

ENCROACHMENT LICENSE AGREEMENT

THIS ENCROACHMENT LICENSE AGREEMENT ("Agreement") is made and entered into at Erie, Colorado this ____ day of _____, 20____, by and between the TOWN OF ERIE, a Colorado municipal corporation ("Town") and SADDLE BUTTE ROCKIES MIDSTREAM, LLC a Delaware Limited Liability Company legally doing business in the State of Colorado ("Owner").

RECITALS

A. Owner is the owner of the Mountainview B Project and wishes to cross certain roads with its up to 10" in nominal diameter crude oil pipeline in the Town of Erie, County of Weld, State of Colorado ("Owner's Property").

B. Town is the owner of the following real property situate in the County of Weld and State of Colorado, to wit: See Exhibit "A," attached hereto and incorporated herein by this reference ("Town's Property").

C. A portion of the Owner's improvements ("Improvements") used in connection with its Mountainview B Project ("Project") encroaches under, over, through, and on the Town's Property (the "Encroachment"), as shown on the attached Exhibit "B," and as legally described on the attached Exhibit "C," both of which are incorporated herein by reference.

D. The Town has agreed to grant to Owner a personal privilege to maintain the Encroachment described above under, over, through, and on the Town's Property, all in accordance with, and subject to the terms, conditions and limitations of, this Agreement.

1. Grant of License. The Town hereby grants to the Owner the personal privilege and permission to enter upon the Town's Property and to maintain the Encroachment described above under, over, through, and on the Town's Property subject, however, to the terms, conditions and limitations of this Agreement (the "License"). The License herein granted shall be subject to all existing utility easements, if any, located on or under the Town's Property.

2. Term. This Agreement and the License granted to Owner hereunder shall commence as of the date of this Agreement and shall continue until terminated pursuant to Paragraph 12 of this Agreement.

3. Consideration. The consideration to be paid by the Owner to the Town for the License and privilege granted by this Agreement shall be Two Thousand Dollars (\$2000.00), receipt of which is hereby acknowledged by the Town, and other good and valuable consideration as herein provided.

4. No Interest In Land. Owner understands, acknowledges and agrees that neither the License nor this Agreement create an interest or estate in Owner's favor in the Town's Property. The Town retains legal possession of the full boundaries of Town's Property and the License and this Agreement merely grant to the Owner the personal privilege to maintain the Encroachment described above throughout the term of this Agreement.

Notwithstanding the expenditure of time, money or labor by the Owner on the Encroachment and the Improvements, the License and this Agreement shall in no event be construed to create an assignment coupled with an interest in favor of the Owner. Owner shall expend any time, money or labor at Owner's own risk and peril.

5. Limited Scope of License. The License granted to the Owner is limited in scope to the following permitted use or uses: construct, own, operate, and maintain a 10" in nominal diameter pipeline for the transportation of crude oil. Owner shall not have the right to expand the License, the Encroachment, Improvements, or Owner's use of the Town's Property or to alter or change the Owner's use of the Town's Property.

6. Record Drawings. No more than sixty (60) days after construction of the Improvements, Owner shall provide to the Town detailed Digital Record Drawings in conformance with the Town's Standards and Specifications for Town review and acceptance.

7. Improvement Monumentation. During construction, at all locations where the Improvements enter or exit the Town's Property, permanent at and above grade monumetation and marking shall be placed in a manner and at a location approved by the Town's Public Works Director, provided any such pipeline markers shall be installed in accordance with applicable laws, rules, and regulations. Owner shall maintain all monumentation and marking in accordance with Paragraph 15 of this Agreement for as long as this License is in effect, and in accordance with applicable laws, rules, and regulations.

8. Improvement Mapping. Prior to the Town issuing a Right-of-Way or Public Improvement Permit for the construction of the Improvements, Owner shall provide detailed maps of the Improvement for the entirety of the Project within Town limits, regardless of whether it is located on the Town's Property.

9. Use of Licensed Premises By Others. Owner may permit Owner's employees, business invitees, contractors, tenants, subcontractors, lessees, agents, customers and others to use the portion of the Town's Property for which the License and this Agreement has been executed, provided any such use shall not unreasonably interfere with or threaten the safety of the Improvements.

10. Transfer or Assignment of License. Neither the Agreement nor the License granted to Owner herein is transferable or assignable by Owner without the prior written consent of the Town, which consent shall not be unreasonably withheld, conditioned, or delayed. Such consent, if granted by the Town, shall be conditioned upon the transferee's or assignee's assumption, in writing in a form acceptable to Town, of all of Owner's obligations hereunder. Such transferee or assignee shall acquire nothing more than the personal privilege herein granted to Owner. Further, the rights of any transferee or assignee shall be subject to termination in accordance with the provisions of this Agreement.

11. Default. In the event either party materially defaults in the performance of any of the material covenants or agreements to be kept, done or performed by it under the terms of this Agreement, the non-defaulting party shall notify the defaulting party in writing of the nature of such default. Within fifteen (15) days following receipt of such notice the defaulting party shall correct such default; or, in the event of a default not capable of being corrected within fifteen (15) days, the defaulting party shall commence correcting the default within fifteen (15) days of receipt of notification thereof and thereafter correct the default with due diligence. If the defaulting party fails to correct the default as provided hereinabove, the non-defaulting party, without further notice, shall have the right to declare that the License and this Agreement are terminated pursuant to Paragraph 12 hereof effective upon such date as the non-defaulting party shall designate. The rights and remedies provided for herein may be exercised singly or in combination.

12. Termination. This Agreement and the License herein granted to Owner is fully terminable in accordance with the following terms and conditions:

a. Termination Upon Notice To Owner. This Agreement, and the License herein granted to Owner, may be terminated by Town, at the Town's sole discretion, without liability for breach of this Agreement by the giving of ninety (90) days' advance written notice to Owner. The notice provision established by this paragraph 12(a) shall conclusively be deemed to be reasonable.

b. Termination Upon Destruction Or Removal Of Improvements. In the event that Owner's Improvements which encroach onto the Town's Property are destroyed or are permanently removed, this Agreement, and the License herein granted to Owner, may be terminated by Town upon not less than thirty (30) days' advance written notice to Owner.

c. Termination Upon Default. This Agreement and the License herein granted to Owner may be terminated by either party upon the material default of the other party in the performance of the material covenants or agreements of this Agreement in accordance with the revisions of Paragraph 11 of this Agreement.

d. Recording Of Notice Of Termination. Upon termination of the License and this Agreement the Town may cause to be recorded with the Clerk and Recorder of Boulder/Weld County, Colorado a written Notice of Termination.

e. No Compensation To Owner. In the event of termination of the License and this Agreement for any reason, Owner shall not be entitled to receive a refund of any portion of the consideration paid for the License and this Agreement, nor shall Owner be compensated for any improvements which must be removed from the Town's Property.

13. Permanent Removal Of Encroachment Upon Termination. At such time as this Agreement and the License herein granted to Owner is terminated, upon the Town's written request, the Owner shall remove, at Owner's sole expense, any and all Encroachments owned or maintained by Owner on the Town's Property.

14. Insurance. Owner shall obtain and maintain at all times during the term hereof, at Owner's sole cost, a policy or policies of comprehensive general liability insurance with limits of coverage of not less than \$1,000,000 for injuries, damages or losses sustained by any one person in any one accident or event, and not less than \$1,000,000 for injuries, damages or losses incurred by two or more persons in any one accident or event. The Town shall be named as an additional insured on all such policies and Owner shall furnish the Town with a copy of such policy or policies prior to the effective date hereof. Notwithstanding anything contained herein to the contrary, Town may terminate this Agreement, and the License herein granted to Owner, in accordance with the provisions of Paragraphs 8 and 9 of this Agreement, if Owner fails to procure and maintain the insurance required by this Paragraph 14. If at any time while the Agreement is in effect, the limits of liability for local governments under the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., are raised above the limits of liability provided hereinabove, Owner's insurance requirement provided in this Paragraph 14 shall be increased accordingly.

15. Maintenance. During the term of this Agreement the Owner shall, at Owner's sole expense, maintain the Improvements which encroach onto the Town's Property in safe and good condition, as solely determined by the Town, and in accordance with all applicable laws, rules, and regulations, including the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration.

16. Owner's Waiver Of Claims Against Town. As a part of the consideration paid by Owner for the License and this Agreement, Owner hereby waives any and all claims which Owner may or might hereafter have or acquire against Town for loss or damage to the Owner's Improvements which encroach onto the Town's Property arising from the use by the Town, or the public, of the Town's Property for any purpose, except to the extent arising from the gross negligence, or willful misconduct of the Town.

17. Indemnification. Owner agrees to indemnify and hold harmless the Town, its officers, employees, insurers, and insurer, from and against all liability, claims, and demands, on account of injury, loss, or damage, including without limitation claims arising from bodily injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with the use of the Town's Property pursuant to the License and this Agreement, if such injury, loss, or damage is caused in whole or in part by the negligence of Owner, any contractor or subcontractor of the Owner, or any officer, employee, tenant, agent, customer, or representative of the Owner, or of any person permitted or allowed to use the Town's Property by Owner, or which arise out of any worker's compensation claim of any employee of the Owner or of any subcontractor of the Owner or of any tenant of Owner; except to the extent such liability, claim or demand arises through the negligence, gross negligence, or willful misconduct of Town, its officers, employees or agents. Owner agrees to investigate, handle, respond to, and to provide defense for and defend against any such liability, claims or demands at the sole expense of the Owner. Owner also agrees to bear all other costs and expenses related thereto, including court costs and attorney fees.

18. Mechanics' Liens. Owner shall not allow any mechanics' or similar liens to be filed against the Town's Property arising from any work done by Owner on the Town's Property, and Owner shall indemnify and hold Town harmless with respect thereto, including any attorney's fees incurred by Town in connection with any such lien or claim. If any mechanics' or other liens shall be created or filed against the Town's Property by reason of labor performed by, or materials furnished for, the Owner, the Owner shall, within ten (10) days thereafter, at the Owner's own cost and expense, cause such lien or liens to be satisfied and discharged of record together with any Notices Of Intention To File Mechanic's Lien that may have been filed. Failure to do so shall constitute a default hereunder for which the Town may terminate this Agreement in accordance with the provisions of Paragraphs 11 and 12 of this Agreement.

19. Notices. Any notice required or permitted under this Agreement shall be in writing and shall be sufficient if personally delivered or mailed by certified mail, return receipt requested, addressed to the following:

If To The Town:

Town Administrator
Town of Erie
P.O. Box 750
Erie, Colorado 80516

If To The Owner:

Saddle Butte Rockies Midstream, LLC
Attn: Land Department
858 Main Ave., Suite 301
Durango, CO 81301

Notices mailed in accordance with the provisions of this Paragraph shall be deemed to have been given upon mailing. Notices personally delivered shall have been deemed to have been given upon delivery. Either party may change its address by giving notice thereof to the other party in the manner provided in this Paragraph 19.

20. Attorney's Fees. If any action is brought in a court of law by either party to this Agreement concerning the enforcement, interpretation or construction of this Agreement, the prevailing party, either at trial or upon appeal, shall be entitled to reasonable attorney's fees as well as costs, including expert witness's fees, incurred in the prosecution or defense of such action.

21. Waiver. The failure of either party to exercise any of its rights under this Agreement shall not be a waiver of those rights. A party waives only those rights specified in writing and signed by the party waiving its rights.

22. Governmental Immunity. The parties hereto understand and agree that Town is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., as from time to time amended, or any other law or limitations otherwise available to Town, its officers, or its employees.

23. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties hereto and supersedes any prior agreement or understanding relating to the subject matter of this Agreement. Any such prior agreement shall be deemed to be null and void and of no further effect.

24. Modification. This Agreement may be modified or amended only by a duly authorized written instrument executed by the parties hereto.

25. Paragraph Headings. Paragraph headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this Agreement.

26. Terminology. Wherever applicable, the pronouns in this Agreement designating the masculine or neuter shall equally apply to the feminine, neuter and masculine genders. Furthermore, wherever applicable within this Agreement, the singular shall include the plural, and the plural shall include the singular.

27. Authority Of Town. This Agreement is entered into pursuant to a Resolution of the Board of Trustees of the Town of Erie, Colorado adopted _____, 20____.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have entered into this Encroachment License Agreement as of the day and year first set forth above.

TOWN:

TOWN OF ERIE,
a Colorado municipal corporation

By: _____
Tina Harris, Mayor

ATTEST:

By: _____
Nancy Parker, Town Clerk

OWNER:

_____,
a Colorado _____

ATTEST:

By: _____
_____, (President) or (Manager and Member)

By: _____
_____, Secretary

STATE OF COLORADO)
_____) ss.
COUNTY OF _____)

The forgoing Encroachment License Agreement was subscribed and sworn to before me this ____ day of _____, 20____, by _____, (President) or (Manager and Member) and _____, Secretary, of _____.

(Seal of Notary)

Notary Public
Address

My Commission expires:

EXHIBIT "A"

("legal description of Town's Property)

Weld County Road 6 Right-of-way

Weld County Road 7 Right-of-way

EXHIBIT "B"

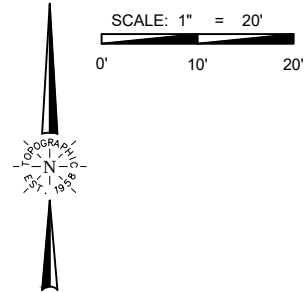
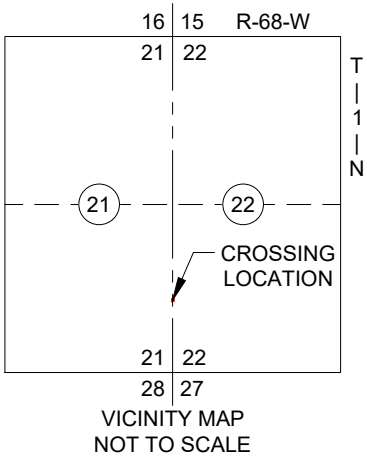
(drawing of Improvements and Encroachment)

EXHIBIT A

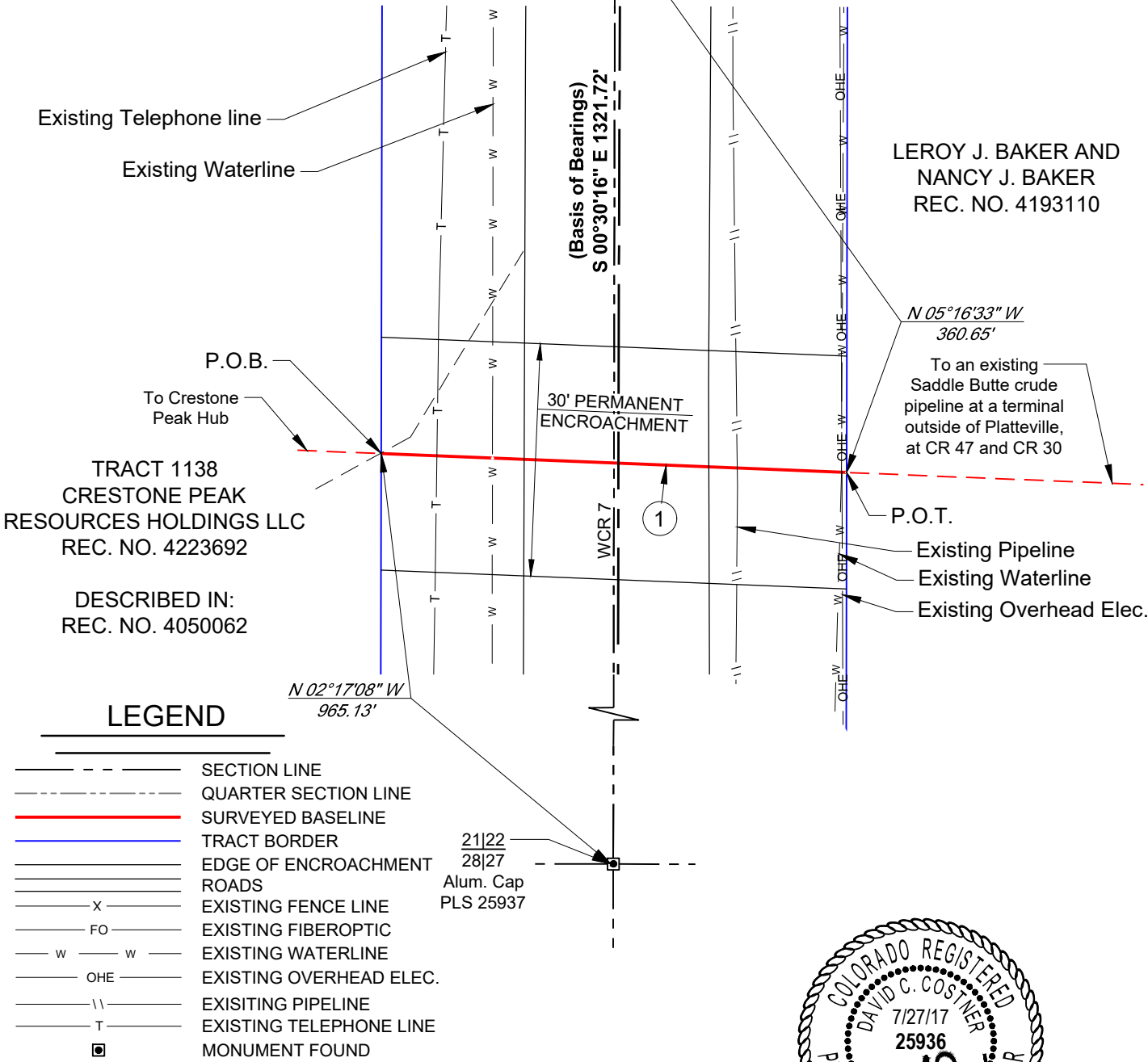
July 27, 2017
Sheet 2 of 2

Attachment to Grant, by and between
Town of Erie, as "Grantor", and
Saddle Butte Rockies Midstream, LLC, as "Grantee".

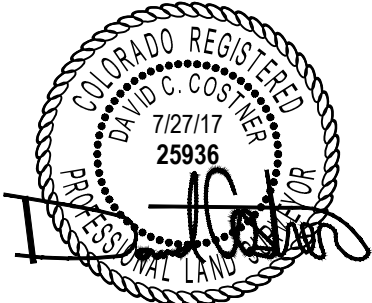
SECTIONS 21 AND 22, T-1-N, R-68-W, 6TH P.M.
WELD COUNTY, COLORADO
PIPELINE RIGHT OF WAY
TOTAL LENGTH: 60.05 FEET



LINE TABLE		
LINE	BEARING	DISTANCE
1	S 88°16'25" E	60.05'



- NOTES:
1. ORIGINAL DOCUMENT SIZE: 8.5" X 14"
 2. ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
 3. B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
 4. E.O.L./P.O.T. = END OF LINE/POINT OF TERMINATION
 5. THIS IS NOT A LAND SURVEY NOR A LAND SURVEY PLAT



David C. Costner, P.L.S. No. 25936



Saddle Butte Rockies
Midstream, LLC

DRAWN BY:	SME	REVISION:
	S.W.	07/27/17

EXHIBIT A

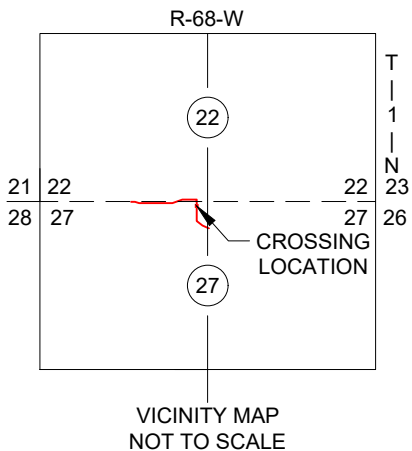
July 27, 2017
Sheet 2 of 2

Attachment to Grant, by and between
Town of Erie, as "Grantor", and
Saddle Butte Rockies Midstream, LLC, as "Grantee".

SECTIONS 22 AND 27, T-1-N, R-68-W, 6TH P.M.
WELD COUNTY, COLORADO
PIPELINE RIGHT OF WAY



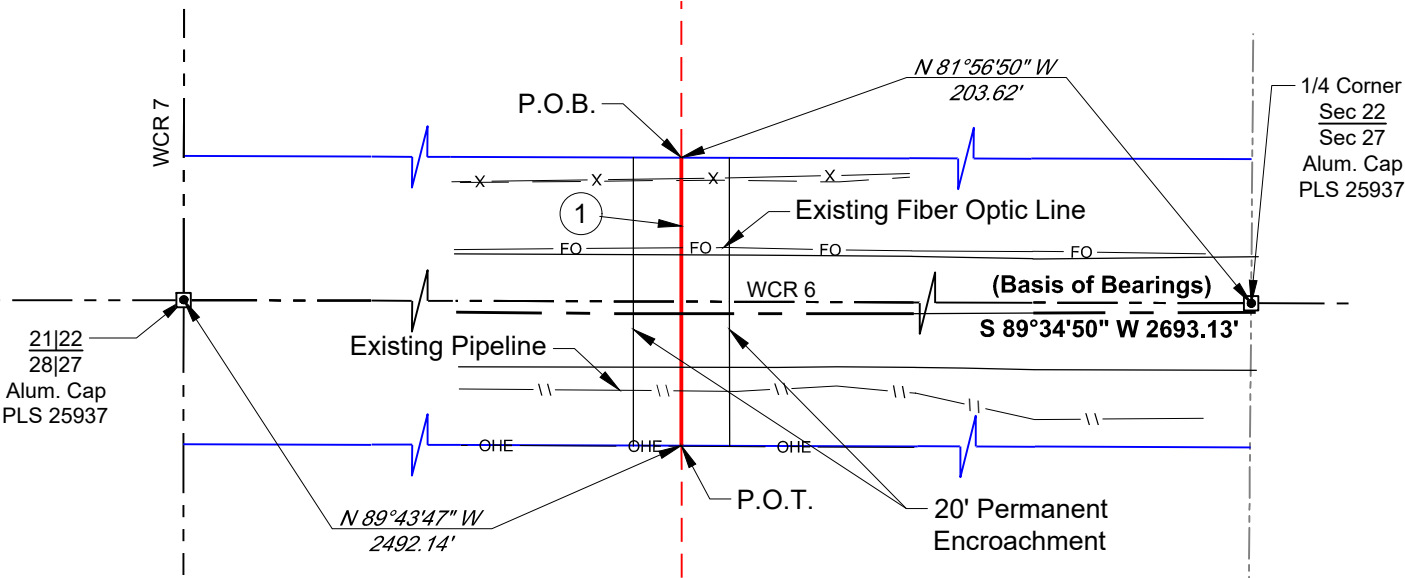
SCALE: 1" = 30'
0' 15' 30'



LINE TABLE

LINE	BEARING	DISTANCE
1	S 00°38'18" E	60.00'

TR. 2239
PAUL BAKER, JR.
REC. NO. 2502343



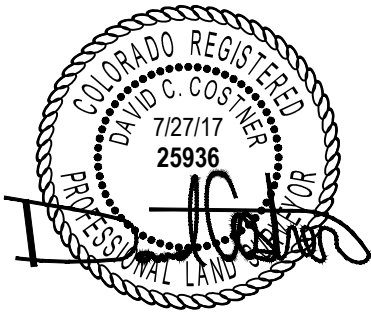
TRACT 2240
BETTY DARLENE RENOAD
AND JANET JUNE RENOAD
REC. NO. 1773100
N/2 OF LOT 1, CAROL
HEIGHTS

LEGEND

- SECTION LINE
- QUARTER SECTION LINE
- SURVEYED BASELINE
- TRACT BORDER
- EDGE OF ENCROACHMENT
- ROADS
- EXISTING FENCE LINE
- EXISTING FIBEROPTIC
- EXISTING OVERHEAD ELEC.
- EXISTING PIPELINE
- MONUMENT FOUND

NOTES:

- ORIGINAL DOCUMENT SIZE: 8.5" X 14"
- ADJOINER INFORMATION SHOWN FOR INFORMATIONAL PURPOSES ONLY.
- B.O.L./P.O.B. = BEGINNING OF LINE/POINT OF BEGINNING
- E.O.L./P.O.T. = END OF LINE/POINT OF TERMINATION
- THIS IS NOT A LAND SURVEY NOR A LAND SURVEY PLAT



David C. Costner, P.L.S. No. 25936



Saddle Butte Rockies
Midstream, LLC

DRAWN BY:	SME	REVISION:	
	S.W.		07/27/17

EXHIBIT "C"

(legal description of Encroachment)

EXHIBIT A

July 27, 2017
Sheet 1 of 2

Attachment to Grant, by and between
Town of Erie, as "Grantor", and
Saddle Butte Rockies Midstream, LLC, as "Grantee".

WELD COUNTY, COLORADO 30 FOOT WIDE ENCROACHMENT DESCRIPTION

A thirty (30) foot wide strip of land being a portion of Section 21 and Section 22, Township 1 North, Range 68 West of the Sixth Principal Meridian, County of Weld, State of Colorado, said strip being 15 feet each side of the following described centerline:

Note:

1. The Basis of Bearings is the east line of the south half of the southeast quarter of Section 21, T-1-N, R-68-W 6th P.M., as monumented with an aluminum cap PLS 24937 at the north end and an aluminum cap PLS 25937 at south end, with a grid bearing of S 00°30'16" E.
2. The side lines of the right of way are to be lengthened and/or shortened as necessary to end at the property lines.
3. All directions, distances, and dimensions shown hereon are based on coordinates from the Colorado coordinate system of 1983 north zone (C.R.S. 38-52-102).

Commencing at the southeast corner of Section 21, an aluminum cap PLS 25937;
Thence N 02°17'08" W, a distance of 965.13 feet to the west right of way line of County Road 7, the
POINT OF BEGINNING:

Thence S 88°16'25" E, a distance of 60.05 feet to a point on the east right of way line of County Road 7, and the POINT OF TERMINATION from which an aluminum cap PLS 24937 at the south sixteenth corner of said Section 21 and Section 22, bears N 05°16'33" W, a distance of 360.65 feet.

The above surveyed centerline traverses said Section 21 and Section 22, for a total distance of 60.05 feet or 3.64 rods and containing 0.041 acres more or less.

Prepared by David C. Costner
For and on behalf of
Topographic Land Surveyors
520 Stacy Ct. Ste B, Lafayette, CO 80026

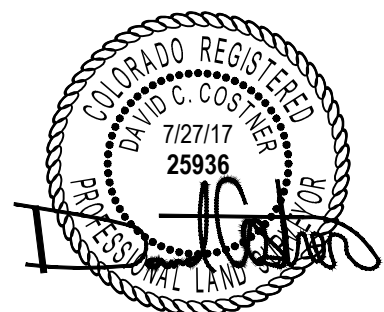


EXHIBIT A

July 27, 2017
Sheet 1 of 2

Attachment to Grant, by and between
Town of Erie, as "Grantor", and
Saddle Butte Rockies Midstream, LLC, as "Grantee".

WELD COUNTY, COLORADO 20 FOOT WIDE ENCROACHMENT DESCRIPTION

A twenty (20) foot wide strip of land and being a portion of Section 22 and Section 27, Township 1 North, Range 68 West of the Sixth Principal Meridian, County of Weld, State of Colorado, said strip being 10 feet each side of the following described centerline:

Note:

1. The Basis of Bearings is the south line of the southwest quarter Section 22, T-1-N, R-68-W 6th P.M., as monumented with an aluminum cap PLS 25937 at the east end and an aluminum cap PLS 25937 at the west end, with a grid bearing of S 89°34'50" W.
2. The side lines of the right of way are to be lengthened and/or shortened as necessary to end at the property lines.
3. All directions, distances, and dimensions shown hereon are based on coordinates from the Colorado coordinate system of 1983 north zone (C.R.S. 38-52-102).

Commencing at the south quarter corner of Section 22, an aluminum cap PLS 25937;
Thence N 81°56'50" W, a distance of 203.62 feet to a point on the north right of way line of County Road 6 and the POINT OF BEGINNING:

Thence S 00°38'18" E, a distance of 60.00 feet to a point on the south right of way line of said County Road 6, and the POINT OF TERMINATION from which an aluminum cap PLS 25937 at the southwest corner of said Section 22, bears N 89°43'47" W, a distance of 2,492.14 feet.

The above surveyed centerline traverses said Section 22 and Section 27, for a total distance of 60.00 feet or 3.64 rods and containing 0.027 acres more or less.

Prepared by David C. Costner
For and on behalf of
Topographic Land Surveyors
520 Stacy Ct. Ste B, Lafayette, CO 80026

