Attachments:** 2014-4-24 - Stuart Appraisal - Metro Water Corner Canyon.PDF

Shawn:

I am glad to hear your trustees may be considering Questar Gas' offer to purchase perpetual easements for Feeder Line 6. The trustees may wish to review Steve Stuart's appraisal, which was enclosed with Questar Gas' April 29, 2014 letter to Wayne Winsor. I have also attached a copy to this email for your reference.

The Addendum to Stuart's appraisal includes a copy of the Right-of-Way and Easement Grant Questar Gas is offering to purchase, the description of the proposed easement, and a map showing the location of the easement on Metro Water's property. Final plans for the pipeline within the easement area (i.e. depths) will be completed after Questar Gas conducts the surveys and studies on Metro Water's property allowed under Section 78B-6-506.

Questar Gas' replacement of Feeder Line 6 in Corner Canyon has been authorized by the Utah Public Service Commission based on multiple considerations. Questar Gas is moving forward with the replacement this year.

Questar Gas looks forward to a response from the trustees.

J.D.

J.D. Kesler  
Senior Attorney

**QUESTAR**

333 South State Street  
P.O. Box 45433  
Salt Lake City, Utah 84145  
Direct: 801-324-5936

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**From:** Shawn Draney [mailto:sed@scmlaw.com]  
**Sent:** Thursday, May 15, 2014 3:39 PM  
**To:** Joseph Kesler (J.D.)  
**Subject:** FW: Questar/MWDSLS Corner Canyon [SCM-iDocs.FID813181]

**From:** Shawn Draney  
**Sent:** Thursday, May 15, 2014 3:11 PM  
**To:** 'Joseph D. Kesler'  
**Cc:** 'Mike Wilson'  
**Subject:** Questar/MWDSLS Corner Canyon [SCM-iDocs.FID813181]

J.D.,

I'll have a few minutes to talk about Corner Canyon Monday at a closed session. If we can get some concepts down in writing in terms of what an agreement to mediate the Corner Canyon issue before the Ombudsman might look like, that might get me authority to mediate. Usually they want final agreements. This is a bit different. I would hope an outline of concepts would do. Otherwise, any decisions re the "four options" may have to wait for next month. I don't know what the availability next month will be. The Trustees are very much involved in corridor issues. There will need to be a few prerequisites to mediation, like a set of plans.

Thanks.

**Shawn E. Draney**  
Lawyer

**SNOW, CHRISTENSEN & MARTINEAU**

10 Exchange Place, Eleventh Floor | Salt Lake City, Utah 84111  
Phone: (801) 322-9138 | Fax: (801) 363-0400  
[sed@scmlaw.com](mailto:sed@scmlaw.com) | [Vcard](#) | [www.scmlaw.com](http://www.scmlaw.com)

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## Shelly Deal

---

**From:** Shawn Draney  
**Sent:** Wednesday, May 14, 2014 10:32 AM  
**To:** Joseph Kesler (J.D.)  
**Cc:** Perrin R. Love (PRL@ClydeSnow.com); Mike Wilson; Wayne Winsor  
**Subject:** RE: Questar Gas - Corner Canyon [SCM-iDocs.FID813181]

J.D.,

One statement by a District employee taken out of context does not excuse you from a statutory requirement for good faith negotiation, particularly where a negotiation path is open to Questar. The District has a procedure in place for that negotiation process, Chapter 16 of the District's P&P manual at [mwdsls.org](http://mwdsls.org), including a process for appealing to the Board of Trustees for an exemption to District regs, or a change in District regs.

I'd be pleased to suggest to the District a formal agreement that Questar's participation in that process is without prejudice to Questar's position that the District lacks regulatory authority. I don't think a party ever waives such a claim by first exhausting administrative remedies, so you really don't need the District's agreement in my view. I believe that exhaustion of administrative remedies is a prerequisite for challenging regulations.

An additional statutory mandate is that you locate the pipe to do the greatest public good, with the least disruption to the landowner. This is particularly important where your burden of proof includes showing a higher more necessary public purpose, which you have not attempted. That higher more necessary public purpose burden goes to the form of any right to use District property, not just Questar's notion of need. Under the correct conditions, the District has no problem with licensing utility crossings. Questar is obviously fine with a license for other locations, like UDOT roads, city roads, etc. The condemnation process must be reasonably necessary.

Any inspection is premature before Questar plans are provided for comment as to location. Coordination of inspection will be through me. We've told you several times, the only point in staff terminating the discussion was to funnel communication through counsel in light of the pending litigation. Please respect that.

We will seek a TRO if you attempt to move onto District lands without written consent. Please let me know if you intend to disrespect the District's right to process. Self help under these conditions would be inappropriate.

A short distance to the south is the tunnel portal. The SLA is tunneled under Traverse Ridge such that water flows by gravity. The Board has in the past made exceptions to the regulations where the encroachment was well above the tunnel. You may wish to consider that.

Regards

**From:** Joseph Kesler (J.D.) [<mailto:JD.Kesler@questar.com>]  
**Sent:** Tuesday, May 13, 2014 5:44 PM  
**To:** Shawn Draney  
**Cc:** Perrin R. Love (PRL@ClydeSnow.com)  
**Subject:** Questar Gas - Corner Canyon

Shawn:

Please see the attached letter and enclosure. Hard copies are being mailed.

J.D.

J.D. Kesler



Questar Gas Company  
333 South State Street  
PO Box 45360  
Salt Lake City, UT 84145-0360  
Fax 801 324 5935

Legal Department

May 13, 2014

*Via U.S. Mail and Email*

Mr. Shawn E. Draney  
Snow, Christensen & Martineau  
10 Exchange Place, 11<sup>th</sup> Floor  
P.O. Box 45000  
Salt Lake City, Utah 84145

[sed@scmlaw.com](mailto:sed@scmlaw.com)

**Re: Questar Gas Company Corner Canyon Project**

Dear Mr. Draney:

Per your voice mail to me on May 2, 2014 all communications about the above referenced project will be directed to you. As you are aware, Questar Gas Company contacted Metropolitan Water District of Salt Lake & Sandy ("Metro Water") in a letter dated April 29, 2014 offering to purchase certain perpetual easements across property owned by Metro Water in the Corner Canyon area of Draper, Utah.

Questar Gas disagrees with your May 12, 2014 email claiming that a "response to [Questar Gas'] letter would be premature." First, Questar Gas is not seeking to obtain an encroachment license. Instead, as explained in our April 29 letter, we are offering to purchase a perpetual easement for our pipeline. Second, Mr. Winsor's email dated November 19, 2013 stated that Metro Water had "suspended all contact with Questar or its consultants with regard to [Metro Water] property or right-of-way." This statement, combined with your request that we apply for an encroachment license, make it appear that Metro Water is unwilling to sell a perpetual easement to Questar Gas. Please advise within one week of the date of this letter if Metro Water is interested in selling a perpetual easement.

Meanwhile, Questar Gas is still in the process of finalizing pipeline design documents. To do so, Questar Gas plans to enter Metro Water's property to make necessary examinations and surveys pursuant to Utah Code Ann. § 78B-6-506. Our examinations will include, but may not be limited to cone penetration testing, boring to obtain core samples, and pot holing to determine the depth of the Salt Lake Aqueduct or other utilities located on the property. Please let me know if there is a person with whom you would like us to coordinate these actions.

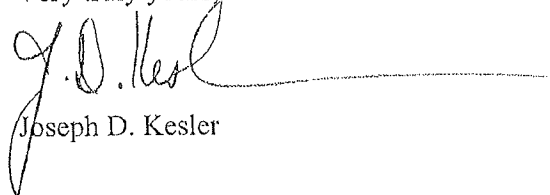
Finally, under the recently enacted version of Utah Code Ann. § 78B-6-505(3), effective today, Questar Gas is providing you with a complete printed copy of the materials provided by the Office of the Property Rights Ombudsman and the following written statement:

Although this letter is provided as part of an attempt to negotiate with you for the sale of your property or an interest in your property without using the power of eminent domain, Questar Gas may use that power if it is not able to acquire the property by negotiation. Because of that potential, the person negotiating on behalf of the entity is required to provide the following disclosures to you.

1. You are entitled to receive just compensation for your property.
2. You are entitled to an opportunity to negotiate with Questar Gas over the amount of just compensation before any legal action will be filed.
  - a. You are entitled to an explanation of how the compensation offered for your property was calculated.
  - b. If an appraiser is asked to value your property, you are entitled to accompany the appraiser during an inspection of the property.
3. You are entitled to discuss this case with the attorneys at the Office of the Property Rights Ombudsman. The office may be reached at 160 East 300 South, Second Floor, Salt Lake City, Utah 84111, 801-530-6391, [propertyrights@utah.gov](mailto:propertyrights@utah.gov).
4. The Office of the Property Rights Ombudsman is a neutral state office staffed by attorneys experienced in eminent domain. Their purpose is to assist citizens in understanding and protecting their property rights. You are entitled to ask questions and request an explanation of your legal options.
5. If you have a dispute with Questar Gas over the amount of just compensation due to you, you are entitled to request free mediation or arbitration of the dispute from the Office of the Property Rights Ombudsman. As part of mediation or arbitration, you are entitled to request a free independent valuation of the property.
6. Oral representations or promises made during the negotiation process are not binding upon the entity seeking to acquire the property by eminent domain.

If you desire to meet our appraiser on Metro Water's property, please contact me at your earliest convenience.

Very truly yours,



Joseph D. Kesler

Enclosure

cc: Perrin R. Love  
David Ingleby  
Rick Hellstrom

## Shelly Deal

---

**From:** Shawn Draney  
**Sent:** Monday, May 12, 2014 12:27 PM  
**To:** Joseph Kesler (J.D.)  
**Cc:** Perrin R. Love (PRL@ClydeSnow.com); Mike Wilson (wilson@mwdsis.org); Wayne Winsor  
**Subject:** RE: Questar Gas/Metro Water Corner Canyon [SCM-iDocs.FID813181]

JD,

Any response to your letter would be premature. As you know, the District has regulations for licensing encroachments of the Salt Lake Aqueduct (SLA) corridor. That is the process necessary for the negotiation of a right to use SLA lands. A condition precedent to such a condemnation action is negotiation in good faith. The District regulations provide the authority that is available to staff for such a negotiation. Please provide me with a complete encroachment application. I will ask the District to provide the form to you if you do not have one from last time.

In the mean time, I would appreciate a complete copy of any design documents you have.

Thanks.

**From:** Joseph Kesler (J.D.) [<mailto:JD.Kesler@questar.com>]  
**Sent:** Monday, May 05, 2014 10:22 AM  
**To:** Shawn Draney  
**Cc:** Perrin R. Love (PRL@ClydeSnow.com)  
**Subject:** Questar Gas/Metro Water Corner Canyon

Hi Shawn,

I received your message. Mr. Winsor's email said nothing about directing communication through counsel. Nevertheless, given your message, I think all communication should go through counsel from now on.

If you are going to respond to our letter, please do so through me.

Thanks,

J.D.

J.D. Kesler  
Senior Attorney  
**QUESTAR**  
333 South State Street  
P.O. Box 45433  
Salt Lake City, Utah 84145  
Direct: 801-324-5936

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## Shelly Deal

---

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**Sent:** Monday, May 05, 2014 10:22 AM  
**To:** Shawn Draney  
**Cc:** Perrin R. Love (PRL@ClydeSnow.com)  
**Subject:** Questar Gas/Metro Water Corner Canyon

Hi Shawn,

I received your message. Mr. Winsor's email said nothing about directing communication through counsel. Nevertheless, given your message, I think all communication should go through counsel from now on.

If you are going to respond to our letter, please do so through me.

Thanks,

J.D.

**J.D. Kesler**  
Senior Attorney

**QUESTAR**

333 South State Street  
P.O. Box 45433  
Salt Lake City, Utah 84145  
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Questar Gas Company  
1140 West 200 South  
P.O. Box 45360  
Salt Lake City, UT 84145-0360  
Tel 801 324 5555

RECEIVED

APR 30 2014

April 29, 2014

Mr. Wayne E. Winsor  
Metropolitan Water District of Salt Lake & Sandy  
3430 East Danish Road  
Cottonwood Heights, Utah 84093

**Re: Questar Gas Company Pipeline Replacement Project in Corner Canyon**

Dear Mr. Winsor:

As I explained briefly in my email to Gardner Olson dated November 12, 2013, Questar Gas Company is replacing an existing high-pressure natural gas pipeline in the Corner Canyon area in Draper. Your email dated November 19, 2013 stated that Metropolitan Water District of Salt Lake & Sandy ("Metro Water") "suspended all contact with Questar or its consultants with regard to [Metro Water] property or right-of-way." Consequently, I have not attempted to further contact you about our project.

Questar Gas has now identified a pipeline route for its fifty foot easement which will cross property owned by Metro Water as more fully described in the enclosed appraisal of the Metro Water property by Stuart & Company (the "Appraisal"). Based on the Appraisal, Questar Gas hereby extends an offer to purchase the easement for two-thousand dollars (\$2,000.00) which represents the appraised value rounded to the nearest thousand.

Questar Gas would like to negotiate a voluntary sale of the pipeline easement. However, in the event we are unable to negotiate a voluntary sale of an easement, Questar Gas will seek to acquire an easement by eminent domain. Enclosed with this letter is a complete printed copy of the materials provided on the Office of the Property Rights Ombudsman's website. These disclosures are part of Questar Gas' obligations under Utah Code Ann. § 78B-6-505. Please note that in the event Questar Gas initiates an eminent domain action you have the right to submit the dispute for mediation or arbitration with the office of the Property Rights Ombudsman pursuant to Utah Code Ann. §§ 78B-5-522, 13-43-204. The Office of the Property Rights Ombudsman may be contacted as follows:

By Mail: Office of the Property Rights Ombudsman  
Department of Commerce Administration  
160 East 300 South, Second Floor  
Salt Lake City, UT 84111

By Phone: 801-530-6391  
877-882-4662 (Toll Free)

By Fax: 801-530-6338

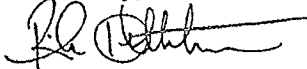
By E-mail: [propertyrights@utah.gov](mailto:propertyrights@utah.gov)

By Internet: <http://propertyrights.utah.gov>

Oral representations or promises made during the negotiation process are not binding upon Questar Gas. Moreover, the offer contained in this letter is not binding unless and until a written agreement is executed by both parties.

Please contact me at your earliest convenience, but not later than one week from the date of this letter to discuss Questar Gas' offer.

Sincerely,



Rick Hellstrom  
Lead Property Agent  
801-324-3737 - office  
801-232-8153 - cell

Enclosures

cc: J.D. Kesler  
Dave Ingleby