

## Haul Route Agreement

THIS HAUL ROUTE AGREEMENT made and entered into this 5<sup>th</sup> day of February, 2019, by and between Jones County, ("County"), Buffalo, Dunkel, Draper, Scovil, Williams Creek, and South Creek Townships ("Townships"), and TransCanada Keystone Pipeline, LP ("Keystone").

WHEREAS, Keystone plans to use County and Township Roads in transporting items related to the construction of its proposed pipeline project, including but not limited to products, equipment, materials, and/or supplies over County and Township Roads; and

WHEREAS, the County or Township is responsible for constructing, altering, improving, and maintaining County or Township Roads; and

WHEREAS, the County and Townships and Keystone anticipate that as a result of Keystone's use of County and Township Roads, accelerated deterioration may occur. Thus, repairs or improvements may be required and additional maintenance expenses may be incurred by the County and Townships as a result of Keystone's activities; and

WHEREAS, it is necessary that a Haul Route Agreement be completed addressing the existing, new and expanded hauling operations by Company which may cause accelerated deterioration of county roads

NOW, THEREFORE, in consideration of the terms, conditions, and covenants contained herein, it is mutually agreed as follows:

### 1. PURPOSE:

This Haul Route Agreement shall govern Keystone's responsibilities for use of any Haul Road during Keystone's construction of its proposed pipeline to the extent Keystone's hauling operations cause accelerated deterioration of County or Township Roads. These hauling operations shall only apply to Keystone, its employees, its contractors, and authorized designees thereof, which shall include employees, contractors, and authorized designees of any affiliate of Keystone.

### 2. DEFINITIONS:

The following definitions and terms shall apply to the entirety of this Agreement:

- a. Additional Maintenance. "Additional Maintenance" means grading, reshaping, repair, and/or modification that must be performed on County and Township Roads in excess of the usual and customary maintenance operations performed as routine maintenance by the County and Townships or maintenance, including applying additional

gravel, which would otherwise be normal but which will be required in a manner or under a schedule in excess of that which would ordinarily be required in the absence of the construction or maintenance of the Keystone XL Pipeline and its related improvements and appurtenances.

b. County Road(s). "County Road" means a street, road, or other public way, including shoulders, designated for the purpose of vehicular traffic and included in the County road system.

c. Township Road(s). "Township Road" means a street, road, or other public way, including shoulders, designated for the purpose of vehicular traffic not included in the County road system, and which the Townships are responsible for maintaining.

d. Haul Road. "Haul Road" means any County or Township road, bridge, cattle guard/auto gate, or other structure which is used for transporting items related to the construction or maintenance of the Keystone XL Pipeline which includes, but is not limited to, products, equipment, materials, and/or supplies and as a result incurs deterioration.

e. Haul Route. "Haul Route" means the system of haul roads between a source site and the destination and/or the source site and the nearest major intersection as determined by the County or Township.

f. Improvements. "Improvements" mean roadway improvements, including but not limited to widening or modification of roadway approaches to accommodate transport vehicles, required because of Keystone's anticipated use of the County or Township Roads as a Haul Road.

### 3. GENERAL AGREEMENT AS TO ROAD USE:

a. Keystone understands and agrees that, although the Haul Roads covered by this Agreement are County or Township Roads and are subject to normal traffic use, Keystone, by virtue of its use of the County and Township Roads as Haul Routes, assumes responsibility for Additional Maintenance on such Roads resulting from its use. Under no circumstances will Keystone be responsible or liable for any accident, injury, tort, or other theory of liability to any third party solely by virtue of this Agreement. Furthermore, no third party beneficiary may claim or assert any benefit or right, either directly or indirectly, by or through this Agreement. Except as specifically provided in this Agreement, the County and Townships agree that this Agreement does not alter or shift to Keystone the legal responsibilities of the County and Townships, including the responsibility for ensuring the safety of County or Township Roads.

b. Keystone agrees to retain at its own expense an independent third-party consultant to conduct a pre-construction assessment of the County and Township Roads to determine their



suitability as a potential Haul Road. If Keystone selects a third-party consultant that the County does not reasonably approve, the County may select its own consultant in regard to the pre-construction assessment, at Keystone's expense, and Keystone will coordinate the efforts of the two consultants. County and Township representatives will be asked to participate in the assessment. At a minimum, the consultant will conduct the following (hereafter "Pre-Construction Assessment"):

- (i) Video the existing roads to document pre-construction conditions
- (ii) Document gravel depth at both the shoulders and center of the road at random intervals between 300-500 yards apart
- (iii) Document gravel quality including average size at random intervals along the Haul Route
- (iv) Document cross slope or crown
- (v) Measure and document road width from shoulder top to shoulder top at random intervals
- (vi) Document weight restrictions
- (vii) Document pavement thickness
- (viii) Capture existing pavement distresses or fatigue
- (ix) All documentation will include GPS coordinates

c. The County, Townships, Keystone, and the consultant will participate in a pre-construction roads assessment to ensure the acceptability of the road condition. The County and Townships thereafter will (i) advise Keystone whether Keystone's desired use of a Road will be permitted as a Haul Road, and (ii) advise Keystone of any Improvements that would be required for Keystone to utilize a County or Township Road as a Haul Road. Keystone shall not use any roads not approved by the County or Township, as applicable, to transport products, equipment, materials, and/or supplies in connection with the construction of Keystone's proposed pipeline and related improvements.

d. During Keystone's use of the County and Township Roads, Keystone agrees that it will maintain each such road so that it is usable by the general public for travel that is not related to pipeline construction. This includes replacing gravel where it is worn, repairing blow-outs, and using appropriate dust control measures.

e. In places where Keystone elects to provide additional turning radius to a County or Township Road, Keystone agrees that it will add a minimum of six inches of gravel, and extend and maintain all culverts.

f. In places where Keystone chooses to build an approach to a County or Township Road, the approach must be at least 60-feet long, it must be graveled, it must include a culvert of sufficient length and at least 15 inches in diameter, and it must have sufficient turning radius.

g. If Keystone fails to abide by the terms of this Agreement, the County may prohibit Keystone's continued use of any Haul Road. Keystone shall cure any breach of this Agreement within two days after receiving notice of breach, and shall suspend all hauling or other use on that Haul Road which requires repairs until such time as Keystone repairs that Haul Road. Keystone shall suspend operations and use on any Haul Road as required by the County or Township in the event of adverse conditions, such as frost out, excessive rain, or a soaker rain, that would in the County's determination result in undue damage to the roadway.

h. The County, Townships, and Keystone shall agree upon all Haul Roads to be used during pipeline construction, which shall be indicated on a map agreed upon by all parties. Keystone agrees to sign the Haul Roads with temporary signs to indicate speed limits of 45 miles per hour, and 25 miles per hour near farm residences, for trucks and all over-weight vehicles and shall require all licensees, agents, contractors and others operating to the benefit of Keystone, to comply with that speed limit.

i. All gravel used by Keystone on County Roads must be approved by the Jones County Highway Superintendent, whose approval will not be unreasonably withheld. Gravel must meet County specifications.

j. Once Keystone has ceased using the Haul Roads for the purposes stated herein, Keystone shall notify the County and Townships, and the County and Townships, within 30 days thereafter, shall notify Keystone of any Additional Maintenance that they assert is the obligation of Keystone. Keystone agrees that if the Haul Roads are damaged because of Keystone's use of the Haul Roads, Keystone will restore the Haul Roads to at least as good a condition as existed prior to Keystone's use of the Haul Roads. Damage, if any, will be determined by comparing the Pre-Construction Assessment to the condition following Keystone's use of the Haul Roads.

k. The County and Townships hereby agree to Keystone's use of the Haul Roads covered by this Agreement subject to the conditions contained herein. Prior to use of a Haul Road, Keystone make any required Improvements and any other permits or licenses which the County, Townships, or any other governmental entity may require to operate or move its vehicles on County or Township Roads. If Keystone elects to have that work performed by contractors, Keystone shall ensure that those contractors comply with Keystone's obligations under, and the requirements of, this Agreement. This Agreement shall not serve to relieve any operator of a Keystone vehicle from complying with applicable speed limits, weight restrictions, or other applicable law.

l. Any Improvements of the Haul Roads necessitated by Keystone's operations and agreed upon by the Parties pursuant to Section 3(c) above, shall be considered incidental to the hauling performed, and shall be made at Keystone's sole expense unless otherwise authorized in addendum to this Agreement. Any such Improvement shall be authorized by permit.



m. After construction is completed, the County and Townships may elect to retain additions to County or Township Roads to provide turning radius, approaches, or other improvements that Keystone makes to the Haul Roads. The County and Townships agree to indemnify Keystone and hold it harmless for any claim subsequently brought related to the approach, addition, or road improvement. The County and Townships agree that any retained additions will be addressed in a separate agreement between the parties.

#### 4. GENERAL TERMS:

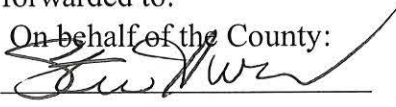
a. Keystone shall comply with all Federal, State, and local laws and regulations.

b. If any portion of this Agreement is held invalid it shall have no effect upon the validity of the remaining portions of this Agreement.


c. The definitions in this Agreement shall control the meaning of terms used herein. Where no definition is expressly stated herein, a term shall have that meaning clearly indicated by, or reasonably implied from, the context in which such term is used.

d. All notices and oral or written communications relating to this agreement may be forwarded to:


On behalf of the County:

  
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On behalf of Buffalo Township:

  
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On behalf of Dunkel Township:

  
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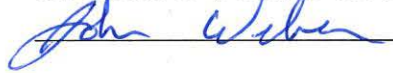
On behalf of Draper Township:

  
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On behalf of Scovil Township:

  
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On behalf of Williams Creek Township:

  
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On behalf of Keystone:

Robert Latimer  
402-492-7454  
13710 FNB Parkway, Suite 300  
Omaha, NE 68154

On behalf of South Creek Township:

  
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IN WITNESS WHEREOF, the Parties hereto executed this Haul Route Agreement as of the first date hereinabove written.

**TransCanada Keystone Pipeline, LP by  
its agent TC Oil Pipeline Operations,  
Inc.**

**Jones County**

Signed: [Signature]  
Name: Robert Latimer  
Title: SR. LAND REP.

Signed: [Signature]  
Name: Steve Tuman  
Title: CHM. Commissioner

Signed: [Signature]  
Name: DENISHA CUMMINGS  
Title: LAND MANAGER.

Guaranteed by:

**Buffalo Township**

TransCanada PipeLines Limited

Signed: [Signature]  
Name: Brett Nix  
Title: chairman

By: [Signature]  
Its: Chairman

**Dunkel Township**

**Draper Township**

Signed: [Signature]  
Name: Liegh Severn  
Title: Chairman

Signed: [Signature]  
Name: Robert Fuoss  
Title: Chairman

**Scovil Township**

**Williams Creek Township**

Signed: [Signature]  
Name: Warren A Melcher  
Title: Chairman Township Board

Signed: [Signature]  
Name: John Weber  
Title: Township Supervisor

**South Creek Township**

Signed: Ann Shub

Name: Ross Block

Title: Chairman, South Creek Twnship.