

**DRAINAGE FACILITY & WATERWAY
AGREEMENT**

Mile Post: 024.790, Livonia Subdivision
Location: Hahnville, St Charles Parish, Louisiana

THIS AGREEMENT is made and entered into as of June 21, 1999, by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation (hereinafter the "Licensor"), and **ST. CHARLES PARISH**, a Louisiana municipal corporation, to be addressed at P O Box 302, Hahnville, Louisiana 70057 (hereinafter the "Licensee").

RECITALS:

In order to improve drainage conditions the Licensee desires to construct a drainage facility in the vicinity of Licensor's right of way at Mile Post 024.790 on the Livonia Subdivision, located at or near Hahnville, St Charles Parish, Louisiana (hereinafter the "Premises").

The drainage facilities to be constructed by the Licensee, at Licensee's expense, on the Premises are hereinafter collectively referred to as the "Drainage Facility". The Drainage Facility and Premises are shown on the print dated May 21, 1999, marked Exhibit "A", hereto attached.

The Railroad is agreeable to the Licensee constructing, maintaining and using the Drainage Facility upon the terms and conditions set forth herein.

AGREEMENT:

NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Article I. LICENSOR GRANTS RIGHT.

In consideration of the License Fee to be paid by the Licensee and in further consideration of the covenants and agreements herein contained to be by the Licensee kept, observed and performed, the Licensor hereby grants to the Licensee the right to construct and thereafter, during the term hereof, to maintain and use the Drainage Facility.

Article II. LICENSE FEE.

Upon execution and delivery of this Agreement, the Licensee shall pay to the Licensor a one-time License Fee of **ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00)**.

Article III. CONSTRUCTION WORK TO BE PERFORMED BY LICENSEE.

The Licensee, at its sole expense, shall construct the Drainage Facility and perform the work described in the Recitals above and/or described in Exhibit "A".

Article IV. CONSTRUCTION, MAINTENANCE AND OPERATION.

The grant of right herein made to the Licensee is subject to each and all of the terms, provisions, conditions, limitations and covenants set forth herein and in Exhibit B, hereto attached.

Article V. DEFERRED CONSTRUCTION.

The Licensor and Licensee acknowledge that conditions inherent in the Drainage Facility may cause the complete stabilization of Licensor's trackage supported by new cuts or fills to be deferred beyond the construction period, and that Licensor's operation over the roadbed during the seasoning period will impose extraordinary maintenance costs in the event of caving, sliding, slipping, sinking or settling, including damage to rip-rapping or protective work in connection therewith, as well as settlement and consolidation of tracks and ballast, until the seasoning period is complete. Therefore, the Licensee will pay to the Licensor, as a part of the consideration for this Agreement, all that part of the cost and expense of extraordinary maintenance (hereinafter referred to as "Deferred Construction") associated with the Drainage Facility which can be attributed to failure of subgrade, settlement, and consolidation of subballast, or roadbed, or any combination thereof, which are incurred during the period commencing immediately following completion of the work on the Drainage Facility by the Licensee or its contractor and ending five years thereafter. The Deferred Construction costs aforesaid shall include reimbursement of the extra cost, in excess of normal maintenance costs, of maintaining embankments and that portion of said tracks above subgrade in accordance with acceptable maintenance standards, and will include cost of maintaining proper alignment, proper surface and use of ballast and other necessary materials. The work of such Deferred Construction shall normally be performed by the Licensor either with its own forces or through responsible contractors employed by Licensor. In the event major construction is required for Deferred Construction, the Licensee, at its expense, may accomplish such major items by contract, subject to approval and inspection by the Licensor. Except in cases where the continuity of train service is involved or threatened, the Licensor shall submit to the Licensee plans, specifications and estimates for such Deferred Construction work and shall not commence such work until the plans, specifications, and estimates for such work have been approved by the Licensee. The Licensor shall furnish to the Licensee quarterly estimates of costs of Deferred Construction thirty (30) days prior to the beginning of each quarter. The Licensee shall reimburse the Licensor, as provided herein, upon receipt of properly certified invoices, in quadruplicate, supported by such reasonable evidence as may be required by the Licensee. The Licensor will accomplish the final work of Deferred Construction within one year after termination of the five-year period above defined. Bills for reimbursement shall be rendered by the Licensor at intervals not more frequently than monthly and not less frequently than quarterly.

Article VI. TERM; TERMINATION.

A. This Agreement shall take effect as of the date first herein written and, unless sooner terminated as set forth in Paragraphs (B) and (C) below, shall continue in full force and effect for so long as the Premises and Drainage Facility shall be used by the Licensee for the purposes set forth herein; provided, however, that if the Licensee shall abandon the use of the Drainage Facility and Premises, or any part thereof, for such purposes, this Agreement and the rights and privileges granted to Licensee

herein as to the portion(s) so abandoned shall cease and terminate at the time such portions of the Drainage Facility and Premises are abandoned.

B. If the Licensee continues in default in the performance of any covenant or agreement herein contained for a period of thirty (30) days after written notice from the Licensor to the Licensee specifying such default, the Licensor may, at its option, forthwith and immediately terminate this Agreement by written notice to Licensee.

C. This Agreement may be terminated by either party, with or without cause, upon six (6) months written notice to the other party. In the event of such notice of termination, the parties shall arrange for either the Drainage Facility to be removed, filled in and graded to accommodate the surrounding grade surface, or to encase the Drainage Facility to the standards and satisfaction of the Licensor.

D. Notice of default and notice of termination may be served personally upon the Licensee or by mailing to the last known address of the Licensee. Termination of this Agreement for any reason shall not affect any of the rights or obligations of the parties hereto which may have accrued, or liabilities, accrued or otherwise, which may have arisen prior thereto.

Article VII. IF WORK IS TO BE PERFORMED BY CONTRACTOR.

If a contractor is to do any of the work performed on the Drainage Facility or Premises (including initial construction and subsequent relocation or substantial maintenance and repair work), then the Licensee shall require its contractor to execute the Railroad's Contractor's Right of Entry Agreement. Licensee acknowledges receipt of a copy of the Contractor's Right of Entry Agreement and understanding of its terms, provisions, and requirements, and will inform its contractor of the need to execute the Agreement. Under no circumstances will Licensee's contractor be allowed onto Licensor's Premises without first executing the Contractor's Right of Entry Agreement.

Article VIII. INSURANCE.

A. The Licensee, at its expense, shall obtain the insurance described in Exhibit B-1, hereto attached. The Licensee will also provide to the Licensor a Certificate of Insurance issued by its insurance carrier confirming the existence of such insurance and that the policy or policies contain the following endorsement:

Union Pacific Railroad Company is named as an additional insured with respect to all liabilities arising out of the existence, use or any work performed on or associated with the Drainage Facility located on Railroad's right of way at Mile Post 024.790 on the Livonia Subdivision/Branch, at or near Hahnville, St Charles County, Louisiana.

B. If the Licensee named in this Agreement is a public entity subject to any applicable statutory tort laws, the limits of insurance described in Exhibit B-1 shall be the limits the Licensee then has in effect or which is required by applicable current or subsequent law, whichever is greater, a portion of which may be self-insured with the consent and approval of the Licensor.

C. All insurance correspondence shall be directed to:

Folder No.: 01771-84

Director-Contracts
Union Pacific Railroad Company
Real Estate Department
1800 Farnam Street
Omaha, Nebraska 68102

Article IX. SPECIAL PROVISIONS.

None.

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

UNION PACIFIC RAILROAD COMPANY

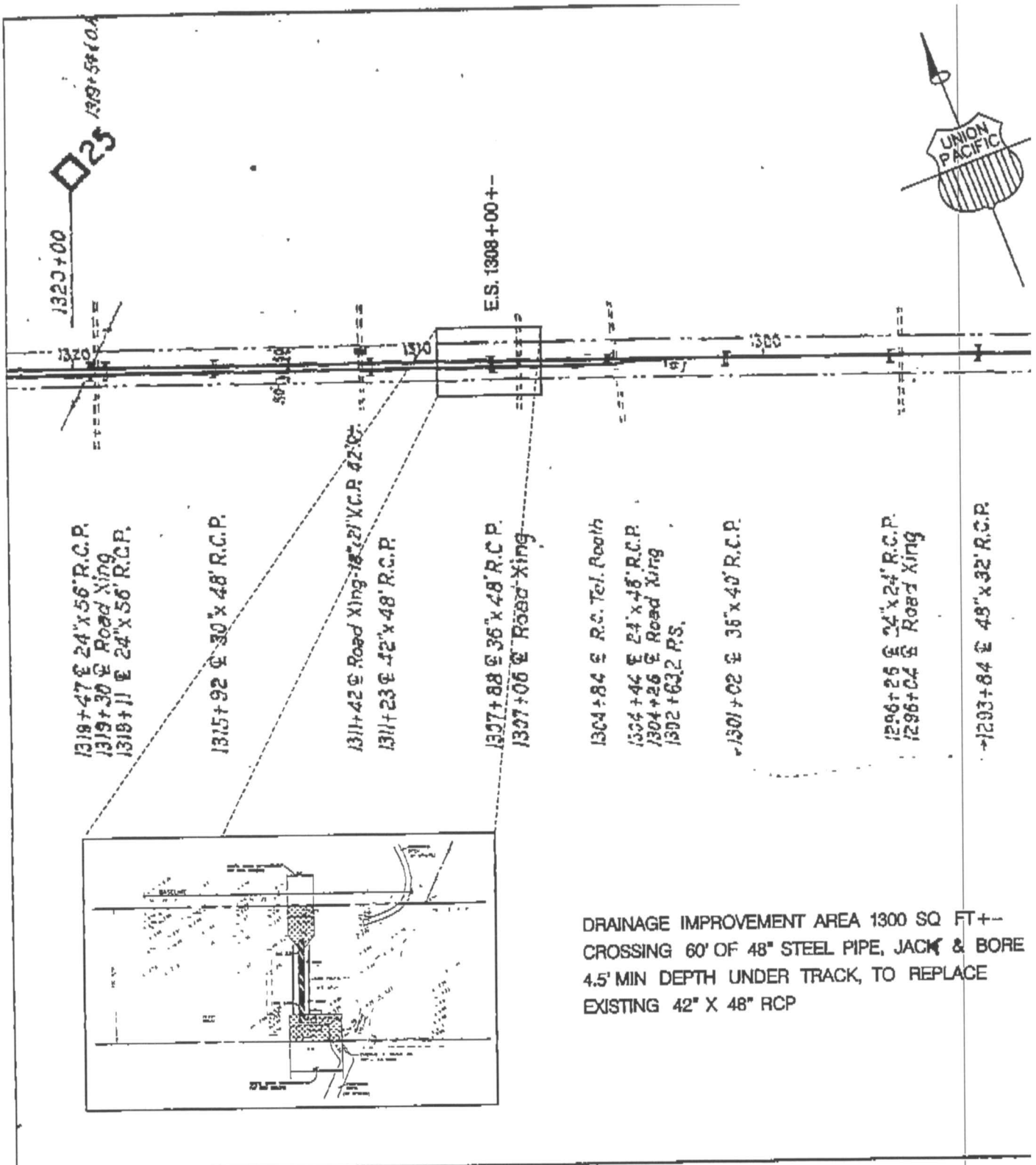
By: Mary Humber
Contracts Representative

WITNESS

ST. CHARLES PARISH

x Valerie R. Barthelot

x Chris A. Ryan
Title Parish President



DRAINAGE IMPROVEMENT AREA 1300 SQ FT+-
 CROSSING 60' OF 48" STEEL PIPE, JACK & BORE
 4.5' MIN DEPTH UNDER TRACK, TO REPLACE
 EXISTING 42" X 48" RCP

SCALE: 1" = 400'
 LEGEND

- UPRRCO. RIGHT OF WAY
- DRAINAGE IMPROVEMENT AREA
- PIPELINE CROSSING SHOWN

EXHIBIT "A"
UNION PACIFIC RAILROAD
 TO ACCOMPANY AGREEMENT WITH
ST CHARLES PARISH
 HAHNVILLE, ST CHARLES PARISH, LA.
 M.P. 24.79+- LIVONIA SUB.
 MP (TP) 1A V 3 /5
 REAL ESTATE DEPARTMENT OMAHA NE.
 FILE 1771-84 DATE: 5-21-99 T.D.A.

EXHIBIT B

Section 1. LIMITATION AND SUBORDINATION OF RIGHTS GRANTED.

(a) The foregoing grant of right is subject and subordinate to the prior and continuing right and obligation of the Licensor to use and maintain its entire property including the right and power of the Licensor to construct, maintain, repair, renew, use, operate, change, modify or relocate railroad tracks, signal, communication, fiber optics, or other wirelines, pipelines and other facilities upon, along or across any or all parts of its property, all or any of which may be freely done at any time or times by the Licensor without liability to the Licensee or to any other party for compensation or damages.

(b) The foregoing grant is also subject to all outstanding superior rights (including those in favor of licensees and lessee of the Licensor's property, and others) and the right of the Licensor to renew and extend the same, and is made without covenant of title or for quiet enjoyment. It shall be Licensee's sole obligation to obtain such additional permission, license and grants necessary on account of any such existing rights.

Section 2. CONSTRUCTION, MAINTENANCE AND OPERATION.

(a) The Licensee shall submit the design of the Drainage Facility to the Licensor for Licensor's prior approval. All work performed on property of the Licensor in connection with the construction, maintenance, repair, renewal, modification or reconstruction of the Drainage Facility shall be done to the satisfaction of the Licensor and in substantial conformance to the specifications, notes and cross sections shown on Exhibit A.

(b) The Licensee, at its sole expense, shall operate, maintain and use the Drainage Facility in a good and safe condition and shall keep the Drainage Facility free and clear of debris, sediment or obstructive matter which may or could interfere with or impede the proper functioning of the Drainage Facility.

(c) The Licensee shall not cross any trackage of Licensor with any vehicles except at existing, open public crossings. The Drainage Facility shall be installed by an approved method of construction, or if by the jacking and boring method, during jacking operations, the Licensee agrees to fill voids created between the embankment and pipe by pressure grouting. The Licensee shall provide adequate barrier protection around the entire excavation area.

(d) During the performance of excavating, constructing and maintaining the Drainage Facility, or any part thereof, the Licensee shall not excavate near the toe of the track embankment of the trackbed and will protect the trackbed in the design, construction and maintenance of the Drainage Facility. In the event of any settlement of the Licensor's embankment caused by excavation of the Drainage Facility, the Licensee, at its sole expense, shall restore Licensor's embankment to its proper grade and dimensions.

(e) Prior to the commencement of any work in connection with the construction, maintenance, repair, renewal, modification, relocation, reconstruction or removal of the Drainage Facility where it passes underneath the roadbed and track or tracks of the Licensor, the Licensee shall submit to the Licensor plans setting out the method and manner of handling the work, including shoring and cribbing, if any, required to protect the Licensor's operations, and shall not proceed with the work until such plans have been approved by the Vice President-Engineering Services of the Licensor and then the work shall be done to the satisfaction of the Vice President-Engineering Services or his authorized representative. The Licensor shall have the right, if it so elects, to provide such support as it may deem necessary for the safety of its track or tracks during the time of construction, maintenance, repair, renewal, modification, relocation, reconstruction or removal of the Drainage Facility, and, in the event the Licensor provides such support, the Licensee shall pay to the Licensor, within fifteen (15) days after bills shall have been rendered therefor, all expenses incurred by the Licensor in connection therewith, which expense shall include all assignable costs.

Section 3. NOTICE OF COMMENCEMENT OF WORK.

If an emergency should arise requiring immediate attention, the Licensee shall provide as much notice as practicable to Licensor before commencing any work. In all other situations, the Licensee shall notify the Licensor at least ten (10) days (or such other time as the Licensor may allow) in advance of the commencement of any work upon property of the Licensor in connection with the construction, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Drainage Facility. All such work shall be prosecuted diligently to completion.

Section 4. LICENSEE TO BEAR ENTIRE EXPENSE.

The Licensee shall bear the entire cost and expense incurred in connection with the construction, maintenance, repair and renewal and any and all modification, revision, relocation, removal or reconstruction of the Drainage Facility, including and all expense which may be incurred by the Licensor in connection therewith for inspection, flagging, or otherwise.

Section 5. REINFORCEMENT, RELOCATION OR REMOVAL OF DRAINAGE FACILITY.

(a) The license herein granted is subject to the needs and requirements of the Licensor in the operation of its railroad or in the improvement and use of its property, and the Licensee shall, at the sole expense of the Licensee, reinforce or encase the Drainage Facility, or move all or any portion of the Drainage Facility to such new location, as the Licensor may designate whenever, in the furtherance of its needs and requirements, the Licensor shall find such action necessary or desirable.

(b) All the terms, conditions and stipulations herein expressed with reference to the Drainage Facility on property of the Licensor in the location hereinbefore described shall, so far as the Drainage Facility remains on the property, apply to the Drainage Facility as modified, changed or relocated within the contemplation of this section.

Section 6. NO INTERFERENCE WITH LICENSOR'S OPERATION.

The Drainage Facility and all parts thereof within and outside of the limits of the property of the Licensor shall be constructed and, at all times, maintained, repaired, renewed and operated in such manner as to cause no interference whatsoever with the constant, continuous and uninterrupted use of the tracks, property and facilities of the Licensor, and nothing shall be done or suffered to be done by the Licensee at any time that would in any manner impair the safety thereof.

Section 7. PROTECTION OF FIBER OPTIC CABLE SYSTEMS.

(a) Fiber optic cable systems may be buried on the Licensor's property. 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 telephone the Licensor at 1-800-336-9193 (a 24-hour number) to determine if fiber optic cable is buried anywhere on the Licensor's premises to be used by the Licensee. If it is, Licensee will telephone the telecommunications company(ies) involved, arrange for a cable locator, make arrangements for relocation or other protection of the fiber optic cable and will commence no work on the right of way until all such protection or relocation has been accomplished.

(b) In addition to other indemnity provisions in this Agreement, the Licensee shall indemnify and hold the Licensor harmless from and against all costs, liability and expense whatsoever (including, without limitation, attorneys' fees, court costs and expenses arising out of any act or omission of the Licensee, its contractor, agents and/or employees, that causes or contributes to (1) damage to or destruction of any telecommunications system on Licensor's property, and (2) 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, on Licensor's property. Licensee shall not have or seek recourse against Licensor for any claim or cause of action for alleged loss of profits, revenue or loss of service or other consequential damage to a telecommunication company using Licensor's property or customer or user of services of the fiber optic cable on Licensor's property.

Section 8. CLAIMS AND LIENS FOR LABOR AND MATERIAL; TAXES.

(a) The Licensee shall fully pay for all materials joined or affixed to and labor performed upon property of the Licensor in connection with the construction, maintenance, repair, renewal, modification or reconstruction of the Drainage Facility, and 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 the Licensee. The Licensee shall indemnify and hold harmless the Licensor against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed, or materials furnished.

(b) The Licensee shall promptly pay or discharge all taxes, charges and assessments levied upon, in respect to, or on account of the Drainage Facility, to prevent the same from becoming a charge or lien upon property of the Licensor, and so that the taxes, charges and assessments levied upon or in respect to such property shall not be increased because of the location, construction or maintenance of the Drainage Facility or any improvement, appliance or fixture connected therewith placed upon such property or on account of the Licensee's interest therein. Where such tax, charge or assessment may not be separately made or assessed

to the Licensee but shall be included in the assessment of the property of the Licensor, then the Licensee shall pay to the Licensor an equitable proportion of such taxes determined by the value of the Licensee's property upon property of the Licensor compared with the entire value of such property.

Section 9. RESTORATION OF LICENSOR'S PROPERTY.

In the event the Licensor authorizes the Licensee to take down any fence of the Licensor or in any manner move or disturb any of the other property of the Licensor in connection with the construction, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Drainage Facility, then in that event the Licensee shall, as soon as possible and at the Licensee's sole expense, restore such fence and other property to the same condition as the same were in before such fence was taken down or such other property was moved or disturbed, and the Licensee shall indemnify and hold harmless the Licensor, its officers, agents and employees, against and from any and all liability, loss, damages, claims, demands, costs and expenses whatsoever nature, including court costs and attorneys' fees, which may result from injury to or death of persons whomsoever, damage to or loss or destruction of property whatsoever, when such injury, death, damage, loss or destruction grows out of causes from the taking down of any fence or the moving or disturbance of any other property of the Licensor.

Section 10. INDEMNITY.

(a) As used in this Section, "Licensor" includes other railroad companies using the Licensor's property at or near the location of the Licensee's installation and their officers, agents, and employees; "Loss" includes loss, damage, claims, demands, actions, causes of action, penalties, costs, and expenses of whatsoever nature, including court costs and attorneys' fees, which may result from: (a) injury to or death of persons whomsoever (including the Licensor's officers, agents, and employees, the Licensee's officers, agents, and employees, as well as any other person); and (b) damage to or loss or destruction of property whatsoever (including Licensee's property and adjacent property and crops, damage to the roadbed, tracks, equipment, or other property of the Licensor, or property in its care or custody).

(b) To the extent it may lawfully do so, the Licensee agrees to assume the risk of loss or damage to the Drainage Facility and to indemnify and hold harmless the Licensor from any Loss which is due to or arises from (i) the installation, construction, maintenance, repair, reconstruction, removal, use or existence of the Drainage Facility and appurtenances thereto, or any part thereof, including any break in the Drainage Facility wall or structure or any leakage, flow of water or flooding from the Drainage Facility, or (ii) Licensee's failure to comply with or perform any of the terms and conditions set forth in this Agreement, except to the extent that the Loss is caused by the sole and direct negligence of the Licensor; provided, however, that the foregoing indemnification provisions shall not apply to any claims, damages, costs and expenses that have been fully compensated through the insurance required of Licensee in Exhibit B-1, or required of Licensee's contractor under the separate Contract Right of Entry Agreement.

(c) Any liability of either party hereunder to one of its employees under any Workers' Compensation Act or the Federal Employers' Liability Act shall not be questioned or in any way challenged by the other party, nor shall any jury or court finding resulting from any employee's suit against either party pursuant to any such Act(s), be relied upon or used by either party in an attempt to assert common law liability against the other.

Section 11. WAIVER OF BREACH.

The waiver by the Licensor of the breach of any condition, covenant or agreement herein contained to be kept, observed and performed by the Licensee shall in no way impair the right of the Licensor to avail itself of any remedy for any subsequent breach thereof.

Section 12. AGREEMENT NOT TO BE ASSIGNED.

The Licensee shall not assign this Agreement, in whole or in part, or any rights herein granted, without the written consent of the Licensor, and it is agreed that any transfer or assignment or attempted transfer or assignment of this Agreement or any of the rights herein granted, whether voluntary, by operation of law, or otherwise, without such consent in writing, shall be absolutely void and, at the option of the Licensor, shall terminate this Agreement.

Section 13. SUCCESSORS AND ASSIGNS.

Subject to the provisions of Section 12 hereof, this Agreement shall be binding upon and inure to the benefit of the party hereto, their heirs, executors, administrators, successors and assigns.

EXHIBIT B-1

Drainage Facility and Waterway Insurance Requirements

The Licensee, at its own sole cost and expense, shall procure the insurance described in paragraphs A, B and C below and shall keep such insurance in force and effect during the life of this Agreement. The Licensee (or its contractor), at the sole cost and expense of the Licensee or its contractor, shall keep the Railroad Protective Insurance described in Paragraph D below in force and effect during the duration of any construction or major maintenance, repair, reconstruction, relocation or removal work involving the Drainage Facility.

- A. General Public Liability insurance providing bodily injury, including death, personal injury and property damage coverage with a combined single limit of at least \$2,000,000 each occurrence or claim and a general aggregate limit of at least \$4,000,000. This insurance shall provide Broad Form Contractual Liability covering the indemnity provisions contained in this Agreement, Underground Hazard, Products-Completed Operations with products-completed operation aggregate of at least \$2,000,000, a separate general aggregate for the project (ISO Form CG 25 03 or equivalent), Broad Form Property Damage, a waiver of governmental immunity (ISO Form CG 25 04 or equivalent) severability of interests and name Licensor as an additional insured with respect to all liabilities arising out of Licensee's obligation to Licensor in this Agreement. Coverage purchased on a claims made form shall provide for at least a three (3) year extended report or discovery period if (a) the coverage is changed 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 from the expiration date of the policy.
- B. Automobile Public Liability insurance providing bodily injury and property damage with a combined single limit of at least \$2,000,000 each occurrence or claim. This insurance shall provide contractual liability by endorsement ISO Form CA 25 or equivalent covering all motor vehicles including hired and non-owned, mobile equipment to the extent it may be excluded from general liability insurance, severability of interests and name Licensor as an additional insured with respect to all liabilities arising out of Licensee's obligation to Licensor in the Agreement.
- C. Worker's Compensation insurance covering the statutory liability as determined by the compensation laws of the state affected by this Agreement and Employers' Liability. Also compliance with all laws of states which require participation in their state workers' compensation fund.
- D. Railroad Protective Liability insurance naming Licensor and any railroad operating over its tracks as insured with a combined single limit of \$2,000,000 per occurrence with a \$6,000,000 aggregate. The policy form shall be AAR-AASH with broad form coverage for "Physical Damage to Property" (ISO Form GL 00 30) or as revised ISO-RIMA (Form CG 35) and include pollution arising out of fuels and lubricants brought to the job site (ISO Form CG 28 31 or equivalent) if the Lloyd's London policy form is used, limits shall be \$3,000,000 per occurrence with a \$9,000,000 aggregate and Extended Claims Made Date shall be determined by adding the length of the original policy period plus one year to the policy expiration date.

The Licensee hereby waives its right to subrogation, as respects the above insurance policy(ies), against Licensor for payments made to or on behalf of employees of Licensee or its agents and for loss of its owned or leased property or property under its care, custody and control while on or near Licensor's right-of-way or other real property. Licensee's insurance shall be primary with respect to any insurance carried by Licensor.

Licensee shall furnish to Licensor certificate(s) of insurance evidencing the required coverage and endorsement(s) and upon request a certified duplicate original of any of those policies. The insurance company(ies) issuing such policy(ies) shall notify Licensor in writing of any material alteration including any change in the retroactive date in any "claims-made" policies, substantial reduction of aggregate limits, if such limits apply, or cancellation thereof at least thirty (30) days prior thereto. The insurance policy(ies) shall be written by a reputable insurance company or companies acceptable to Licensor or with a current Best's Insurance Guide Rating of B and Class VII or better. Such insurance company shall be authorized to transact business in the state(s) affected by this Agreement.