

## PIPE LINE LICENSE

THIS LICENSE, Made this 12th day of December, 1990, between THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a Delaware corporation (hereinafter called "Licensor"), party of the first part, and CITY OF REDLANDS, a municipal corporation of the State of California (hereinafter, whether one or more, called "Licensee"), party of the second part.

WITNESSETH, That the parties hereto for the consideration hereinafter expressed covenant and agree as follows:

1. Subject to the terms and conditions hereinafter set forth, Licensor licenses Licensee to construct and maintain one (1) pipe line, twenty-four (24) inches in diameter (hereinafter, whether one or more pipe lines, called the "PIPE LINE"), across or along the right-of-way of Licensor at or near the station of Redlands, San Bernardino County, California, the exact location of the PIPE LINE being more particularly shown by bold line and right of entry on a 30-foot area along Licensor's right-of-way property between New York Street and Stuart Avenue as shown shaded upon the print hereto attached, No. 1-00147, dated October 10, 1990, marked "Exhibit A" and made a part hereof.

2. Licensee shall use the PIPE LINE solely for carrying sewage and shall not use it to carry any other commodity or for any other purpose whatsoever.

(a) Licensee covenants that it will not handle or transport through the PIPE LINE on Licensor's property "hazardous waste" or "hazardous substances", as "hazardous waste" and "hazardous substances" may now or in the future be defined by any federal, state, or local governmental agency or body. In the event the Pipe Line is now or in the future used in handling, or transporting of "hazardous waste" or "hazardous substances", Licensee agrees fully to comply with all applicable federal, state, and local laws, rules, regulations, orders, decisions and ordinances (hereinafter referred to as "Standards") concerning "hazardous waste" and "hazardous substances". Licensee further agrees periodically to furnish Licensor with proof, satisfactory to Licensor, that Licensee is in such compliance. Should Licensee not comply fully with the above-stated obligations of this Section, notwithstanding anything contained in any other provision hereof, Licensor may, at its option, terminate this License by serving five (5) days' notice of termination upon Licensee; but any waiver by Licensor of any breach of Licensee's obligations shall not constitute a waiver of the right to terminate this License for any subsequent breach which may occur, or to enforce any other provision of this License. Upon termination, Licensee shall remove the PIPE LINE and restore Licensor's property as herein elsewhere provided.

(b) Notwithstanding anything contained in the liability section hereof, in case of a breach of the obligations contained in this Section, or any of them, regardless of the negligence or alleged negligence of Licensor, Licensee agrees to assume liability for and to save and hold harmless Licensor from and against all injuries to any person and damage to property, including without limitation, employees and property of Licensor and Licensee and all related expenses, including without limitation attorneys' fees, investigators' fees and litigation expenses, resulting in whole or in part from Licensee's failure to comply with any Standard issued by any governmental authority concerning "hazardous substances" and/or "hazardous waste". Licensee, at its cost, shall assume the defense of all claims, suits or actions brought for damages, and fines or penalties hereunder, regardless of whether they are asserted against Licensor or Licensee. Licensee also agrees to reimburse Licensor for all costs of any kind incurred as a result of the Licensee's failure to comply with this Section, including, but not limited to, fines, penalties, clean-up and disposal costs, and legal costs incurred as a result of Licensee's handling, transporting, or disposing of "hazardous waste" or "hazardous substances" on the property of Licensor.

(c) It is understood and agreed that a Licensee who does not now, or in the future, generate, handle, transport, treat, store or dispose of on Licensor's property "hazardous waste" or "hazardous substances" within the meaning of the Section, is not subject to the provisions of Section 2 (b) hereof.

3. Licensee shall pay Licensor as compensation for this license the sum of Seven Hundred Fifty and No/100 Dollars (\$750.00).

4. Licensee shall, at its own cost and subject to the supervision and control of Licensor's chief engineer, locate, construct and maintain the PIPE LINE in such a manner and of such material that it will not at any time be a source of danger to or interference with the present or future tracks, roadbed and property of Licensor, or the safe operation of its railroad. In cases where the Licensee is permitted under paragraph 2 hereof to use the PIPE LINE for oil, gas, petroleum products, or other flammable or highly volatile substances under pressure, the PIPE LINE shall be constructed, installed and thereafter maintained in conformity with the plans and specifications shown on print hereto attached in such cases, marked Exhibit B and made a part hereof. If at any time Licensee shall, in the judgment of Licensor, fail to perform properly its obligations under this paragraph, Licensor may, at its option, itself perform such work as it deems necessary for the safe operation of its railroad, and in such event Licensee agrees to pay, within fifteen (15) days after bill shall have been rendered therefor, the cost so incurred by Licensor, but failure on the part of Licensor to perform the obligations of Licensee shall not release Licensee from liability hereunder for loss or damage occasioned thereby.

5. Licensee shall reimburse Licensor for any expense incurred by Licensor for false work to support Licensor's tracks and for flagman to protect its traffic during installation of the PIPE LINE and for any and all other expense incurred by Licensor on account of the PIPE LINE.

6. Licensee shall at all times indemnify and save harmless Licensors against and pay in full all loss, damage, or expense that Licensors may sustain, incur or become liable for, resulting in any manner from the construction, maintenance, use, state of repair, or presence of the PIPE LINE, including any such loss, damage or expense arising out of (a) loss of or damage to property, (b) injury to or death of persons, (c) mechanics' or other liens of any character, or (d) taxes or assessments of any kind. It is the intention of the parties that Licensors' right to indemnity hereunder shall be valid and enforceable against Licensee regardless of negligence (whether active, passive, derivative, joint, concurring or comparative) on the part of Licensors, its officers, agents and employees.

7. If at any time Licensee shall fail or refuse to comply with or carry out any of the covenants herein contained Licensors may at its election forthwith revoke this license.

8. This license is given by Licensors and accepted by Licensee upon the express condition that the same may be terminated at any time by either party upon ten (10) days' notice in writing to be served upon the other party, stating therein the date that such termination shall take place, and that upon the termination of this license in this or any other manner herein provided, Licensee, upon demand of Licensors, shall abandon the use of the PIPE LINE and remove the same and restore the right-of-way and tracks of Licensors to the same condition in which they were prior to the placing of the PIPE LINE thereunder. In case Licensee shall fail to restore Licensors' premises as aforesaid within ten (10) days after the effective date of termination, Licensors may proceed with such work at the expense of Licensee. No termination hereof shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date the PIPE LINE is removed and the right-of-way and track of Licensors restored as above provided.

9. In the case of the eviction of Licensee by anyone owning or obtaining title to the premises on which the PIPE LINE is located, or the sale or abandonment by Licensors of said premises, Licensors shall not be liable to Licensee for any damage of any nature whatsoever or to refund any payment made by Licensee to Licensors hereunder, except the proportionate part of any recurring rental charge which may have been paid hereunder in advance.

10. Any notice hereunder to be given by Licensors to Licensee shall be deemed to be properly served if it be deposited in the United States Mail, postage prepaid, addressed to Licensee at P. O. Box 3005, Redlands, California 92373. Any notice to be given hereunder by Licensee to Licensors shall be deemed to be properly served if the same be deposited in the United States Mail, postage prepaid, addressed to Licensors' Manager of Contracts at P. O. Box 1738, 920 S. E. Quincy Street, Topeka, Kansas 66612.

11. In the event that two or more parties execute this instrument as Licensee, all the covenants and agreements of Licensee in this license shall be the joint and several covenants and agreements of such parties.

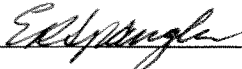
12. All the covenants and provisions of this instrument shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the parties to the same extent and effect as the same are binding upon and inure to the benefit of the parties hereto, but no assignment hereof by Licensee, its successors, legal representatives or assigns, or any subsequent assignee, shall be binding upon Licensor without the written consent of Licensor in each instance.

13. Notwithstanding any other provisions of this license, Licensee shall comply with all statutes, ordinances, rules, regulations, orders and decisions (hereinafter referred to as "Standards"), issued by any federal, state or local governmental body or agency established thereby (hereinafter referred to as "Authority"), relating to Licensee's use of Licensor's property hereunder. In its use of the premises, Licensee shall at all times be in full compliance with all Standards, present or future, set by any Authority, including, but not limited to, Standards concerning air quality, water quality, noise, hazardous substances and hazardous waste. In the event Licensee fails to be in full compliance with Standards set by any Authority, Licensor may, after giving reasonable notice of the failure to Licensee, and Licensee, within thirty (30) days of such notice, fails either to correct such non-compliance or to give written notice to the Licensor of its intent to contest the allegation of non-compliance before the Authority establishing the Standard or in any other proper forum, take whatever action is necessary to protect the premises and Licensor's railroad and other adjacent property. Licensee shall reimburse the Licensor for all costs (including but not limited to, consulting, engineering, clean-up and disposal costs, and legal costs) incurred by the Licensor in complying with such Standards, and also such costs incurred by the Licensor in abating a violation of such Standards, protecting against a threatened violation of such Standards, defending any claim of violation of such Standards in any proceeding before any Authority or court, and paying any fines or penalties imposed for such violations. Licensee shall assume liability for and shall save and hold harmless the Licensor from any claim of a violation of such Standards regardless of the nature thereof or the Authority or person asserting such claim, which results from Licensee's use of Licensor's premises, whether such claim arises in whole or in part from the negligence or alleged negligence of the Licensor or otherwise. Licensee, at its cost, shall assume the defense of all such claims regardless of whether they are asserted against Licensee or Licensor.

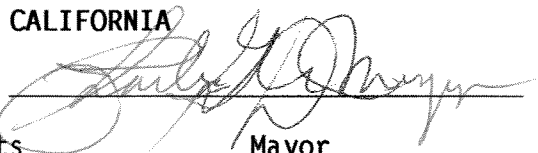
14. Upon written notice from Licensor, Licensee agrees to assume the defense of any lawsuit, administrative action or other proceeding brought against Licensor by any public body, individual, partnership, corporation, or other legal entity, relating to any matter covered by this License for which Licensee has an obligation to assume liability for and/or to save and hold harmless the Licensor. Licensee shall pay all the costs incident to such defense, including, but not limited to, attorneys' fees, investigators' fees, litigation expenses, settlement payments, and amounts paid in satisfaction of judgments. Any and all lawsuits or administrative actions brought or threatened on any theory of relief available at law, in equity or under the rules of any administrative agency shall be covered by this section, including, but not limited to, the theories of intentional misconduct, negligence, breach of statute or ordinance, or upon any theory created by statute or ordinance, state or federal.

IN WITNESS WHEREOF, the parties have executed this agreement in duplicate the day and year first above written.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

By   
Its Manager of Contracts

CITY OF REDLANDS, CALIFORNIA

By   
Its Mayor

ATTEST:

  
City Clerk

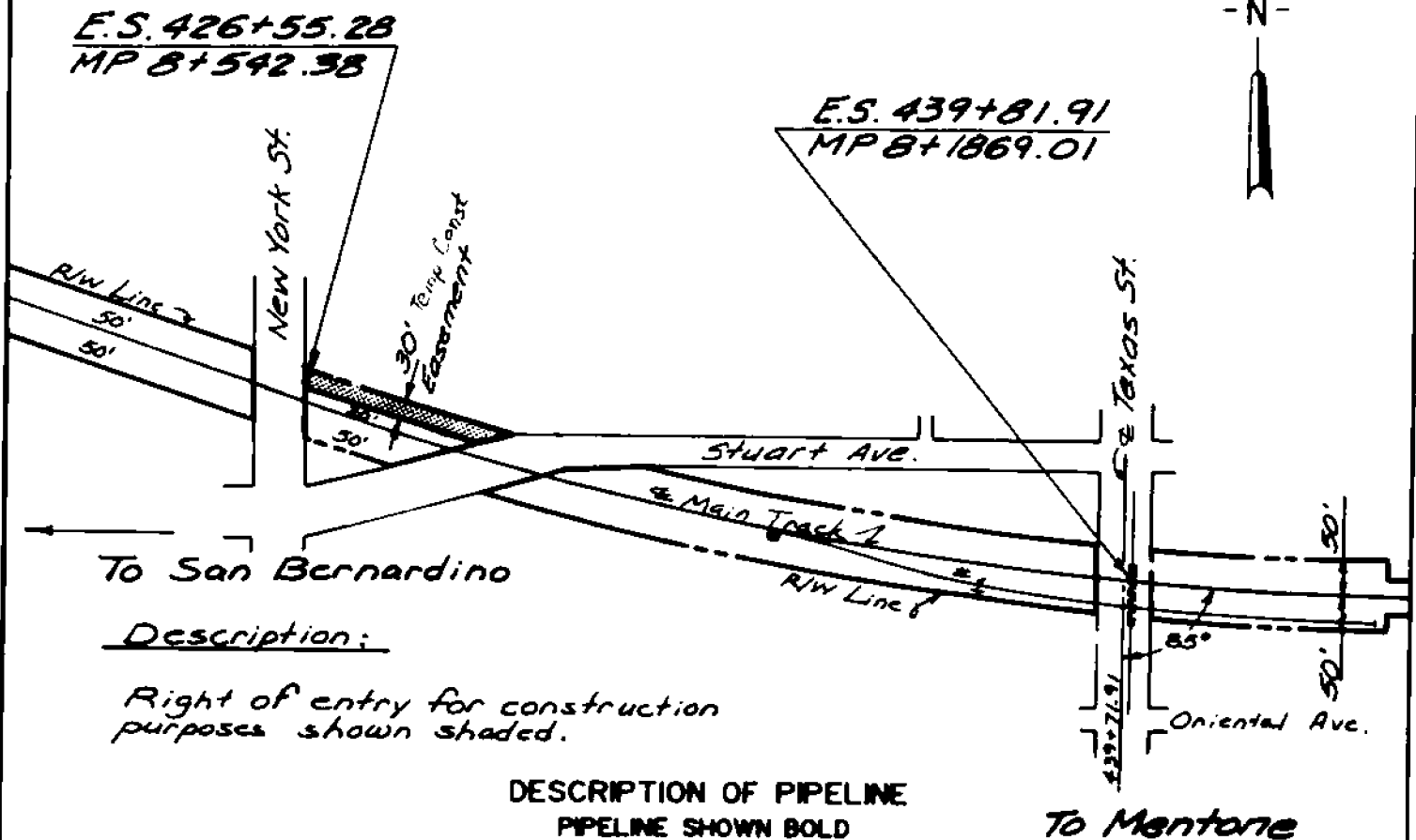
**EXHIBIT "A"**

ATTACHED TO CONTRACT BETWEEN  
**THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY**  
 AND  
**CITY OF REDLANDS**

TOPEKA, KANSAS  
 SCALE: 1 IN. TO 30 FT.  
Western Region

Redlands SUBDIV.

DATE: October 10, 1990



Description:

Right of entry for construction purposes shown shaded.

|                        | CARRIER PIPE   | CASING PIPE |                                  | CARRIER PIPE | CASING PIPE |
|------------------------|----------------|-------------|----------------------------------|--------------|-------------|
| SIZE:                  | 24"            | 40"         | LENGTH ON R/W:                   | —            | 90'         |
| CONTENTS:              | Sewer          | —           | WORKING PRESSURE:                | Gravity      | —           |
| PIPE MATERIAL:         | VCP            | Steel       | BURY: BASE/RAIL TO TOP OF CASING | —            | 9.5'        |
| SPECIFICATION / GRADE: | Extra Strength | 35,000 psi  | BURY: NATURAL GROUND             | —            | 9.5'        |
| WALL THICKNESS:        | 2.5"           | 0.563"      | BURY: ROADWAY DITCHES            | —            | 9.5'        |
| COATING:               | —              | —           | CATHODIC PROTECTION              | —            | —           |

VENTS: NUMBER \_\_\_\_\_ SIZE \_\_\_\_\_ HEIGHT OF VENT ABOVE GROUND \_\_\_\_\_

**AT REDLANDS**  
**SAN BERNARDINO COUNTY,**  
**CALIFORNIA**

NOTE: CASING TO BE JACKED OR DRY BORED ONLY

A.M. DRAWING NO. 1 - 00147