



Chandler • Arizona

Where Values Make The Difference

NEW APPLICATION

November 9, 2004

Mr. Don Thompson
Railroad Safety Supervisor
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

RR-03639A-04-0829

RECEIVED
2004 NOV 18 A 8:26
AZ CORP COMMISSION
DOCUMENT CONTROL

RE: Reconstruction and Widening of the Existing At-Grade Union Pacific Railroad Crossing on Pecos Road

Dear Mr. Thompson:

This letter is to serve as notification to the Arizona Corporation Commission of the City of Chandler's intent to reconstruct and widen the at-grade Union Pacific Railroad crossing of Pecos Road, Mile Post 930.07 of the Chandler Industrial Lead.

The existing two-lane roadway crossing is deficient and the need for its improvement not only driven by recent growth and increased traffic but, also, by the upcoming completion of the Santan Freeway at Arizona Avenue in early 2005.

The City has retained Entellus, Inc. as the project designer who has completed the design of the roadway improvements. The general scope of improvements includes the widening of Pecos Road from one lane in each direction to three lanes in each direction from McQueen Road to Dobson Road. Raised concrete medians will be installed throughout including both the east and west sides of the railroad tracks. The existing safety equipment will be removed and, replaced with four flashing signals with gates, two cantilever flashing signals with CWT circuitry and, a new cabin. One hundred twenty feet of new concrete-on-wood tie grade crossing will also be installed. See the attached diagram for more detail.

Reconstruction of the crossing is scheduled for December 6, 2004 however, the new signals and safety equipment will not be available for a few months. The existing signals and safety equipment will remain in place during this time and traffic routed accordingly. Should you have any questions please contact me at 480-782-3319.

Sincerely,

Ray Buglion, P.E.
Engineer

Arizona Corporation Commission
DOCKETED
NOV 18 2004

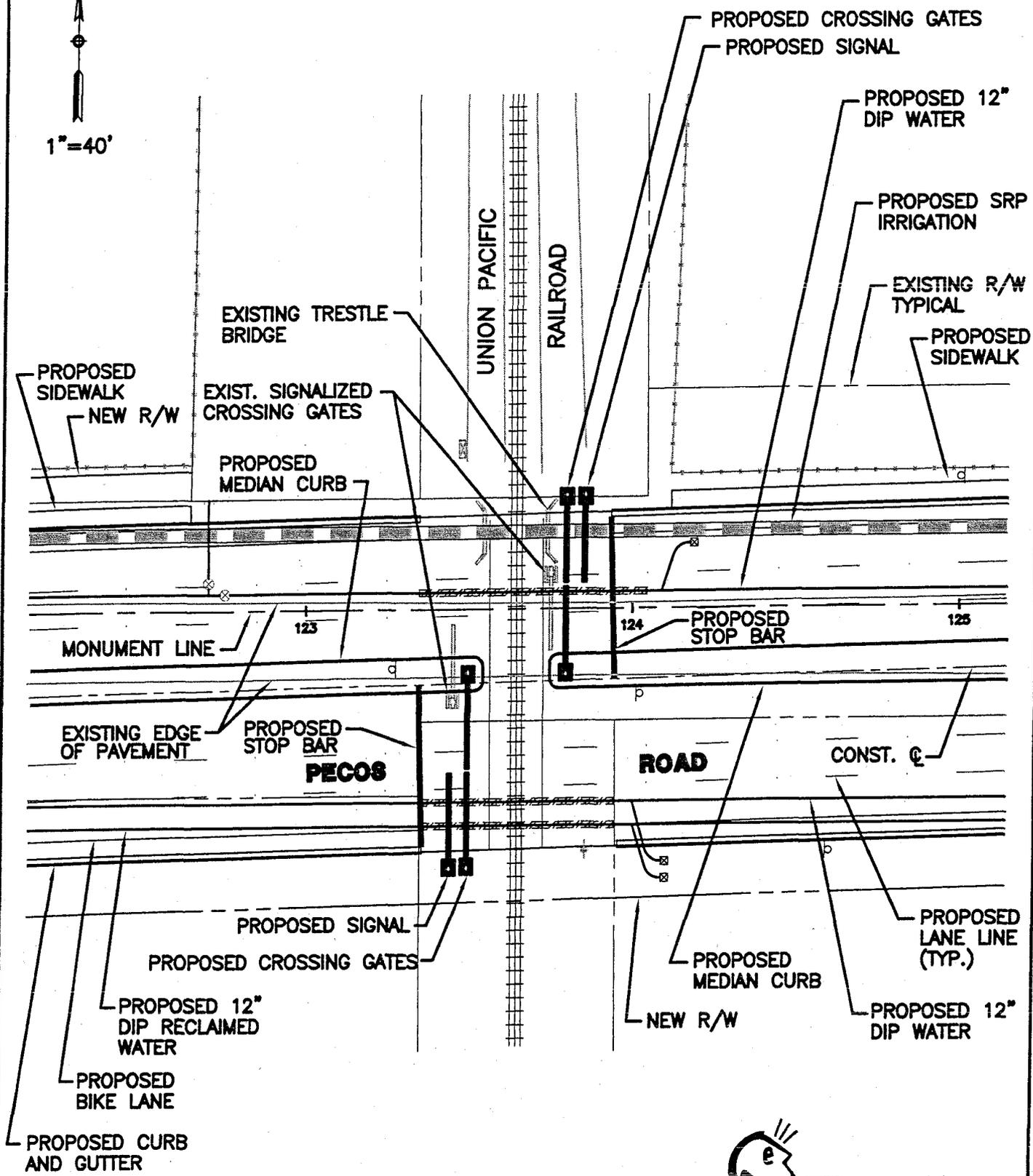
C: Dan Cook, Assistant Public Works Director
Beth Huning, Assistant Public Works Director/City Engineer

DOCKETED BY

Mailing Address
Mail Stop 411
PO Box 4008
Chandler, Arizona 85244-4008

**Public Works Department
Construction Management**
Telephone (480) 782-3331
Fax (480) 782-3330
Web www.chandleraz.gov

Location
99 North Delaware Street
Chandler, Arizona 85225



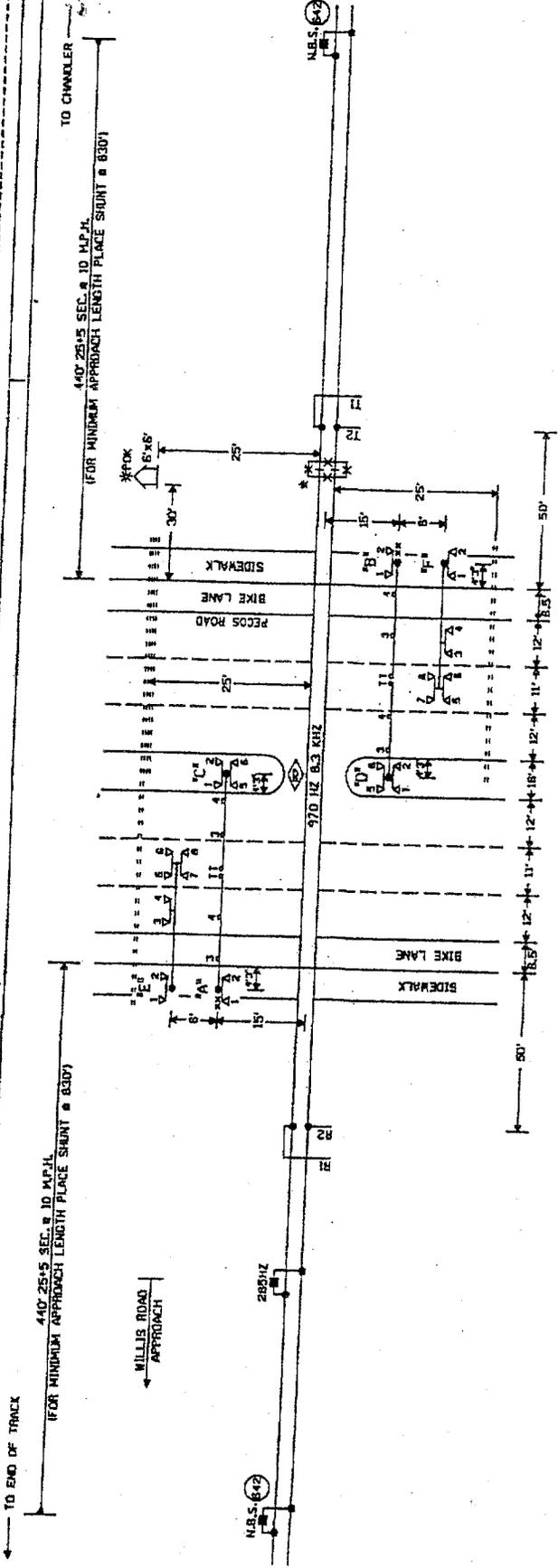
Entellus™

2255 N. 44th Street Suite 125
 Phoenix, AZ 85008.3279
 Tel 602.244.2566
 Fax 602.244.8947

NEW SHEET

CHANDLER, ARIZONA
 PECOS ROAD
 P.A.P. 500.07
 PHOENIX SUBDIVISION
 CHANDLER INDUSTRIAL LEAD
 C.O.D. 17741 674P

UNION PACIFIC RAILROAD
 CHANDLER, ARIZONA
 HIGHWAY CROSSING SIGNAL
 CIRCUIT PLANS
 OFFICE OF CHIEF ENGR.
 DATE 7-18-09
 SHEET 1
 DWG 930.07
 RTE-RA



NOTES:

- ⊗ TWISTED WIRES INSULATED 1 MIST PER FT. ALL TRUCK WIRES 2C.#8
- TRANSMITTER AND RECEIVER LEADS TO BE SEPARATED BY AT LEAST 12" IN TRENCH, LEADS SHOULD NOT EXCEED MANUFACTURER'S RECOMMENDATION.
- TOP OF FOUNDATION TO BE AT SAME ELEVATION AS THE SURFACE OF THE UNGRAVELED WAY & NO MORE THAN 4" ABOVE THE SURFACE OF THE GROUND.
- ALL BUNGALOW WIRING TO BE #18 AND FLEX UNLESS OTHERWISE SPECIFIED EXCEPT ALL GROUND WIRE TO BE #8 AND FLEX OR LARGER.
- ALL WIRING IN GATE MECHANISM TO BE #10 #AWG FLEX.
- REFER TO UP STANDARD DWG FOR BUNGALOW GROUNDING.
- DO NOT USE 7 CELLS OF B12 BATTERY UNLESS REQUIRED TO MAINTAIN MINIMUM LAMP VOLTAGE.
- ALL LIGHTS TO BE 12" ROUNDELS.
- ***** 4" X 220' CONDUIT
- LIGHTS: LED LIGHTS
- GATE A.B. 25'
- GATE C.A. 25'
- CANT E.F. 28'
- CRTM CELLEMETRY
- * * * BELL

CONSTRUCTION NOTES:

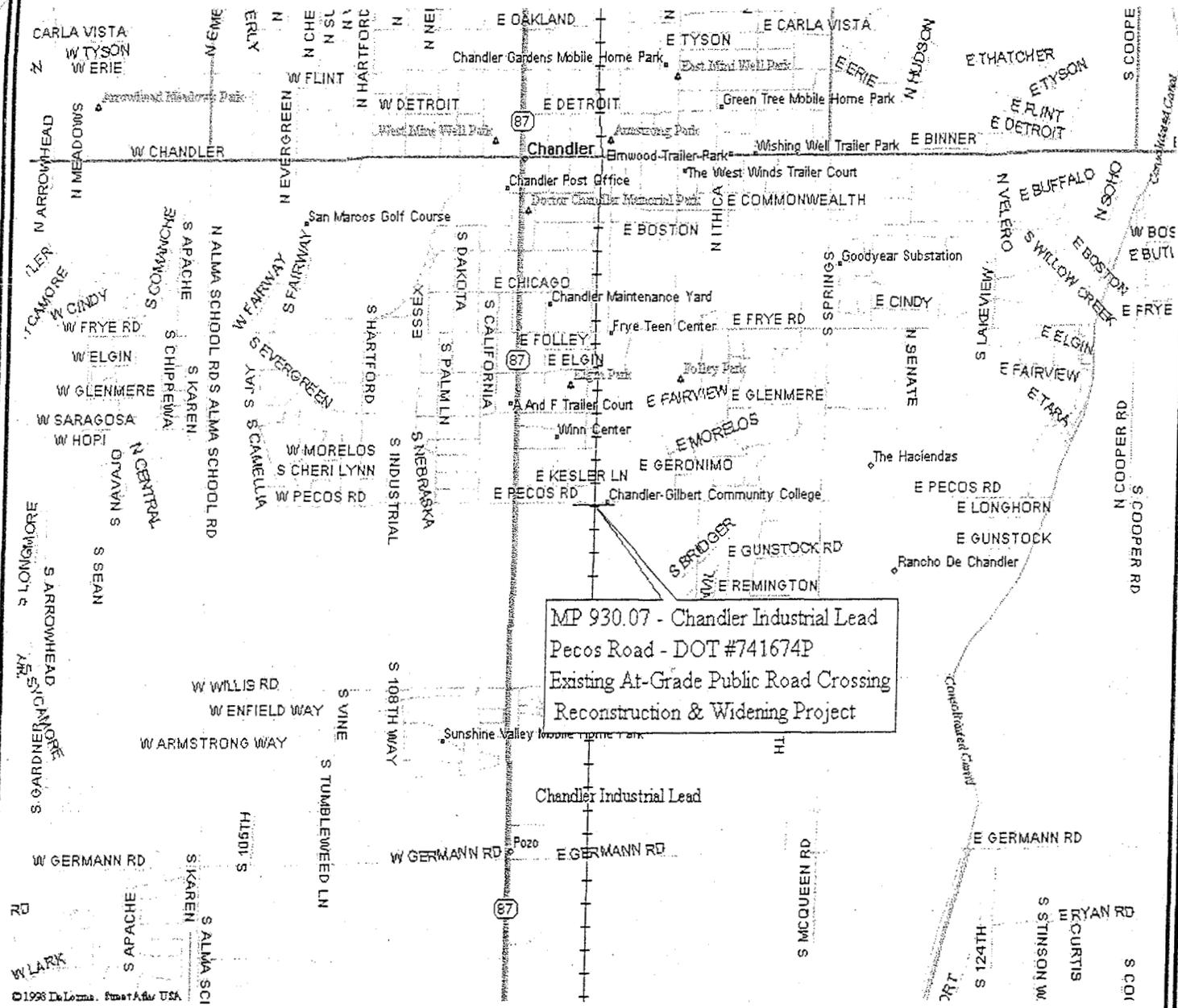
- 1) INSTALL A GROUNDING GRID IN THE NEW BUNGALOW DUE TO THE HIGH VOLTAGE OVER HEAD POWER LINES.
 - 2) REMOVE EXISTING FLASHERS WITH GATES AND FOUNDATIONS.
- * * * REMOVE WHEN CROSSING IS UPGRADED

MODIFICATION LEVEL		UNION PACIFIC	DES. BY	CHK. BY	DATE
DO	DO	UNION PACIFIC	DES. BY	CHK. BY	DATE
DO	DO	UNION PACIFIC	DES. BY	CHK. BY	DATE
DO	DO	UNION PACIFIC	DES. BY	CHK. BY	DATE
DO	DO	UNION PACIFIC	DES. BY	CHK. BY	DATE



CONNECTS TO DRAWING 930.59

LOCATION OF EXISTING AT-GRADE PUBLIC ROAD CROSSING RECONSTRUCTION & WIDENING PROJECT



RAILROAD WORK TO BE PERFORMED:

1. Remove existing flashers & case; install 4-flashing signals with gates, 2-cantilever flashing signals with CWT circuitry, and a new cabin.
2. Install 120-feet of new concrete on wood tie grade crossing surface, including 125-cross ties, and 3-car loads of ballast; relay 240-feet of track.

EXHIBIT "A"
UNION PACIFIC RAILROAD COMPANY

CHANDLER INDUSTRIAL LEAD
MILE POST 930.07
GPS: N 33° 17.499', W 111° 50.217'
CHANDLER, MARICOPA CO., AZ.

Illustrative print showing location of an existing at-grade public road crossing reconstructin and widening project with the
CITY OF CHANDLER.

Folder No. 2233-42

Date: March 2, 2004

WARNING

IN ALL OCCASIONS, U.P. COMMUNICATIONS DEPARTMENT MUST BE CONTACTED IN ADVANCE OF ANY WORK TO DETERMINE EXISTENCE AND LOCATION OF FIBER OPTIC CABLE. PHONE: 1-(800) 336-9193

NEW PUBLIC ROAD CROSSING AGREEMENT

BETWEEN THE

CITY OF CHANDLER

AND

PACIFIC

UNION PACIFIC RAILROAD COMPANY

COVERING

THE RECONSTRUCTION AND WIDENING OF THE EXISTING
PECOS ROAD AT-GRADE PUBLIC ROAD CROSSING

IN

**CHANDLER
MARICOPA COUNTY,
ARIZONA**

City Original

Agreement Number _____

NEW PUBLIC ROAD CROSSING AGREEMENT

Pecos Road
Mile Post 930.07 – Chandler Industrial Lead
Chandler, Maricopa County, Arizona

THIS AGREEMENT is made and entered into as of the 1st day of November, 2004, by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation to be addressed at Real Estate Department, 1800 Farnam Street, Omaha, Nebraska 68102 (the "Railroad") and the **CITY OF CHANDLER**, a municipal corporation of the State of Arizona to be addressed at 215 East Buffalo Street, Arizona 85225 (the "City").

RECITALS:

The City desires to undertake as its project the reconstruction and widening of the existing Pecos Road at-grade public road crossing (hereinafter the "Project").

The City desire the right to use for the Project that portion of Railroad's property at Railroad Mile Post 930.07 on the Chandler Industrial Lead (hereinafter the "Crossing Area") shown on the attached print, marked Exhibit "A", and described on the legal description marked Exhibit "A-1", each attached hereto and hereby made a part hereof.

AGREEMENT:

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

ARTICLE 1 - RAILROAD GRANTS RIGHT

A. For and in consideration of (i) the compensation to be paid by the City as set forth in Article 2, (ii) the City's reimbursement of Railroad's actual costs incurred under this Project, and (iii) the City's agreement to perform and abide by the terms of this Agreement, including Exhibits "B", "B-1" and "C", attached hereto and hereby made a part hereof, the Railroad hereby grants to the City and its successors and assigns, the right to construct, establish and use a public street at grade on and across the Crossing Area.

B. Upon (i) completion of the Project, (ii) City's payment to Railroad of the amount set forth in Article 2 below, and (iii) the City's reimbursement to Railroad of all of Railroad's actual costs incurred by Railroad in connection with the Project, the Railroad will execute and deliver to City a Highway Grant in recordable form and in the form marked Exhibit "E", attached hereto and hereby made a part hereof.

ARTICLE 2 - COMPENSATION

In consideration of the rights granted herein, the City hereby agrees to pay to the Railroad the sum of **SEVEN THOUSAND SIX HUNDRED SIXTY-TWO DOLLARS (\$7,662.00)**, upon the execution and delivery of this Agreement.

ARTICLE 3 - CONTRACTOR'S RIGHT OF ENTRY AGREEMENT - INSURANCE

A. Before commencing any work within the Crossing Area or any other Railroad property, the City's contractor, and any subcontractor, will be required to (i) execute the Railroad's Contractor's Right of Entry Agreement marked **Exhibit "D"**, attached hereto and hereby made a part hereof; (ii) obtain the insurance coverage described in **Exhibit D**; and (iii) provide the insurance policies, certificates, binders and/or endorsements to Railroad that are required in **Exhibit D**.

B. The City confirms that it will inform its contractor(s) that it/they and their subcontractors are required to execute such form of agreement before commencing any work within the Crossing Area or any other Railroad property. Under no circumstances will the City's contractor(s) or any subcontractors be allowed within the Crossing Area or any other Railroad property without first executing the Contractor's Right of Entry Agreement and obtaining the insurance set forth therein and also providing to Railroad the insurance policies, binders, certificates and/or endorsements described therein.

C. All insurance correspondence, binders, policies, certificates and/or endorsements shall be sent to:

Union Pacific Railroad Company
Real Estate Department
1800 Farnam Street
Omaha, NE 68102
ATTN: Paul Farrell
UPRR Folder No. 2233-42

D. If the City's own employees will be performing any of the Project work, the City may self-insure all or a portion of the insurance coverage.

ARTICLE 4 - FEDERAL AID POLICY GUIDE

If the City will be receiving any federal funding for the Project, the current rules, regulations and provisions of the Federal Aid Policy Guide as contained in 23 CFR 140, Subpart I and 23 CFR 646, Subparts A and B are incorporated into this Agreement by reference.

ARTICLE 5 - WORK TO BE PERFORMED BY THE RAILROAD; PAYMENT BY CITY; BILLING BY RAILROAD

A. The work to be performed by Railroad, at City's sole cost and expense, is described in the Railroad's Material and Force Account Estimates dated August 28, 2003 and November 3, 2003, collectively marked **Exhibit C**, attached hereto and hereby made a part hereof (the "Estimate"). As noted in the Estimate, the Railroad's estimated cost for the Railroad's work associated with the Project is **FIVE HUNDRED SEVENTEEN THOUSAND SIX HUNDRED SIX DOLLARS (\$517,606.00)**.

B. The City acknowledges that the Estimate does not include any estimate of flagging or other protective service costs that are to be paid by the City or its contractor(s) in connection with flagging or other protective services provided by Railroad employees in connection with the Project. All of such costs incurred by Railroad are to be paid by the City or its contractors as determined by the Railroad and the City. If it is determined that the Railroad will be billing the City's contractors directly for such costs, the City agrees that it will pay the Railroad for any flagging costs that have not been paid by any of its contractor(s) within thirty (30) days of contractor's receipt of billing.

C. If the Estimate provides for the Railroad to install public crossing warning signals and/or gates, the Railroad, at its cost and expense, shall maintain and repair such warning devices; PROVIDED, HOWEVER, that such maintenance and repair shall not negate the Railroad's eligibility for any federal, state, local, or other public funds that may become available for the maintenance and repair of such warning devices.

D. The Railroad shall submit progressive billing to the City during the course of the Project, and within one hundred twenty (120) days after completion of the Project, the Railroad shall calculate and send to the City a final billing of the total actual costs incurred by the Railroad.

E. The City agrees to reimburse the Railroad for one hundred percent (100%) of all actual costs incurred by Railroad in connection with the Project including, but not limited to, actual costs of procurement of materials, manpower and deliveries to the job site and the Railroad's normal and customary additives associated therewith.

ARTICLE 6 - EFFECTIVE DATE; TERM

This Agreement shall become effective as of the date first herein written, or the date work commences on the Project, whichever is earlier, and shall continue in full force and effect until terminated as provided in this Agreement.

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

UNION PACIFIC RAILROAD COMPANY
By: [Signature]
Director Contracts

WITNESS:

[Signature]
A circular corporate seal for the City of Chandler, Arizona. The seal features a double-lined border with the text "CITY OF CHANDLER" at the top and "ARIZONA" at the bottom. In the center, the word "CORPORATE" is written in an arc above the word "SEAL", which is also in an arc. Two small stars are positioned on either side of the word "SEAL".

CITY OF CHANDLER
By: [Signature]
Title: MAYOR

Pursuant to Resolution/Order No. 3187 dated: October 14, 2004, hereto attached

APPROVED AS TO FORM:
Office of the City Attorney
By: [Signature]
Title: City Attorney

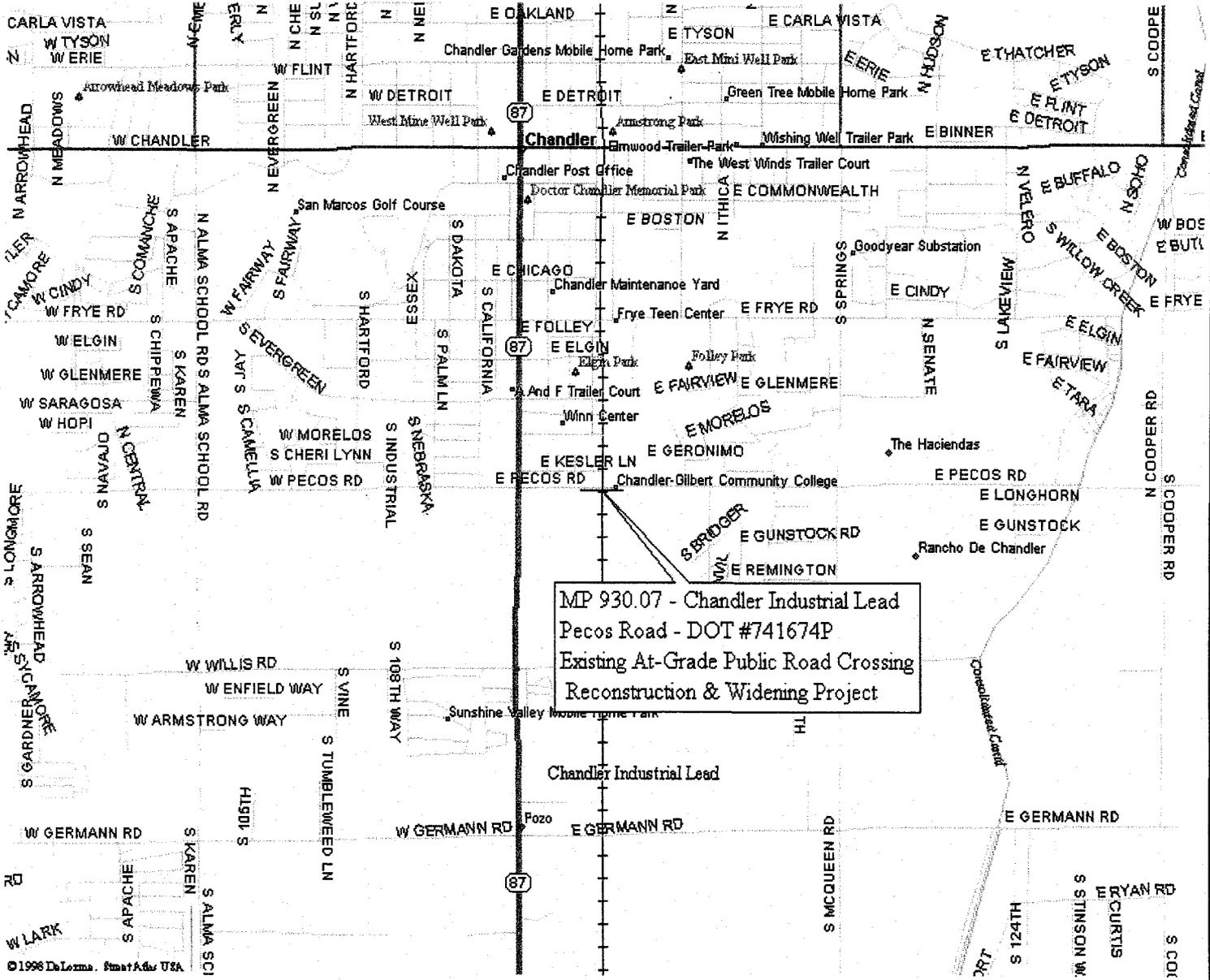
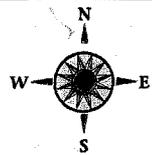
The background of the page features a large, faded Union Pacific shield logo. The shield is filled with a light gray stippled pattern. At the top of the shield, the words "UNION" and "PACIFIC" are printed in a large, white, sans-serif font, stacked vertically. The rest of the shield is filled with vertical stripes, alternating between the stippled gray and white.

EXHIBIT A

To New Public Road Crossing Agreement

Location & Detail Prints
(See Recital)

LOCATION OF EXISTING AT-GRADE PUBLIC ROAD CROSSING RECONSTRUCTION & WIDENING PROJECT



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CHANDLER INDUSTRIAL LEAD
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Folder No. 2233-42 Date: March 2, 2004

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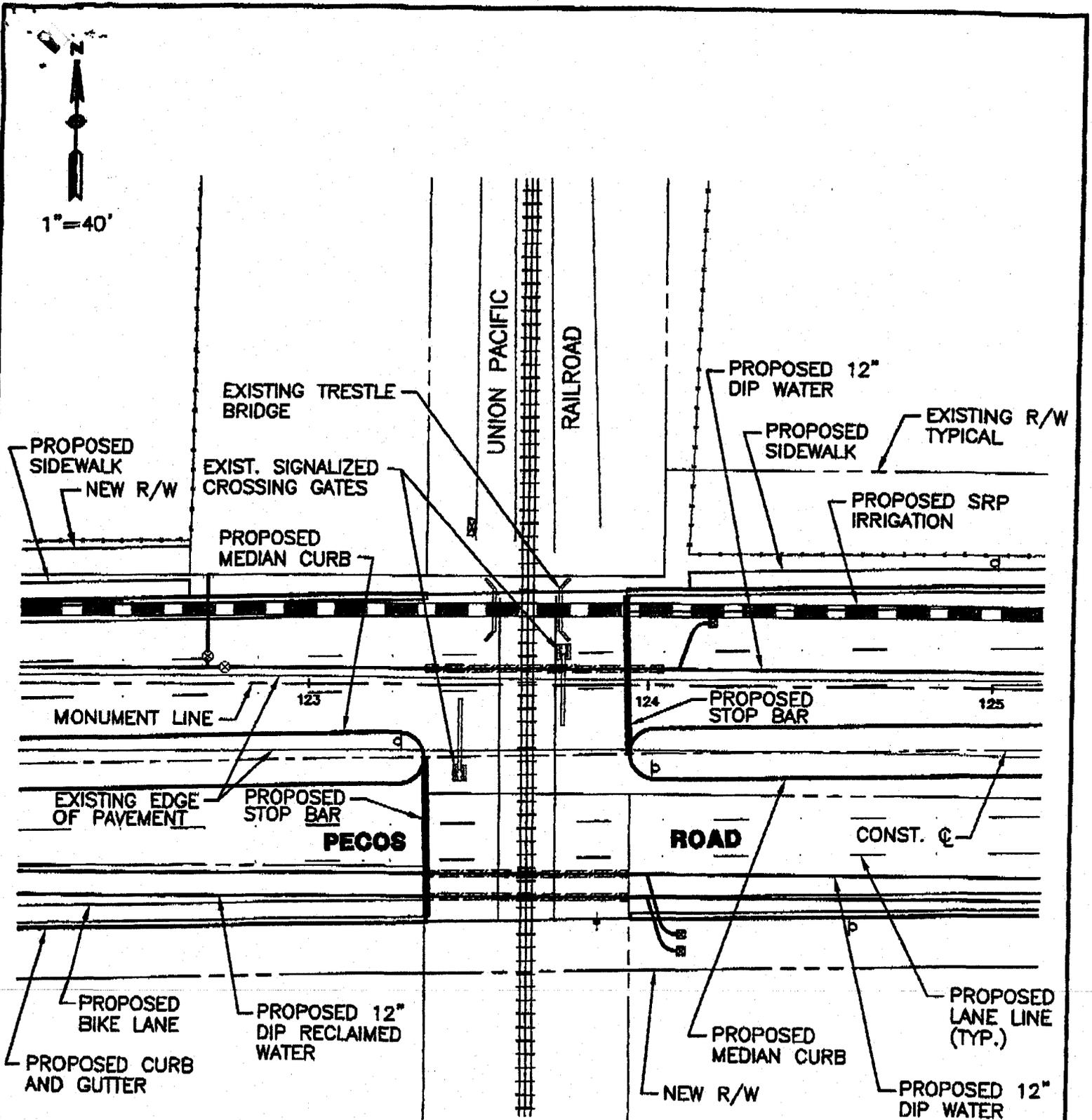
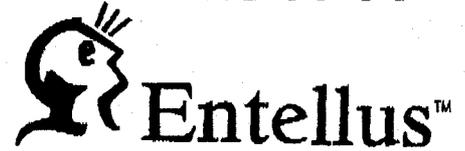


EXHIBIT A



2255 N. 44th Street Suite 125
 Phoenix, AZ 85008.3279
 Tel 602.244.2566
 Fax 602.244.8947

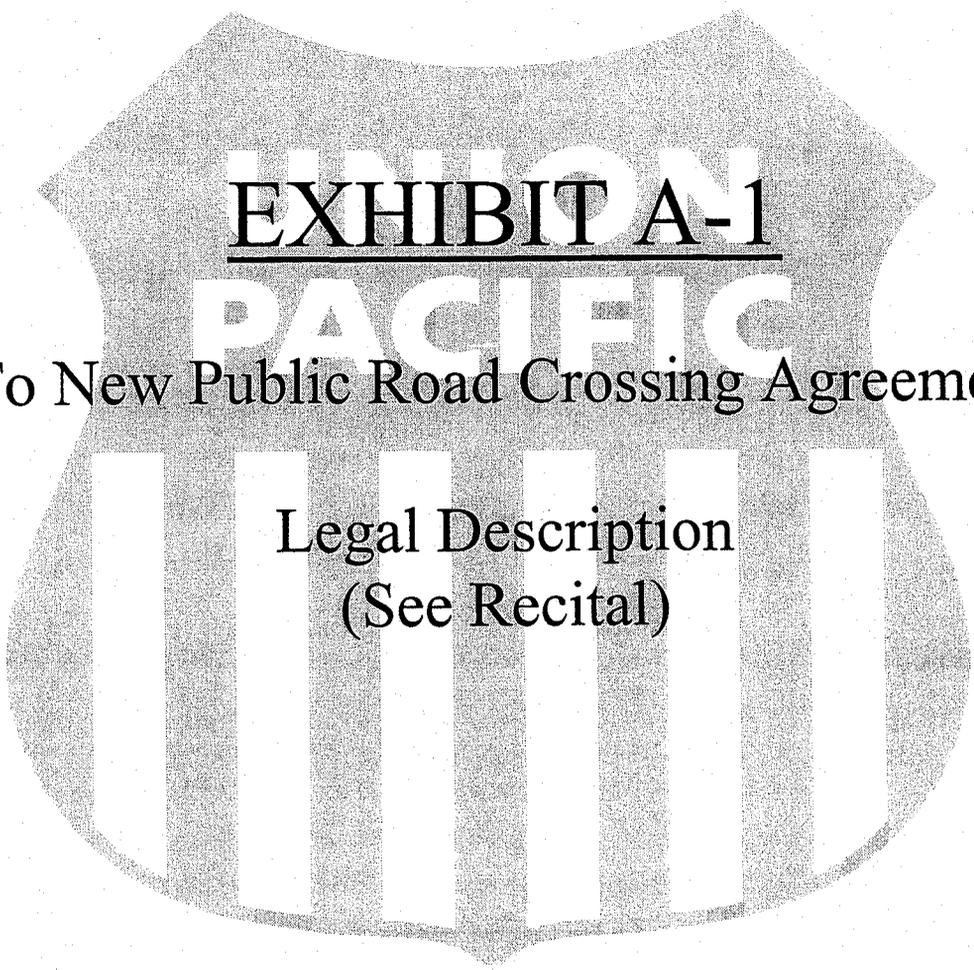
The background of the page features a large, faded Union Pacific shield logo. The shield is filled with a grey stippled pattern. At the top, the words "UNION" and "PACIFIC" are written in a large, white, sans-serif font. The lower portion of the shield contains vertical stripes, also in white. Centered over the shield is the text "EXHIBIT A-1" in a bold, black, serif font, which is underlined.

EXHIBIT A-1

To New Public Road Crossing Agreement

Legal Description
(See Recital)

**CONSULTING LAND SURVEYORS**

37617 North Cave Creek Road
Cave Creek, Arizona 85331

Phone (480) 990-0545
Fax (480) 994-9097

Job No. 020506

**LEGAL DESCRIPTION
FOR
RIGHT-OF-WAY
APN 303-16-971**

That portion of the Southwest quarter of Section 34 Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, of Maricopa County, Arizona, being more particularly described as follows:

Commencing at the Southwest corner of said Section 34, said corner being monumented with a brass cap in hand hole; thence N. 89° 40' 04" E. along the South line of said Section 34 a distance of 1393.39 feet to a point on the southerly prolongation of the West line of the Union Pacific Railroad right-of-way; thence N. 00° 26' 28" W. along said Southerly prolongation a distance of 33.00 feet to the TRUE POINT OF BEGINNING; thence continuing N. 00° 26' 28" W. along said West line a distance of 9.89 feet; thence N. 88° 30' 25" E. a distance of 70.01 feet to a point on the East line of said Union Pacific Railroad right-of-way; thence S. 0° 26' 28" E. along said East line a distance of 11.31 feet; thence S. 89° 40' 04" W. parallel with and 33.00 feet North of said South line a distance of 70.00 feet to the TRUE POINT OF BEGINNING.

Containing 742.1 square feet, more or less.

See Exhibit "A"

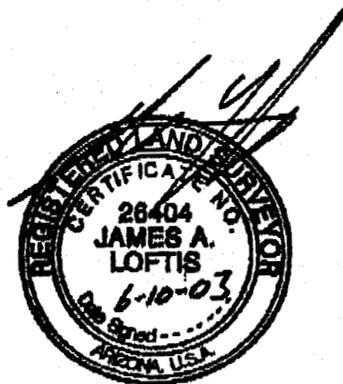
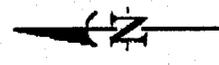
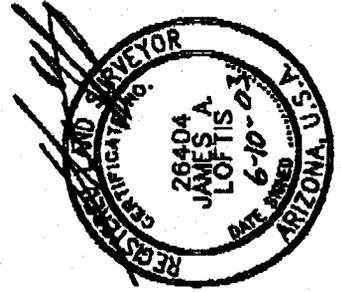
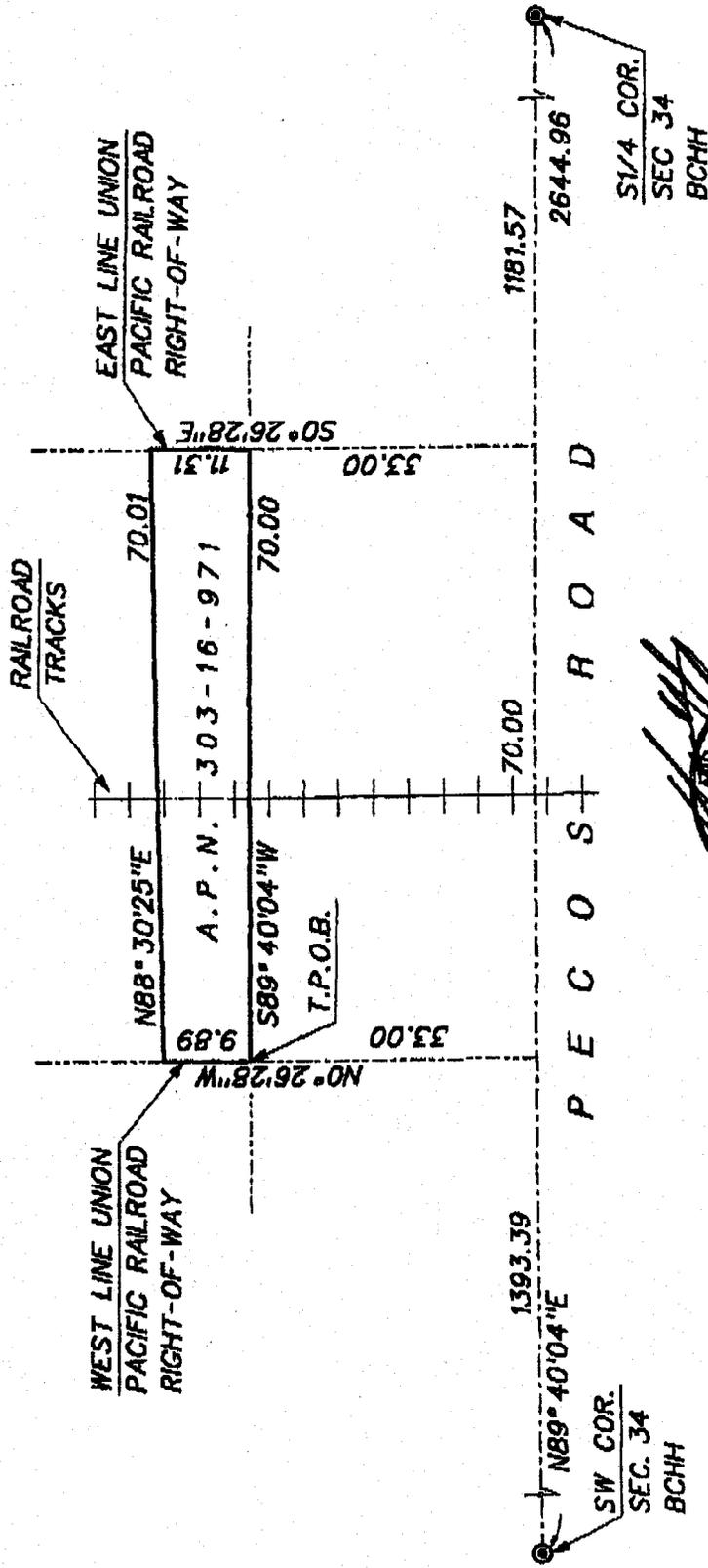


EXHIBIT A

EXHIBIT "A"



N.T.S.

CONSULTING LAND SURVEYORS
 37617 N. CAVE CREEK RD.
 CAVE CREEK, AZ 85331
 PHONE (480) 990-0545
 FAX (480) 994-9097
 JOB NO.: 020506

EXHIBIT A



CONSULTING LAND SURVEYORS

37617 North Cave Creek Road
Cave Creek, Arizona 85331

Phone (480) 990-0545
Fax (480) 994-9097

Job No. 020506

**LEGAL DESCRIPTION
FOR
RIGHT-OF-WAY
APN 303-28-972**

That portion of the Northwest quarter of Section 3, Township 2 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows;

Commencing at the North quarter corner of said Section 3, said corner being monumented with a brass cap in hand hole; thence S. 89° 40' 04" W. along the North line of said Section 3, a distance of 100.53 feet; thence S. 00° 25' 59" E. a distance of 33.00 feet; thence S. 89° 40' 04" W. parallel with and 33.00 feet South of said North line a distance of 1091.03 feet to a point on the Easterly Right-of-Way of the Arizona Eastern Railway, last said point also being the TRUE POINT OF BEGINNING; thence S. 00° 26' 28" E. along said Easterly Right-of-Way a distance of 52.91 feet; thence S. 88° 30' 25" W. a distance of 60.01 feet to a point on the Westerly Right-of-Way of the Arizona Eastern Railroad; thence N. 00° 26' 28" W. along said Westerly Right-of-Way a distance of 54.13 feet; thence N. 89° 40' 04" E. parallel with and 33.00 feet South of said North line of Section 3 a distance of 60.00 feet to the TRUE POINT OF BEGINNING.

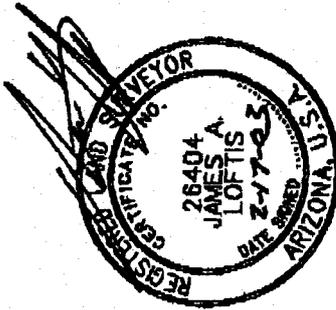
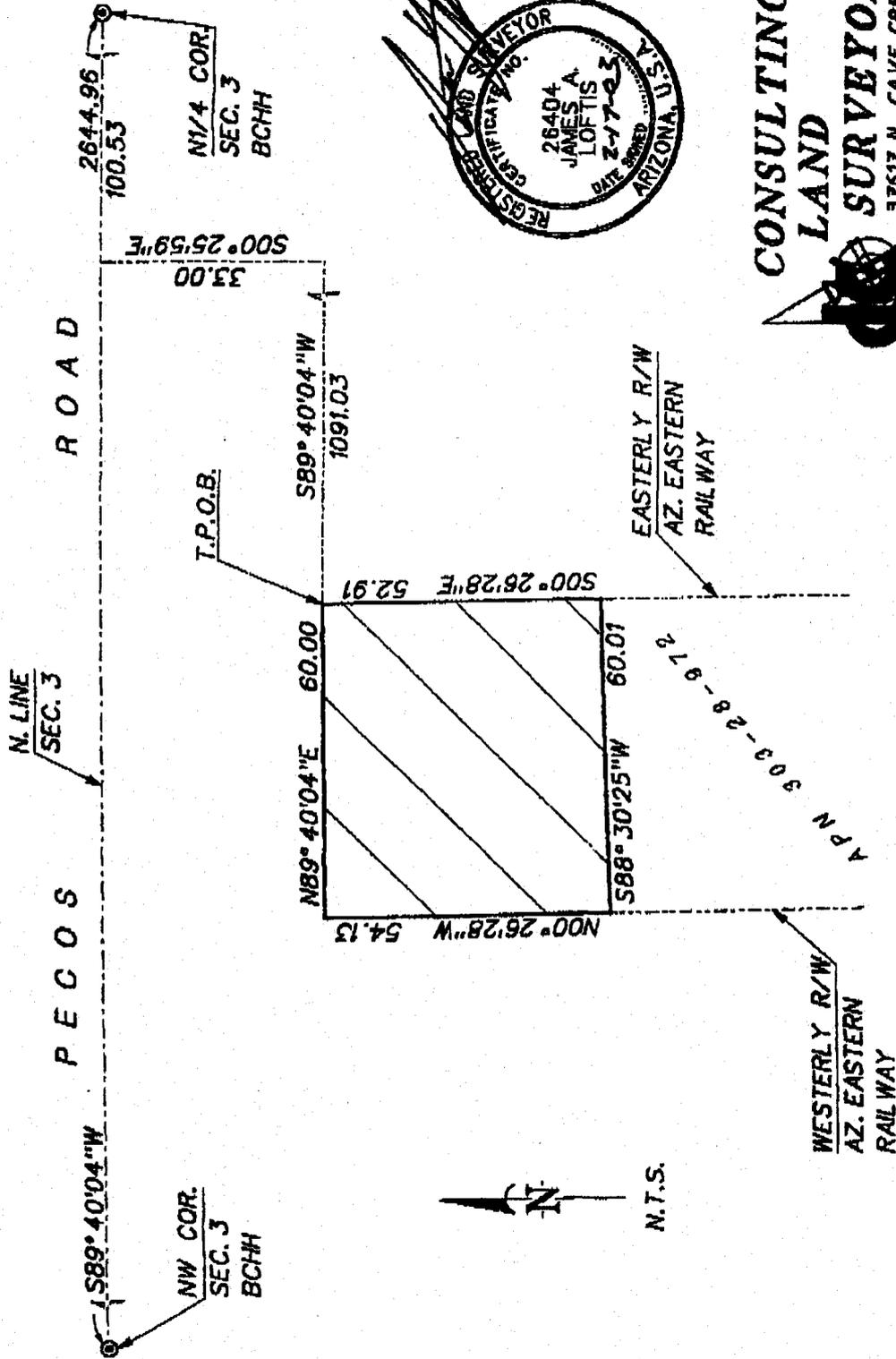
Containing 3,211.3 square feet, more or less.

See Exhibit "A"



EXHIBIT A

EXHIBIT "A"



**CONSULTING
 LAND
 SURVEYORS**
 37617 N. CAVE CREEK RD.
 CAVE CREEK, AZ 85331
 PHONE (480) 990-0545
 FAX (480) 994-9097
 JOB NO.: 020506



2255 N. 44th Street Suite 125
 Phoenix, AZ 85008.9279
 Tel 602.244.2566
 Fax 602.244.8947
 Email: www.entellus.com

LEGAL DESCRIPTION
 FOR
 PARCELS #303-16-971, #303-28-972, #303-16-005A
 RIGHT-OF-WAY

That portion of a parcel of land as described in Docket #00212-0503 and Docket #00101-0256, records of MARICOPA COUNTY, ARIZONA located in the NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 5 EAST --AND ALSO-- the SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 1 SOUTH, RANGE 5 EAST of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

Commencing at the SOUTHWEST CORNER of said SECTION 34, monumented with a Brass Cap in Hand Hole, from which the SOUTH QUARTER of said SECTION 34 bears NORTH 89° 40' 04" EAST a distance of 2644.96 FEET;

THENCE, NORTH 89° 40' 04" EAST, along the South line of the SOUTHWEST QUARTER of said Section 34, a distance of 1393.39 FEET to the West Right-Of-Way line of the Arizona Eastern Railroad and the TRUE POINT OF BEGINNING;

THENCE, NORTH 00° 26' 28" WEST, departing said South line and along the Westerly Right-Of-Way line of the Arizona Eastern Railroad, a distance of 33.00 FEET;

THENCE, NORTH 89° 40' 04" EAST, parallel to and 33.00 Feet North of said South line, a distance of 70.00 FEET to the East Right-of-Way line of the Arizona Eastern Railroad;

THENCE, SOUTH 00° 26' 28" EAST, along the Easterly Right-Of-Way line of the Arizona Eastern Railroad a distance of 33.00 FEET, to the South line of Section 34, said line also being the North line of Section 3, TOWNSHIP 2 SOUTH, RANGE 5 EAST;

THENCE, SOUTH 89° 40' 04" WEST, along the North line of Section 3 to the East Right-Of-Way line of the Arizona Eastern Railroad, a distance of 10.00 FEET;

THENCE, SOUTH 00° 26' 28" EAST, departing said North line and along the Easterly Right-Of-Way line of the Arizona Eastern Railroad, a distance of 33.00 FEET;

THENCE, SOUTH 89° 40' 04" WEST, parallel to and 33.00 Feet South of the North line of Section 3, a distance of 60.00 FEET to the Westerly Right-Of-Way line of the Arizona Eastern Railroad;

THENCE, NORTH 00° 26' 28" WEST, along the Westerly Right-Of-Way line of the Arizona Eastern Railroad a distance of 33.00 FEET, to the TRUE POINT OF BEGINNING.

Containing an area of 4,290.02 SQUARE FEET or 0.098 ACRES, more or less.

See Exhibit "A"



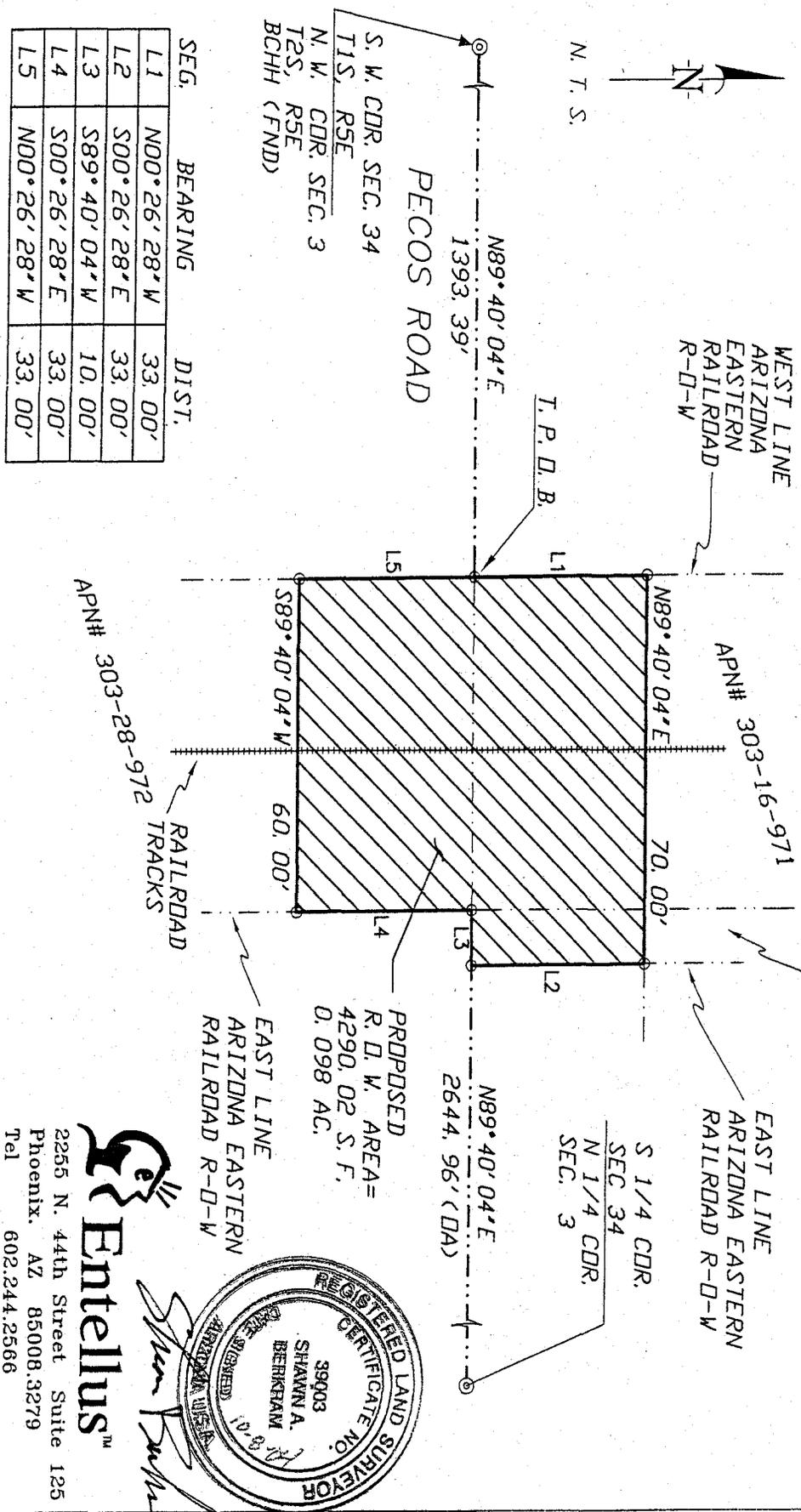
Shawn Berkram

10/8/2004

PAGE 1 OF 1

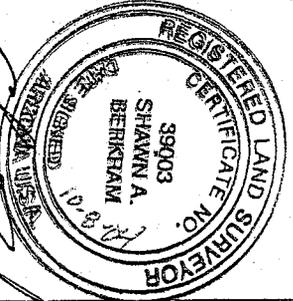
EXHIBIT "A"

APN# 303-16-971, 303-28-972, 303-16-005A
 DOCKET# 00212-0503, # 00101-0256
 SOUTHERN PACIFIC CO.
 RIGHT OF WAY



SEG.	BEARING	DIST.
L1	N00°26'28"W	33.00'
L2	S00°26'28"E	33.00'
L3	S89°40'04"W	10.00'
L4	S00°26'28"E	33.00'
L5	N00°26'28"W	33.00'

S. W. CDR. SEC. 34
 T1S, R5E
 N. W. CDR. SEC. 3
 T2S, R5E
 BCHH (FND)



Entellus™

2255 N. 44th Street Suite 125
 Phoenix, AZ 85008.3279
 Tel 602.244.2566
 Fax 602.244.8947
 E-Mail: www.entellus.com

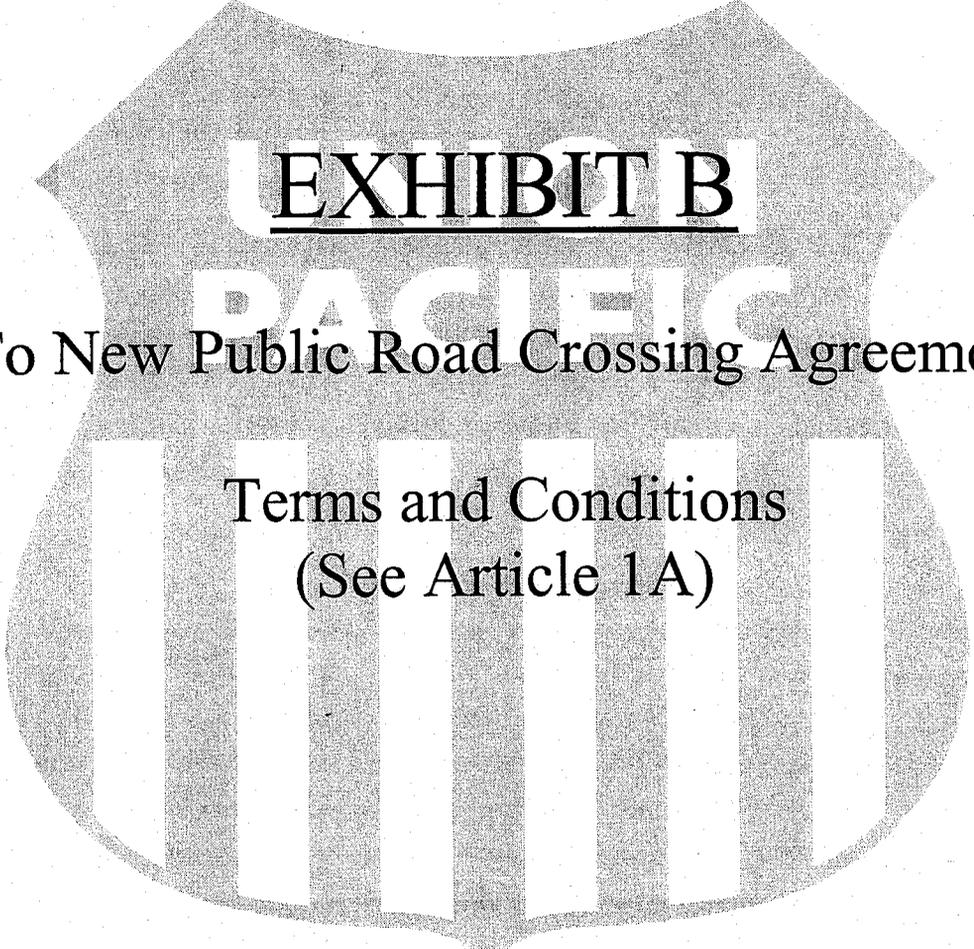


EXHIBIT B

To New Public Road Crossing Agreement

Terms and Conditions
(See Article 1A)

EXHIBIT B

TO PUBLIC HIGHWAY CROSSING AGREEMENT

TERMS AND CONDITIONS

SECTION 1 - CONDITIONS AND COVENANTS

- a) The Railroad makes no covenant or warranty of title for quiet possession or against encumbrances. The City shall not use or permit use of the Crossing Area for any purposes other than those described in this Agreement. Without limiting the foregoing, the City shall not use or permit use of the Crossing Area for railroad purposes, or for gas, oil or gasoline pipe lines. Any lines constructed within the Crossing Area by or under authority of the City for the purpose of conveying electric power or communications incidental to the City's use of the property for public street purposes or other development purposes shall be constructed in accordance with specifications and requirements of the Railroad, and in such manner as not adversely to affect communication or signal lines of the Railroad or its licensees now or hereafter located upon said property.
- b) The Railroad reserves the right to cross the Crossing Area with such railroad tracks as may be required for its convenience or purposes in such manner as not unreasonably to interfere with its use as a public street.
- c) The right hereby granted is subject to any existing encumbrances and rights (whether public or private), recorded or not, and also to any renewals thereof. The City shall not damage, destroy or interfere with the property or rights of nonparties in, upon or relating to the railroad property, unless the City, at its own expense, settles with and obtains releases from such nonparties.
- d) The Railroad reserves the right to use and to grant to others the right to use the Crossing Area for any purpose not inconsistent with the right hereby granted, including, but not by way of limitation, the right to construct, reconstruct, maintain, operate, repair, alter, renew and replace tracks, facilities and appurtenances on the property; also the right to cross the Crossing Area with all kinds of equipment. The Railroad further reserves the right to attach signal, communication or power lines to any highway facilities located upon the property, provided that such attachments shall comply with City's specifications and will not interfere with the use of the Crossing Area.
- e) If any property or rights other than the right hereby granted are necessary for the construction, maintenance and use of the highway and its appurtenances, or for the performance of any work in connection with the Project, the City will acquire all such other property and rights at its own expense and without expense to the Railroad.

SECTION 2 - CONSTRUCTION OF STREET

- a) The City, at its own expense, will apply for and obtain all public authority required by law, ordinance, rule or regulation for the Project, and will furnish the Railroad upon request with satisfactory evidence that such authority has been obtained.
- b) Except as may be otherwise specifically provided herein, and in the Agreement to which this Exhibit B is attached, the City, at its own expense, will furnish all necessary labor, material and equipment, and shall construct and complete the street and all appurtenances thereof. The appurtenances shall include, without limitation, all necessary and proper highway warning devices (except those installed by the Railroad within its right-of-way), and all necessary and proper drainage facilities, guard rails or barriers, and right of way fences between the street and the railroad tracks. Upon completion of the Project, the City shall remove from the Railroad's property all temporary structures and false work, and will leave the Crossing Area in a condition satisfactory to the Railroad.
- c) The Railroad will receive no ascertainable benefit from the construction of the Project, and, except as may be specifically provided herein, shall not be required to pay or contribute any part of the cost of construction thereof. If the Project is to be financed in whole or in part by Federal funds, all construction work by the City shall be performed, and any reimbursement to the Railroad for work it performs shall be made, in accordance with the applicable Federal acts, regulations, and this Agreement.
- d) All construction work of the City within the Crossing Area and any other Railroad property (including, but not limited to, construction of the street and all appurtenances and all related and incidental work) shall be performed and completed in a manner satisfactory to the Vice President-Engineering Services of the Railroad or his authorized representative and in accordance with detailed plans and specifications prepared by and at the expense of the City, and approved in writing by the Railroad's Vice President-Engineering Services. The Railroad acknowledges the necessity of the Project staying on schedule and agrees to diligently process any necessary reviews and/or approvals.
- e) All construction work of the City shall be performed diligently and completed within a reasonable time, and in any event within 18 months from the effective date of this Agreement, or within such further period of time as may be specified in writing by the Railroad's Vice President-Engineering Services. No part of the Project shall be suspended, discontinued or unduly delayed without the Railroad's written consent, and subject to such reasonable conditions as the Railroad may specify. It is understood that the Railroad's tracks at and in the vicinity of the work will be in constant or frequent use during progress of the work and that movement or stoppage of trains, engines or cars may cause delays in the work of the City. The City hereby assumes the risk of any such delays and agrees that no claims for damage on account of any delay shall be made against the Railroad.

SECTION 3 - INJURY AND DAMAGE TO PROPERTY

If the City, in the performance of any work contemplated by this Agreement or by the failure to do or perform anything for which the City is responsible under the provisions of this Agreement, shall injure, damage or destroy any property of the Railroad or of any other person lawfully occupying or using the property of the Railroad, such property shall be replaced or repaired by the City, at the City's own expense, or by the Railroad at the expense of the City, and to the reasonable satisfaction of the Railroad's Vice President-Engineering Services.

SECTION 4 - MAINTENANCE

- a) Pursuant to the provisions of Paragraph C, subparagraph 6, of Section R14-5-104 of the Arizona Administrative Code, the Railroad, at its expense, will maintain the portion of the road crossing consisting of the concrete crossing surface over the track of the Railroad that lies between the rails and two feet on the outside thereof.
- b) Pursuant to the provisions of Paragraph C, subparagraph 6, of Section R14-5-104 of the Arizona Administrative Code, the City, at its expense, will maintain the highway approaches of the roadway that are located within the Crossing Area and which lie outside of the area described in Paragraph a) above.

SECTION 5 - REARRANGEMENT OF WARNING DEVICES

If the change or rearrangement of any warning device installed hereunder is necessitated for public or Railroad convenience or on account of improvements for either railroad, highway or both, the parties will apportion the expense incidental thereto between themselves by negotiation, agreement or by the order of a competent authority before the change or rearrangement is undertaken.

SECTION 6 - SAFETY MEASURES; PROTECTION OF RAILROAD COMPANY OPERATIONS

It is understood and recognized that safety and continuity of the Railroad's operations and communications are of the utmost importance; and in order that the same may be adequately safeguarded, protected and assured, and in order that accidents may be prevented and avoided, it is agreed with respect to all of said work of the City that the work will be performed in a safe manner and in conformity with the following standards:

- a) **Definitions.** All references in this Agreement to the City shall include the City's contractors, subcontractors, officers, agents and employees, and others acting under its or their authority; and all references in this Agreement to work of the City shall include work both within and outside of railroad property.
- b) **Compliance With Laws.** The City and the Railroad shall comply with all applicable federal, state and local laws, regulations and enactments affecting the work. The City and the Railroad shall use only such methods as are consistent with safety, both as concerns the City, the City's agents and employees, the officers, agents, employees and property of the Railroad and the public in general. The City and the Railroad (without limiting the generality of the foregoing) shall comply with all applicable state and federal occupational safety and health acts and regulations. All Federal Railroad Administration regulations shall be followed when work is performed on the Railroad's premises. If any failure by the City to comply with any laws, regulations, and enactments, shall result in any fine, penalty, cost or charge being assessed, imposed or charged against the Railroad, the City, as the case may be, shall reimburse and indemnify the Railroad for any such fine, penalty, cost, or charge, including without limitation reasonable attorney's fees, court costs and expenses. The City further agrees in the event of any such action, upon notice thereof being provided by the Railroad, to defend such action free of cost, charge, or expense to the Railroad. If any failure by the Railroad to comply with any laws, regulations, and enactments, shall result in any fine, penalty, cost or charge being assessed, imposed or charged against the City, the Railroad shall reimburse and indemnify the City, as the case may be, for any such fine, penalty, cost, or charge, including without limitation reasonable attorney's fees, court costs and expenses. The Railroad further agrees in the event of any such action, upon notice thereof being provided by the City, to defend such action free of cost, charge, or expense to the City, as the case may be.
- c) **No Interference or Delays.** The City shall not do, suffer or permit anything which will or may obstruct, endanger, interfere with, hinder or delay maintenance or operation of the Railroad's tracks or facilities, or any communication or signal lines, installations or any appurtenances thereof, or the operations of others lawfully occupying or using the Railroad's property or facilities.
- d) **Supervision.** The City, at its own expense, shall adequately police and supervise all work to be performed by the City, and shall not inflict injury to persons or damage to property for the safety of whom or of which the Railroad may be responsible, or to property of the Railroad. The responsibility of the City for safe conduct and adequate policing and supervision of the Project shall not be lessened or otherwise affected by the Railroad's approval of plans and specifications, or by the Railroad's collaboration in performance of any work, or by the presence at the work site of the Railroad's representatives, or by compliance by the City with any requests or recommendations made by such representatives. If a representative of the Railroad is assigned to the Project, the City will give due consideration to suggestions and recommendations made by such representative for the safety and protection of the Railroad's property and operations.
- e) **Suspension of Work.** If at any time the City's engineers or the Vice President-Engineering Services of the Railroad or their respective representatives shall be of the reasonable opinion that any work of the City is being or is about to be done or prosecuted without due regard and precaution for safety and security, the City shall immediately suspend the work until suitable, adequate and proper protective measures are adopted and provided.
- f) **Removal of Debris.** The City shall not cause, suffer or permit material or debris to be deposited or cast upon, or to slide or fall upon any property or facilities of the Railroad; and any such material and debris shall be promptly removed from the Railroad's property by the City at the City's own expense or by the Railroad at the expense of the City. The City shall not cause, suffer or permit any snow or sand to be plowed or cast upon the Railroad's property during snow or sand removal from the Crossing Area.
- g) **Explosives.** The City shall not discharge any explosives on or in the vicinity of the Railroad's property without the prior consent of the Railroad's Vice President-Engineering Services, which shall not be given if, in the sole discretion of the Railroad's Vice President-Engineering Services, such discharge would be dangerous or would interfere with the Railroad's property or facilities. For the purposes hereof, the "vicinity of the Railroad's property" shall be deemed to be any place on the Railroad's property or in such close proximity to the Railroad's property that the discharge of explosives could cause injury to the Railroad's employees or other persons, or cause damage to or interference with the facilities or operations on the Railroad's property. The Railroad reserves the right to impose such conditions, restrictions or limitations on the transportation, handling, storage, security and use of explosives as the Railroad, in the Railroad's sole discretion, may deem to be necessary, desirable or appropriate. In addition to any conditions, restrictions or limitations as may be specifically imposed:
- 1) Unless the Railroad's Vice President-Engineering Services agrees otherwise, the City shall provide no less than 48 hours' notice, excluding weekends and holidays, before discharging any explosives.

- 2) Any explosives loaded in holes or placed or otherwise readied for discharge on a day shall be discharged on the same day during daylight hours, and at mutually acceptable times.
 - 3) The City, at its own expense, shall take all precautionary measures and construct all temporary shelters necessary to guard against danger of damage, destruction or interference arising out of or connected with any blasting or any transportation, handling, storage, security or use of explosives.
 - 4) The City shall require explosives to be transported, handled, stored or otherwise secured and used in a manner satisfactory to the Railroad and in accordance with local, state and Federal laws, rules and regulations, including, without limitation, United States Department of Labor, Bureau of Labor Standards, Safety and Health Regulations for Construction, 29 CFR Part 1518, Subpart U -- "Blasting and the Use of Explosives"; and Occupational Safety and Health Administration Occupational Safety and Health Standards, 29 CFR Part 1910, Subpart H -- "Hazardous Materials".
- h) **Obstructions to View.** Except as otherwise specifically provided herein, the City shall not cause or permit the view along the tracks of the Railroad to be obstructed, nor place any combustible material on the premises, nor erect any structures thereon. The Railroad, at its expense, shall control or remove weeds and vegetation within and on each side of the Crossing Area so that the view of approaching motorists to approaching trains is not obstructed by weeds or vegetation insofar as it may lawfully may do so.
- i) **Excavation.** The City shall not excavate from existing slopes nor construct new slopes which are excessive and may create hazards of slides or falling rock, or impair or endanger the clearance between existing or new slopes and the tracks of the Railroad. The City shall not do or cause to be done any work which will or may disturb the stability of any area or adversely affect the Railroad's tracks or facilities. The City, at its own expense, shall install and maintain adequate shoring and cribbing for all excavation and/or trenching performed by the City in connection with construction, maintenance or other work. The shoring and cribbing shall be constructed and maintained with materials and in a manner reasonably approved by the Railroad's Vice President-Engineering Services to withstand all stresses likely to be encountered, including any stresses resulting from vibrations caused by the Railroad's operations in the vicinity.
- j) **Drainage.** The City, at the City's own expense, shall provide suitable facilities for draining the street and its appurtenances, and shall not suffer or permit drainage water therefrom to flow or collect upon property of the Railroad. After completion of the Project, the City, at City's expense, shall provide adequate passageway for the waters of any streams, bodies of water and drainage facilities (either natural or artificial), and shall ensure that such drainage does not interfere with any existing Railroad drainage patterns, culverts or other facilities, so that said waters may not, because of any facilities or work of the City, be impeded, obstructed, diverted or caused to back up, overflow or damage the property of the Railroad or any part thereof, or property of others. The City shall not obstruct or interfere with existing ditches or drainage facilities.
- k) **Notice.** Before commencing any work, the City shall provide at least ten (10) days prior notice (excluding weekends and holidays) to the Railroad's Manager-Track Maintenance.
- l) **Fiber Optic Cables.** Fiber optic cable systems may be buried on the Railroad'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. City shall telephone the Railroad 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 anywhere on the Railroad's premises to be used by the City. If it is, City will telephone the telecommunications company(ies) involved, arrange for a cable locator, and make arrangements for relocation or other protection of the fiber optic cable prior to beginning any work on the Railroad's premises.

SECTION 7 - INTERIM WARNING DEVICES

If at anytime it is determined by a competent authority, by the City, or by agreement between the parties, that new or improved train activated warning devices should be installed at the Crossing Area, the parties, at their expense, will install regulator signs in accordance with the Manual on Uniform Traffic Control Devices ("MUTCD") adequate temporary warning devices or signs and impose appropriate vehicular control measures to protect the motoring public until the new or improved devices have been installed pursuant to agreement between the parties or applicable law.

SECTION 8 - REMEDIES FOR BREACH OR NONUSE

If the City shall fail, refuse or neglect to perform and abide by the terms of this Agreement, the Railroad, in addition to any other rights and remedies, may perform any work which in the judgment of the Railroad is necessary to place the street and appurtenances in such condition as will not menace, endanger or interfere with the Railroad's facilities or operations or jeopardize the Railroad's employees, and the City, as the case may be, will reimburse the Railroad for the expenses thereof. If the Railroad shall fail, refuse or neglect to perform and abide by the terms of this Agreement, the City, as the case may be, in addition to any other rights and remedies, may perform any work which in the judgment of the City is necessary to place the street and appurtenances in such condition as will not menace, endanger or interfere with the Railroad's or public facilities or operations or jeopardize the Railroad's employees, the City, the City or the public, and the Railroad will reimburse the City, as the case may be, for the expenses thereof.

SECTION 9 - MODIFICATION - ENTIRE AGREEMENT

No waiver, modification or amendment of this Agreement shall be of any force or effect unless made in writing, signed by the City and the Railroad and specifying with particularity the nature and extent of such waiver, modification or amendment. Any waiver by either party of any default by either shall not affect or impair any right arising from any subsequent default. This Agreement and Exhibits attached hereto and made a part hereof constitute the entire understanding between the City and the Railroad and cancel and supersede any prior negotiations, understandings or agreements, whether written or oral, with respect to the work or any part thereof.

SECTION 10 - ASSIGNMENT; SUCCESSORS AND ASSIGNS

This Agreement shall not be assigned without the written consent of the Railroad, which should not be unreasonably withheld. Subject hereto, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

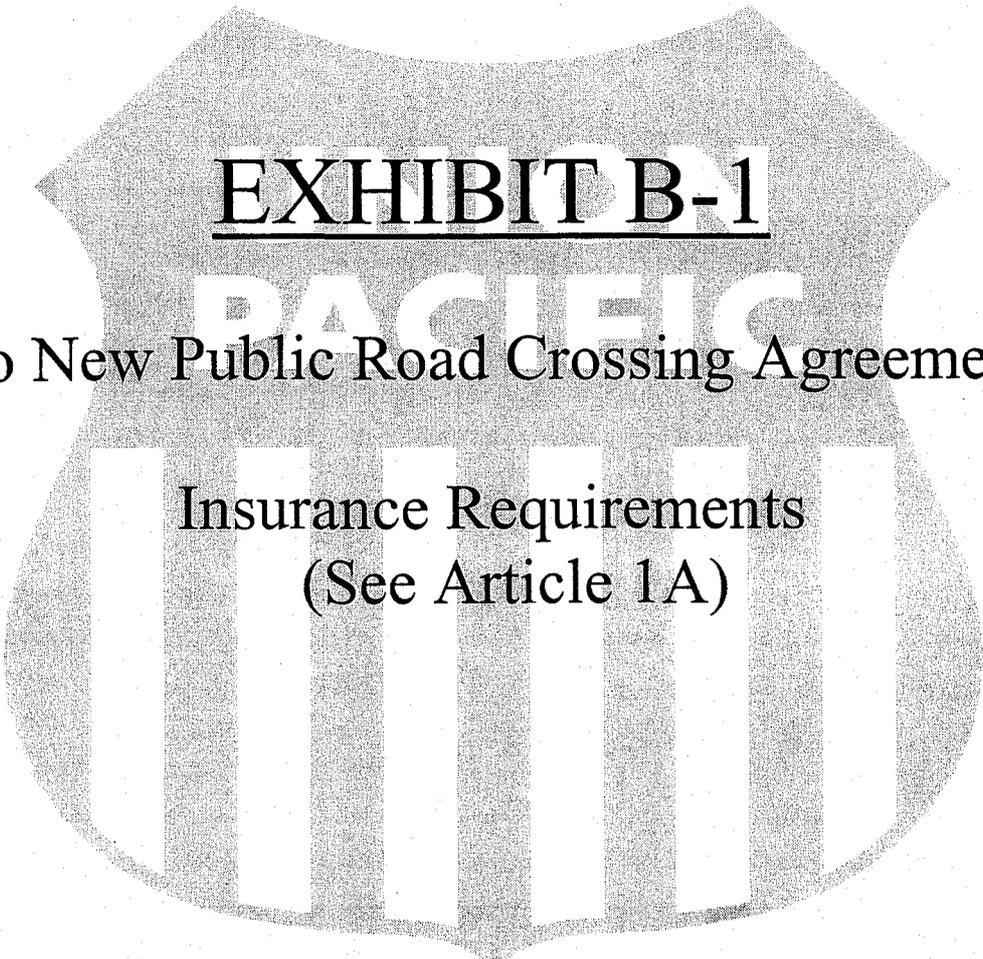


EXHIBIT B-1

To New Public Road Crossing Agreement

Insurance Requirements
(See Article 1A)

EXHIBIT B-1

TO NEW PUBLIC ROAD CROSSING AGREEMENT INSURANCE REQUIREMENTS

For purposes of this **Exhibit B-1**, all references to the term "Contractor" shall be deemed to be all contractors hired by City and all subcontractors of any such Contractor.

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

A. Commercial General Liability insurance. This insurance shall contain broad form contractual liability with a single limit of at least \$5,000,000 each occurrence or claim and an aggregate limit of at least \$10,000,000. Coverage must be purchased on a post 1998 ISO or equivalent form, including but not limited to coverage for the following:

- Bodily injury including death and personal injury
- Property damage
- Fire legal liability (Not less than the replacement value of the portion of the premises occupied)
- Products and completed operations

The policy shall also contain the following endorsements **which shall be indicated on the certificate of insurance:**

- "For purposes of this insurance, Union Pacific Railroad payments related to the Federal Employers Liability Act or a Union Pacific Wage Continuation Program or similar programs are deemed not to be either payments made or obligations assumed under any Workers Compensation, disability benefits, or unemployment compensation law or similar law."
- The exclusions for railroads (except where the Job site is more than fifty feet (50') from any railroad including but not limited to tracks, bridges, trestles, roadbeds, terminals, underpasses or crossings), and explosion, collapse and underground hazard shall be removed.
- Coverage for Contractor's (and Railroad's) employees shall not be excluded
- Waiver of subrogation

B. Business Automobile Coverage insurance. This insurance shall contain a combined single limit of at least \$2,000,000 per occurrence or claim, including but not limited to coverage for the following:

- Bodily injury and property damage
- Any and all motor vehicles including owned, hired and non-owned

The policy shall also contain the following endorsements **which shall be indicated on the certificate of insurance:**

- "For purposes of this insurance, Union Pacific Railroad payments related to the Federal Employers Liability Act or a Union Pacific Wage Continuation Program or similar programs are deemed not to be either payments made or obligations assumed under any Workers Compensation, disability benefits, or unemployment compensation law or similar law."
- The exclusions for railroads (except where the Job site is more than fifty feet (50') from any railroad including but not limited to tracks, bridges, trestles, roadbeds, terminals, underpasses or crossings), and explosion, collapse and underground hazard shall be removed.
- Motor Carrier Act Endorsement- Hazardous materials clean up (MCS-90) if required by law.

C. Workers Compensation and Employers Liability insurance including but not limited to:

- Contractor's statutory liability under the workers' compensation laws of the state(s) affected by this Agreement
- Employers' Liability (Part B) with limits of at least
\$500,000 each accident, \$500,000 disease policy limit
\$500,000 each employee

If Workers Compensation insurance will not cover the liability of Contractor in states that require participation in state workers' compensation fund, Contractor shall comply with the laws of such states. If Contractor is self-insured, evidence of state approval must be provided along with evidence of excess workers compensation coverage. Coverage shall include liability arising out of the U. S. Longshoremen's and Harbor Workers' Act, the Jones Act, and the Outer Continental Shelf Land Act, if applicable.

The policy shall also contain the following endorsement **which shall be indicated on the certificate of insurance:**

- Alternate Employer Endorsement

- D. **Umbrella or Excess Policies** In the event Contractor utilizes Umbrella or excess policies, these policies shall "follow form" and afford no less coverage than the primary policy.
- E. **Railroad Protective Liability** insurance naming only the Railroad as the insured with a combined single limit of \$2,000,000 per occurrence with a \$6,000,000 aggregate. The policy shall be broad form coverage for "Physical Damage to Property" (ISO Form CG 00 35 07 98 or equivalent). A binder stating the policy is in place must be submitted to the Railroad until the original policy is forwarded to the Railroad.

Other Requirements

- F. Punitive damage exclusion must be deleted, **which deletion shall be indicated on the certificate of insurance.**
- G. Contractor agrees to waive its right of recovery, and its insurers, through policy endorsement, agree to waive their right of subrogation against Railroad. Contractor further waives its right of recovery, and its insurers also waive their right of subrogation against Railroad for loss of its owned or leased property or property under its care, custody and control. Contractor's insurance shall be primary with respect to any insurance carried by Railroad. All waivers of subrogation **shall be indicated on the certificate of insurance.**
- H. All policy(ies) required above (excluding Workers Compensation) shall provide severability of interests and shall name Railroad as an additional insured. **Severability of interest and naming Railroad as additional insured shall be indicated on the certificate of insurance.**
- I. Prior to commencing the Work, Contractor shall furnish to Railroad original certificate(s) of insurance evidencing the required coverage, endorsements, and amendments. The certificate(s) shall contain a provision that obligates the insurance company(ies) issuing such policy(ies) to notify Railroad in writing of any cancellation or material alteration. **Upon request from Railroad, a certified duplicate original of any required policy shall be furnished.**
- J. Any insurance policy shall be written by a reputable insurance company acceptable to Railroad or with a current Best's Insurance Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the service is to be provided.
- K. Contractor **WARRANTS** that this Agreement has been thoroughly reviewed by Contractor's insurance agent(s)/broker(s), who have been instructed by Contractor to procure the insurance coverage required by this Agreement and acknowledges that Contractor's insurance coverage will be primary.
- L. The fact that insurance is obtained by Contractor or Railroad on behalf of Contractor shall not be deemed to release or diminish the liability of Contractor, including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by Railroad shall not be limited by the amount of the required insurance coverage.

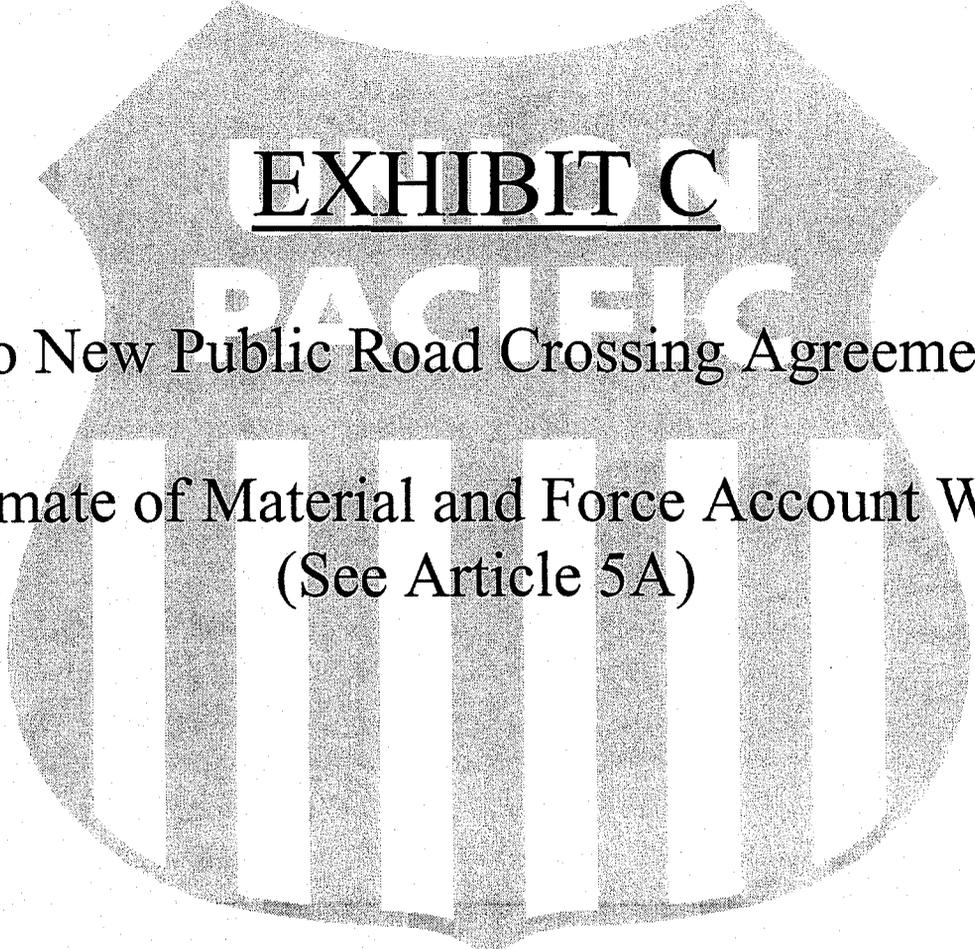


EXHIBIT C

To New Public Road Crossing Agreement

Estimate of Material and Force Account Work
(See Article 5A)

DATE: 2003-11-03

ESTIMATE OF MATERIAL AND FORCE ACCOUNT WORK
BY THE
UNION PACIFIC RAILROAD

DESCRIPTION OF WORK:

REMOVE EXISTING FLASHERS & CASE, INSTALL 4 FL SIGNALS W/GATES, TWO CANTI
LEVER FL SIGNALS W/CWT CIRCUITRY, AND NEW CABIN AT PECOS ROAD IN
CHANDLER, AZ. M.P. 930.07 ON THE CHANDLER IND. LEAD
RAILROAD TO PERFORM ALL WORK / COST DISTRIBUTED AS FOLLOWS:
SIGNAL - CITY OF CHANDLER 100% RECOLLECTIBLE

PID: 47189 AWO: 44077 MP,SUBDIV: 930.07, CHANDLER
SERVICE UNIT: 16 CITY: CHANDLER STATE: AZ

DESCRIPTION	QTY	UNIT	LABOR	MATERIAL	RECOLL	UPRR	TOTAL
ENGINEERING WORK							
ENGINEERING			3025		3025		3025
LABOR ADDITIVE 152%			11004		11004		11004
RECOLL-INSPE			2737		2737		2737
SIG-HWY XNG			1478		1478		1478
TOTAL ENGINEERING			18244		18244		18244
SIGNAL WORK							
BILL PREP			900		900		900
CONTRACT				10072	10072		10072
EARTH FILL/ROCK				1000	1000		1000
EQUIPMENT RENTAL				8568	8568		8568
FOREIGN LINE FREIGHT				2015	2015		2015
LABOR ADDITIVE 152%			77419		77419		77419
MATL STORE EXPENSE				3031	3031		3031
METER SERVICE				8000	8000		8000
PERSONAL EXPENSES				41250	41250		41250
SALES TAX				4029	4029		4029
SIGNAL			50933	100729	151662		151662
TRANSPORTATION CHARGES				4003	4003		4003
USAGE EQUIPMENT				12852	12852		12852
TOTAL SIGNAL			129252	195549	324801		324801
TRACK & SURFACE WORK							
LABOR ADDITIVE 152%			6743		6743		6743
PERSONAL EXPENSES				3750	3750		3750
SIG-HWY XNG			4436		4436		4436
TOTAL TRACK & SURFACE			11179	3750	14929		14929
LABOR/MATERIAL EXPENSE			158675	199299			
RECOLLECTIBLE/UPRR EXPENSE					357974	0	
ESTIMATED PROJECT COST							357974
EXISTING REUSEABLE MATERIAL CREDIT					0		
SALVAGE NONUSEABLE MATERIAL CREDIT					0		
RECOLLECTIBLE LESS CREDITS							

THE ABOVE FIGURES ARE ESTIMATES ONLY AND SUBJECT TO FLUCTUATION. IN THE EVENT OF AN INCREASE OR DECREASE IN THE COST OR QUANTITY OF MATERIAL OR LABOR REQUIRED, UPRR WILL BILL FOR ACTUAL CONSTRUCTION COSTS AT THE CURRENT EFFECTIVE RATE.

DATE: 2003-08-28

ESTIMATE OF MATERIAL AND FORCE ACCOUNT WORK
BY THE
UNION PACIFIC RAILROAD

DESCRIPTION OF WORK:
INSTALL 120 TF OF NEW CONCRETE ON WOOD TIE GRADE CROSSING SURFACE.
INCLUDING TIES, RAIL, PLATES, AND CLIPS. UNLOAD BALLAST AND SURFACE TRACK.
RAILROAD TO REMOVE 1 12FT BALLAST DECK BRIDGE. CITY TO INSTALL 1 CULVERT
CITY OF CHANDLER AZ TO PAY 100% OF THE COST OF THIS PROJECT.

PID: 47190 AWO: 44078 MP, SUBDIV: 930.07, CHANDLER
SERVICE UNIT: 16 CITY: CHANDLER STATE: AZ

DESCRIPTION	QTY	UNIT	LABOR	MATERIAL	RECOLL	UPRR	TOTAL
ENGINEERING WORK							
ENGINEERING			1000		1000		1000
LABOR ADDITIVE 139%			1390		1390		1390
TOTAL ENGINEERING			2390		2390		2390
SIGNAL WORK							
LABOR ADDITIVE 150%			1277		1277		1277
MATL STORE EXPENSE				9	9		9
SALES TAX				12	12		12
SIGNAL			851	322	1173		1173
TOTAL SIGNAL			2128	343	2471		2471
TRACK & SURFACE WORK							
BALAST	3.00	CL	3236	1829	5065		5065
BILL PREP			900		900		900
BRIDGE			2399		2399		2399
COMPANY EQUIPMENT USAGE				1850	1850		1850
EQUIPMENT RENTAL				10000	10000		10000
FIELD WELD			1351		1351		1351
FOREIGN LINE FREIGHT				360	360		360
HOME LINE FREIGHT				900	900		900
LABOR ADDITIVE 150%			30857		30857		30857
MATL STORE EXPENSE				779	779		779
NON-TRACK RE			2399		2399		2399
OTM			4404	3600	8004		8004
RAIL	240.00	LF	1581	2712	4293		4293
RDKING	120.00	TF	6884	18085	24969		24969
ROADWAY APPROACHES				26000	26000		26000
SALES TAX				1431	1431		1431
SAW CUT STREET				1000	1000		1000
TRAFFIC CONTROL				10000	10000		10000
TRK-SURF, LIN			2338		2338		2338
WELD			518	775	1293		1293
XTIE	125.00	EA	9783	8800	18583		18583
TOTAL TRACK & SURFACE			66650	88121	154771		154771
LABOR/MATERIAL EXPENSE			71168	88464			
RECOLLECTIBLE/UPRR EXPENSE					159632	0	
ESTIMATED PROJECT COST							159632
EXISTING REUSEABLE MATERIAL CREDIT					0		
SALVAGE NONUSEABLE MATERIAL CREDIT					0		
RECOLLECTIBLE LESS CREDITS							

THE ABOVE FIGURES ARE ESTIMATES ONLY AND SUBJECT TO FLUCTUATION. IN THE EVENT OF AN INCREASE OR DECREASE IN THE COST OR QUANTITY OF MATERIAL OR LABOR REQUIRED, UPRR WILL BILL FOR ACTUAL CONSTRUCTION COSTS AT THE CURRENT EFFECTIVE RATE.

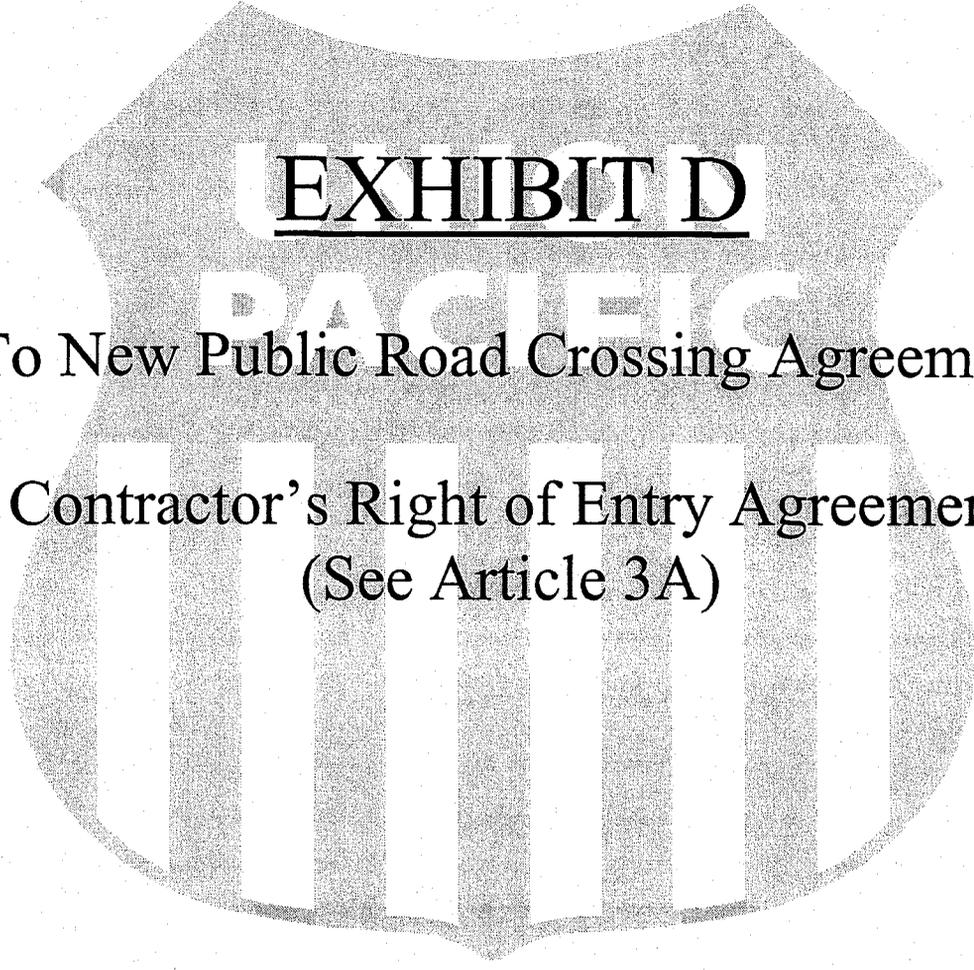


EXHIBIT D

To New Public Road Crossing Agreement

Contractor's Right of Entry Agreement
(See Article 3A)

CONTRACTOR'S RIGHT OF ENTRY AGREEMENT

THIS AGREEMENT is made and entered into as of the _____ day of _____, 200____, by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation (the "Railroad"); and _____
(Name of Contractor)

a _____ corporation (the "Contractor").
(State of Incorporation)

RECITALS:

Contractor has been hired by the *City of Chandler* to perform work relating to reconstruction and widening of the existing Pecos Road at-grade public road crossing (the "work"), with all or a portion of such work to be performed on property of Railroad in the vicinity of Mile Post 930.07 on the Chandler Industrial Lead in Chandler, Maricopa County, Arizona, which work is the subject of a contract dated _____ between Railroad and the City of Chandler.
(Date of Basic Agreement)

Contractor has requested Railroad to permit it to perform the work on the portion of Railroad's property shown on the print marked **Exhibit A**, attached hereto and hereby made a part hereof, and Railroad is agreeable thereto, subject to the following terms and conditions.

AGREEMENT:

NOW, THEREFORE, it is mutually agreed by and between the Railroad and Contractor, as follows:

ARTICLE 1 - DEFINITION OF CONTRACTOR.

For purposes of this agreement, all references in this agreement to the Contractor shall include the Contractor's contractors, subcontractors, officers, agents and employees, and others acting under its or their authority.

ARTICLE 2 - RIGHT GRANTED; PURPOSE.

The Railroad hereby grants to the Contractor the right, during the term hereinafter stated and upon and subject to each and all of the terms, provisions and conditions herein contained, to enter upon and have ingress to and egress from the property described in the Recitals for the purpose of performing any work described in the Recitals above. The right herein granted to Contractor is limited to those portions of Railroad's property specifically described herein, or as designated by the Railroad Representative named in Article 4.

ARTICLE 3 - TERMS AND CONDITIONS CONTAINED IN EXHIBITS A, B, C AND D.

The terms and conditions contained in **Exhibit A**, **Exhibit B**, **Exhibit C** and **Exhibit D**, attached hereto, are hereby made a part of this agreement.

ARTICLE 4 - ALL EXPENSES TO BE BORNE BY CONTRACTOR; RAILROAD REPRESENTATIVE.

A. The Contractor shall bear any and all costs and expenses associated with any work performed by the Contractor, or any costs or expenses incurred by the Railroad relating to this agreement.

B. The Contractor shall coordinate all of its work with the following Railroad representative or his or her duly authorized representative (the "Railroad Representative"):

Mike Battista
Manager Track Maintenance
Union Pacific Railroad Company
1255 South Campbell Avenue
Tucson, AZ 85713
Phone: 602-322-2506
FAX: 602-322-2515

C. The Contractor, at its own expense, shall adequately police and supervise all work to be performed by the Contractor and shall ensure that such work is performed in a safe manner as set forth in Section 7 of **Exhibit B**. The responsibility of the Contractor for safe conduct and adequate policing and supervision of the Contractor's work shall not be lessened or otherwise affected by the Railroad's approval of plans and specifications involving the work, or by the Railroad's collaboration in performance of any work, or by the presence at the work site of the Railroad Representative, or by compliance by the Contractor with any requests or recommendations made by the Railroad Representative.

ARTICLE 5 - TERM; TERMINATION.

A. The grant of right herein made to Contractor shall commence on the date of this agreement, and continue until _____, unless sooner terminated as herein provided, or at such time as Contractor has completed its work on Railroad's property, whichever is earlier. Contractor agrees to notify the Railroad Representative in writing when it has completed its work on Railroad property.
(Expiration Date)

B. This agreement may be terminated by either party on ten (10) days written notice to the other party.

ARTICLE 6 - CERTIFICATE OF INSURANCE.

A. Before commencing any work, Contractor will provide Railroad with the insurance binders, policies, certificates and/or endorsements set forth in **Exhibit C** of this agreement.

B. All insurance correspondence, binders, policies, certificates and/or endorsements shall be directed to:

Union Pacific Railroad Company
1800 Farnam Street
Omaha NE 68102
Attn.: Director Contracts
Folder No.: 2233-42

ARTICLE 7 - DISMISSAL OF CONTRACTOR/SUBCONTRACTOR EMPLOYEE.

At the request of Railroad, Contractor shall remove from Railroad property any employee of Contractor or any subcontractor who fails to conform to the instructions of the Railroad Representative in connection with the work on Railroad's property, and any right of Contractor shall be suspended until such removal has occurred. Contractor shall indemnify Railroad against any claims arising from the removal of any such employee from Railroad property.

ARTICLE 8 - ADMINISTRATIVE FEE.

Contractor shall pay to Railroad **FIVE HUNDRED DOLLARS (\$500.00)** as reimbursement for clerical,

administrative and handling expenses in connection with the processing of this agreement.

ARTICLE 9 - CROSSINGS.

No additional vehicular crossings (including temporary haul roads) or pedestrian crossings over Railroad's trackage shall be installed or used by Contractor without the prior written permission of Railroad.

ARTICLE 10 - EXPLOSIVES.

Explosives or other highly flammable substances shall not be stored on Railroad property without the prior written approval of the Railroad.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement in duplicate as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY

By: _____
Senior Manager Contracts

WITNESS:

(Name of Contractor)

By: _____
Title: _____

EXHIBIT B

TO CONTRACTOR'S RIGHT OF ENTRY AGREEMENT

TERMS AND CONDITIONS

Section 1. NOTICE OF COMMENCEMENT OF WORK - FLAGGING.

A. The Contractor agrees to notify the Railroad Representative at least ten (10) working days in advance of Contractor commencing its work and at least ten (10) working days in advance of proposed performance of any work by the Contractor in which any person or equipment will be within twenty-five (25) feet of any track, or will be near enough to any track that any equipment extension (such as, but not limited to, a crane boom) will reach to within twenty-five (25) feet of any track. No work of any kind shall be performed, and no person, equipment, machinery, tool(s), material(s), vehicle(s), or thing(s) shall be located, operated, placed, or stored within twenty-five (25) feet of any of Railroad's track(s) at any time, for any reason, unless and until a Railroad flagman is provided to watch for trains. Upon receipt of such ten (10)-day notice, the Railroad Representative will determine and inform the Contractor whether a flagman need be present and whether the Contractor need implement any special protective or safety measures. If flagging or other special protective or safety measures are performed by the Railroad, such services will be provided at Contractor's expense with the understanding that if the Railroad provides any flagging or other services, the Contractor shall not be relieved of any of its responsibilities or liabilities set forth herein. Contractor shall promptly pay to Railroad all charges connected with such services within thirty (30) days after presentation of a bill.

B. The rate of pay per hour for each man will be the prevailing hourly rate in effect for an eight hour day for the class of men used during regularly assigned hours and overtime in accordance with Labor Agreements and Schedules in effect at the time the work is performed. In addition to the cost of such labor, a composite charge for vacation, holiday, health and welfare, supplemental sickness, Railroad Retirement and unemployment compensation, supplemental pension, Employees Liability and Property Damage and Administration will be included, computed on actual payroll. The composite charge will be the prevailing composite charge in effect on the day of execution of this agreement. One and one-half times the current hourly rate is paid for overtime, Saturdays and Sundays; two and one-half times current hourly rate for holidays. Wage rates are subject to change, at any time, by law or by agreement between the Railroad and its employees, and may be retroactive as a result of negotiations or a ruling of an authorized Governmental Agency. Additional charges on labor are also subject to change. If the wage rate or additional charges are changed, the Contractor shall pay on the basis of the new rates and charges.

C. Reimbursement to the Railroad will be required covering the full eight hour day during which any flagman is furnished, unless he can be assigned to other Railroad work during a portion of such day, in which event reimbursement will not be required for the portion of the day during which the flagman is engaged in other Railroad work. Reimbursement will also be required for any day not actually worked by said flagman following his assignment to work on the project for which the Railroad is required to pay the flagman and which could not reasonably be avoided by the Railroad by assignment of such flagman to other work, even though the Contractor may not be working during such time. When it becomes necessary for the Railroad to bulletin and assign an employee to a flagging position in compliance with union collective bargaining agreements, the Contractor must provide the Railroad a minimum of five (5) days notice prior to the cessation of the need for a flagman. If five (5)-days notice of cessation is not given, the Contractor will still be required to pay flagging charges for the five (5)-day notice period required by union agreement to be given to the employee, even though flagging is not required for that period. An additional ten (10) days notice must then be given to the Railroad if flagging service are needed again after such five day cessation notice has been given Railroad.

Section 2. 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 Railroad to use and maintain its entire property including the right and power of the Railroad to construct, maintain, repair, renew, use, operate, change, modify or relocate railroad tracks, roadways, 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 Railroad without liability to the Contractor 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 lessees of the Railroad's property, and others) and the right of the Railroad to renew and extend the same, and is made without covenant of title or for quiet enjoyment.

Section 3. NO INTERFERENCE WITH OPERATIONS OF RAILROAD AND ITS TENANTS.

A. The Contractor shall conduct its operations so as not to interfere with the continuous and uninterrupted use and operation of the railroad tracks and property of the Railroad, including without limitation, the operations of the Railroad's lessees,

licensees or others, unless specifically authorized in advance by the Railroad Representative. Nothing shall be done or permitted to be done by the Contractor at any time that would in any manner impair the safety of such operations. When not in use, Contractor's machinery and materials shall be kept at least fifty (50) feet from the centerline of the Railroad's nearest track, and there shall be no vehicular crossings of Railroads tracks except at existing open public crossings.

B. Operations of the Railroad and work performed by the Railroad personnel and delays in the work to be performed by the Contractor caused by such railroad operations and work are expected by the Contractor, and Contractor agrees that the Railroad shall have no liability to Contractor, its subcontractors or any other person or entity for any such delays. The Contractor shall coordinate its activities with those of the Railroad and third parties so as to avoid interference with railroad operations. The safe operation of the Railroad takes precedence over any work to be performed by the Contractor.

Section 4. LIENS.

The Contractor shall pay in full all persons who perform labor or provide materials for the work to be performed by Contractor. The Contractor shall not create, permit or suffer any mechanic's or materialmen's liens of any kind or nature to be created or enforced against any property of the Railroad for any such work performed. The Contractor shall indemnify and hold harmless the Railroad from and against any and all liens, claims, demands, costs or expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed, or materials furnished. If the Contractor fails to promptly cause any lien to be released of record, the Railroad may, at its election, discharge the lien or claim of lien at Contractor's expense.

Section 5. PROTECTION OF FIBER OPTIC CABLE SYSTEMS.

A. Fiber optic cable systems may be buried on the Railroad'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. Contractor shall telephone the Railroad 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 anywhere on the Railroad's premises to be used by the Contractor. If it is, Contractor will telephone the telecommunications company(ies) involved, make arrangements for a cable locator and, if applicable, for relocation or other protection of the fiber optic cable. The Contractor shall not commence any work until all such protection or relocation (if applicable) has been accomplished.

B. In addition to other indemnity provisions in this Agreement, the Contractor shall indemnify, defend and hold the Railroad 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 Contractor, its contractor, agents and/or employees, that causes or contributes to (1) any damage to or destruction of any telecommunications system on Railroad's property, and/or (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 Railroad's property. Contractor shall not have or seek recourse against Railroad 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 Railroad's property or a customer or user of services of the fiber optic cable on Railroad's property.

Section 6. PERMITS - COMPLIANCE WITH LAWS.

In the prosecution of the work covered by this agreement, the Contractor shall secure any and all necessary permits and shall comply with all applicable federal, state and local laws, regulations and enactments affecting the work including, without limitation, all applicable Federal Railroad Administration regulations.

Section 7. SAFETY.

A. Safety of personnel, property, rail operations and the public is of paramount importance in the prosecution of the work performed by the Contractor. The Contractor shall be responsible for initiating, maintaining and supervising all safety, operations and programs in connection with the work. The Contractor shall at a minimum comply with the Railroad's safety standards listed in **Exhibit D**, hereto attached, to ensure uniformity with the safety standards followed by the Railroad's own forces. As a part of the Contractor's safety responsibilities, the Contractor shall notify the Railroad if the Contractor determines that any of the Railroad's safety standards are contrary to good safety practices. The Contractor shall furnish copies of **Exhibit D** to each of its employees before they enter on the job site.

B. Without limitation of the provisions of paragraph A above, the Contractor shall keep the job site free from safety and health hazards and ensure that its employees are competent and adequately trained in all safety and health aspects of the job.

C. The Contractor shall have proper first aid supplies available on the job site so that prompt first aid services may be provided to any person injured on the job site. The Contractor shall promptly notify the Railroad of any U.S. Occupational Safety

and Health Administration reportable injuries. The Contractor shall have a nondelegable duty to control its employees while they are on the job site or any other property of the Railroad, and to be certain they do not use, be under the influence of, or have in their possession any alcoholic beverage, drug or other substance that may inhibit the safe performance of any work.

D. If and when requested by the Railroad, the Contractor shall deliver to the Railroad a copy of the Contractor's safety plan for conducting the work (the "Safety Plan"). Railroad shall have the right, but not the obligation, to require the Contractor to correct any deficiencies in the Safety Plan. The terms of this agreement shall control if there are any inconsistencies between this agreement and the Safety Plan.

Section 8. INDEMNITY.

A. To the extent not prohibited by applicable statute, the Contractor shall indemnify, defend and hold harmless the Railroad, its affiliates, and its and their officers, agents and employees ("Indemnified Parties") from and against any and all loss, damage, injury, liability, claim, demand, cost or expense (including, without limitation, attorney's, consultant's and expert's fees, and court costs), fine or penalty (collectively, "Loss") incurred by any person (including, without limitation, any Indemnified Party, the Contractor, or any employee of the Contractor or of any Indemnified Party) arising out of or in any manner connected with (i) any work performed by the Contractor, or (ii) any act or omission of the Contractor, its officers, agents or employees, or (iii) any breach of this agreement by the Contractor.

B. The right to indemnity under this Section 8 shall accrue upon occurrence of the event giving rise to the Loss, and shall apply regardless of any negligence or strict liability of any Indemnified Party, except where the Loss is caused by the sole active negligence of an Indemnified Party as established by the final judgment of a court of competent jurisdiction. The sole active negligence of any Indemnified Party shall not bar the recovery of any other Indemnified Party.

C. The Contractor expressly and specifically assumes potential liability under this Section 8 for claims or actions brought by the Contractor's own employees. The Contractor waives any immunity it may have under worker's compensation or industrial insurance acts to indemnify the Railroad under this Section 8. Contractor acknowledges that this waiver was mutually negotiated by the parties hereto.

D. No court or jury findings in any employee's suit pursuant to any worker's compensation act or the Federal Employers' Liability Act against a party to this agreement may be relied upon or used by the Contractor in any attempt to assert liability against the Railroad.

E. The provisions of this Section 8 shall survive the completion of any work performed by the Contractor or the termination or expiration of this agreement. In no event shall this Section 8 or any other provision of this agreement be deemed to limit any liability the Contractor may have to any Indemnified Party by statute or under common law.

Section 9. RESTORATION OF PROPERTY.

In the event the Railroad authorizes the Contractor to take down any fence of the Railroad or in any manner move or disturb any of the other property of the Railroad in connection with the work to be performed by Contractor, then in that event the Contractor shall, as soon as possible and at Contractor'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. The Contractor shall remove all of Contractor's tools, equipment, rubbish and other materials from Railroad's property promptly upon completion of the work, restoring Railroad's property to the same state and condition as when Contractor entered thereon.

Section 10. WAIVER OF DEFAULT.

Waiver by the Railroad of any breach or default of any condition, covenant or agreement herein contained to be kept, observed and performed by the Contractor shall in no way impair the right of the Railroad to avail itself of any remedy for any subsequent breach or default.

Section 11. MODIFICATION - ENTIRE AGREEMENT.

No modification of this agreement shall be effective unless made in writing and signed by the Contractor and the Railroad. This agreement and the exhibits attached hereto and made a part hereof constitute the entire understanding between the Contractor and the Railroad and cancel and supersede any prior negotiations, understandings or agreements, whether written or oral, with respect to the work to be performed by the Contractor.

Section 12. ASSIGNMENT - SUBCONTRACTING.

The Contractor shall not assign or subcontract this agreement, or any interest therein, without the written consent of the

Railroad. The Contractor shall be responsible for the acts and omissions of all subcontractors, and shall require all subcontractors to maintain the insurance coverage required to be maintained by the Contractor as provided in this agreement, and to indemnify the Contractor and the Railroad to the same extent as the Railroad is indemnified by the Contractor under this agreement.

EXHIBIT C

TO CONTRACTOR'S RIGHT OF ENTRY AGREEMENT

INSURANCE PROVISIONS

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

A. Commercial General Liability insurance. This insurance shall contain broad form contractual liability with a single limit of at least \$5,000,000 each occurrence or claim and an aggregate limit of at least \$10,000,000. Coverage must be purchased on a post 1998 ISO or equivalent form, including but not limited to coverage for the following:

- Bodily injury including death and personal injury
- Property damage
- Fire legal liability (Not less than the replacement value of the portion of the premises occupied)
- Products and completed operations

The policy shall also contain the following endorsements **which shall be indicated on the certificate of insurance:**

- "For purposes of this insurance, Union Pacific Railroad payments related to the Federal Employers Liability Act or a Union Pacific Wage Continuation Program or similar programs are deemed not to be either payments made or obligations assumed under any Workers Compensation, disability benefits, or unemployment compensation law or similar law."
- The exclusions for railroads (except where the Job site is more than fifty feet (50') from any railroad including but not limited to tracks, bridges, trestles, roadbeds, terminals, underpasses or crossings), and explosion, collapse and underground hazard shall be removed.
- Coverage for Contractor's (and Railroad's) employees shall not be excluded
- Waiver of subrogation

B. Business Automobile Coverage insurance. This insurance shall contain a combined single limit of at least \$5,000,000 per occurrence or claim, including but not limited to coverage for the following:

Bodily injury and property damage

Any and all motor vehicles including owned, hired and non-owned

The policy shall also contain the following endorsements **which shall be indicated on the certificate of insurance:**

- "For purposes of this insurance, Union Pacific Railroad payments related to the Federal Employers Liability Act or a Union Pacific Wage Continuation Program or similar programs are deemed not to be either payments made or obligations assumed under any Workers Compensation, disability benefits, or unemployment compensation law or similar law."
- The exclusions for railroads (except where the Job site is more than fifty feet (50') from any railroad including but not limited to tracks, bridges, trestles, roadbeds, terminals, underpasses or crossings), and explosion, collapse and underground hazard shall be removed.
- Motor Carrier Act Endorsement- Hazardous materials clean up (MCS-90) if required by law.

C. Workers Compensation and Employers Liability insurance including but not limited to:

- Contractor's statutory liability under the workers' compensation laws of the state(s) affected by this Agreement
- Employers' Liability (Part B) with limits of at least
\$500,000 each accident, \$500,000 disease policy limit
\$500,000 each employee

If Workers Compensation insurance will not cover the liability of Contractor in states that require participation in state workers' compensation fund, Contractor shall comply with the laws of such states. If Contractor is self-insured, evidence of state approval must be provided along with evidence of excess workers compensation coverage. Coverage

shall include liability arising out of the U. S. Longshoremen's and Harbor Workers' Act, the Jones Act, and the Outer Continental Shelf Land Act, if applicable.

The policy shall also contain the following endorsement **which shall be indicated on the certificate of insurance:**

- Alternate Employer Endorsement

- D. **Umbrella or Excess Policies** in the event Contractor utilizes Umbrella or excess policies, these policies shall "follow form" and afford no less coverage than the primary policy.
- E. **Railroad Protective Liability** insurance naming only the Railroad as the insured with a combined single limit of \$2,000,000 per occurrence with a \$6,000,000 aggregate. The policy shall be broad form coverage for "Physical Damage to Property" (ISO Form CG 00 35 07 98 or equivalent). A binder stating the policy is in place must be submitted to the Railroad until the original policy is forwarded to the Railroad.

Other Requirements

- F. Punitive damage exclusion must be deleted, **which deletion shall be indicated on the certificate of insurance.**
- G. Contractor agrees to waive its right of recovery, and its insurers, through policy endorsement, agree to waive their right of subrogation against Railroad. Contractor further waives its right of recovery, and its insurers also waive their right of subrogation against Railroad for loss of its owned or leased property or property under its care, custody and control. Contractor's insurance shall be primary with respect to any insurance carried by Railroad. All waivers of subrogation **shall be indicated on the certificate of insurance.**
- H. All policy(ies) required above (excluding Workers Compensation) shall provide severability of interests and shall name Railroad as an additional insured. **Severability of interest and naming Railroad as additional insured shall be indicated on the certificate of insurance.**
- I. Prior to commencing the Work, Contractor shall furnish to Railroad original certificate(s) of insurance evidencing the required coverage, endorsements, and amendments. The certificate(s) shall contain a provision that obligates the insurance company(ies) issuing such policy(ies) to notify Railroad in writing of any cancellation or material alteration. **Upon request from Railroad, a certified duplicate original of any required policy shall be furnished.**
- J. Any insurance policy shall be written by a reputable insurance company acceptable to Railroad or with a current Best's Insurance Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the service is to be provided.
- K. Contractor **WARRANTS** that this Agreement has been thoroughly reviewed by Contractor's insurance agent(s)/broker(s), who have been instructed by Contractor to procure the insurance coverage required by this Agreement and acknowledges that Contractor's insurance coverage will be primary.
- L. The fact that insurance is obtained by Contractor or Railroad on behalf of Contractor shall not be deemed to release or diminish the liability of Contractor, including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by Railroad shall not be limited by the amount of the required insurance coverage.

EXHIBIT D

TO CONTRACTOR'S RIGHT OF ENTRY AGREEMENT

MINIMUM SAFETY REQUIREMENTS

The term "employees" as used herein refer to all employees of the Contractor as well as all employees of any subcontractor or agent of the Contractor.

I. Clothing

- A. All employees of the Contractor will be suitably dressed to perform their duties safely and in a manner that will not interfere with their vision, hearing, or free use of their hands or feet.

Specifically, the Contractor's employees must wear:

- (i) Waist-length shirts with sleeves.
 - (ii) Trousers that cover the entire leg. If flare-legged trousers are worn, the trouser bottoms must be tied to prevent catching.
 - (iii) Footwear that covers their ankles and has a defined heel. Employees working on bridges are required to wear safety-toed footwear that conforms to the American National Standards Institute (ANSI) and FRA footwear requirements.
- B. Employees shall not wear boots (other than work boots), sandals, canvas-type shoes, or other shoes that have thin soles or heels that are higher than normal.
- C. Employees must not wear loose or ragged clothing, neckties, finger rings, or other loose jewelry while operating or working on machinery.

II. Personal Protective Equipment

The Contractor shall require its employees to wear personal protective equipment as specified by Railroad rules, regulations, or recommended or requested by the Railroad Representative.

- (i) Hard hat that meets the American National Standard (ANSI) Z89.1 – latest revision. Hard hats should be affixed with the contractor's or subcontractor's company logo or name.
- (ii) Eye protection that meets American National Standard (ANSI) for occupational and educational eye and face protection, Z87.1 – latest revision. Additional eye protection must be provided to meet specific job situations such as welding, grinding, etc.
- (iii) Hearing protection, which affords enough attenuation to give protection from noise levels that will be occurring on the job site. Hearing protection, in the form of plugs or muffs, must be worn when employees are within:
 - 100 feet of a locomotive or roadway/work equipment
 - 15 feet of power operated tools
 - 150 feet of jet blowers or pile drivers
 - 150 feet of retarders in use (when within 10 feet, employees must wear dual ear protection – plugs and muffs)
 -
- (iv) Other types of personal protective equipment, such as respirators, fall protection equipment, and face shields, must be worn as recommended or requested by the Railroad Representative.

III. On Track Safety

The Contractor is responsible for compliance with the Federal Railroad Administration's Roadway Worker Protection regulations – 49CFR214, Subpart C and Railroad's On-Track Safety rules. Under 49CFR214, Subpart C, railroad contractors are responsible for the training of their employees on such regulations. In addition to the instructions contained in Roadway Worker Protection regulations, all employees must:

- (i) Maintain a distance of twenty-five (25) feet to any track unless the Railroad Representative is present to authorize movements.
- (ii) Wear an orange, reflectorized workwear approved by the Railroad Representative.

- (iii) Participate in a job briefing that will specify the type of On-Track Safety for the type of work being performed. Contractors must take special note of limits of track authority, which tracks may or may not be fouled, and clearing the track. The Contractors will also receive special instructions relating to the work zone around machines and minimum distances between machines while working or traveling.

IV. Equipment

- A. It is the responsibility of the Contractor to ensure that all equipment is in a safe condition to operate. If, in the opinion of the Railroad Representative, any of the Contractor's equipment is unsafe for use, the Contractor shall remove such equipment from the Railroad's property. In addition, the Contractor must ensure that the operators of all equipment are properly trained and competent in the safe operation of the equipment. In addition, operators must be:
- Familiar and comply with Railroad's rules on lockout/tagout of equipment.
 - Trained in and comply with the applicable operating rules if operating any hy-rail equipment on-track.
 - Trained in and comply with the applicable air brake rules if operating any equipment that moves rail cars or any other railbound equipment.
- B. All self-propelled equipment must be equipped with a first-aid kit, fire extinguisher, and audible back-up warning device.
- C. Unless otherwise authorized by the Railroad Representative, all equipment must be parked a minimum of twenty-five (25) feet from any track. Before leaving any equipment unattended, the operator must stop the engine and properly secure the equipment against movement.
- D. Cranes must be equipped with three orange cones that will be used to mark the working area of the crane and the minimum clearances to overhead powerlines.

V. General Safety Requirements

- A. The Contractor shall ensure that all waste is properly disposed of in accordance with applicable federal and state regulations.
- B. The Contractor shall ensure that all employees participate in and comply with a job briefing conducted by the Railroad Representative, if applicable. During this briefing, the Railroad Representative will specify safe work procedures, (including On-Track Safety) and the potential hazards of the job. If any employee has any questions or concerns about the work, the employee must voice them during the job briefing. Additional job briefings will be conducted during the work as conditions, work procedures, or personnel change.
- C. All track work performed by the Contractor meets the minimum safety requirements established by the Federal Railroad Administration's Track Safety Standards 49CFR213.
- D. All employees comply with the following safety procedures when working around any railroad track:
- (i) Always be on the alert for moving equipment. Employees must always expect movement on any track, at any time, in either direction.
 - (ii) Do not step or walk on the top of the rail, frog, switches, guard rails, or other track components.
 - (iii) In passing around the ends of standing cars, engines, roadway machines or work equipment, leave at least 20 feet between yourself and the end of the equipment. Do not go between pieces of equipment of the opening is less than one car length (50 feet).
 - (iv) Avoid walking or standing on a track unless so authorized by the employee in charge.
 - (v) Before stepping over or crossing tracks, look in both directions first.
 - (vi) Do not sit on, lie under, or cross between cars except as required in the performance of your duties and only when track and equipment have been protected against movement.
- E. All employees must comply with all federal and state regulations concerning workplace safety.

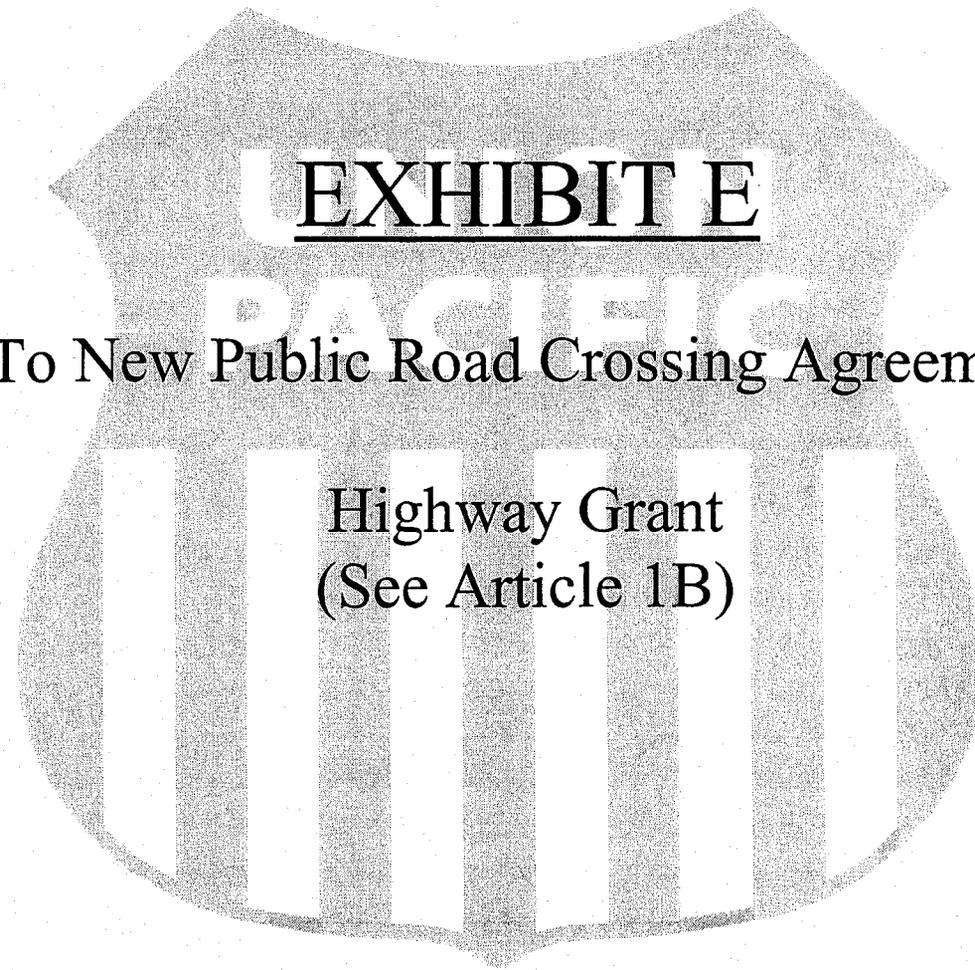


EXHIBIT E

To New Public Road Crossing Agreement

Highway Grant
(See Article 1B)

After Recording, Return To:

DRAFT

Space Above This Line for County Recorder's Use

Pecos Road
Chandler, Arizona

UPRR Folder _____

HIGHWAY GRANT

THIS INSTRUMENT is made this ____ day of _____, 2004, by **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation, formerly known as Southern Pacific Transportation Company, a Delaware corporation (the "Grantor"), in favor of the **CITY OF CHANDLER**, a municipal corporation of the State of Arizona (the "Grantee"):

1. Grantor, for and in consideration of the sum of **SEVEN THOUSAND SIX HUNDRED SIXTY-TWO DOLLARS (\$7,662.00)** to be paid by Holt Avenue, LLC ("Holt") pursuant to the separate New Public Road Crossing Agreement between the Grantor, Grantee dated _____ (the "Agreement"), and in consideration of the mutual covenants contained herein, hereby grants to Grantee, its successors and assigns, subject to the conditions herein contained, the right to establish and use a new concrete at-grade public street crossing with automatic flashing crossing light signals with gates in connection with the reconstruction and widening of the public street identified as Pecos Road as such crossing is located at Grantor's Mile Post 930.07 on the Chandler Industrial Lead and on and across the portions of Grantor's property described in **Exhibit A**, attached hereto and made a part hereof (the "Property").

2. This grant is subject to (i) the terms and conditions of the Agreement and (ii) all prior and outstanding licenses, leases, easements, restrictions, conditions, covenants, liens and claims of title which may affect the Property, whether recorded or unrecorded, and the word "grant" as used herein shall not be construed as a covenant against the existence of any thereof.

3. This grant is made subject to the prior and continuing right and obligation of Grantor, its successors and assigns, to use all the Property in the performance of its duty as a common carrier, and there is reserved unto Grantor, its successors and assigns, the right (consistent with the rights herein granted) to construct, reconstruct, maintain, repair, use and operate existing and future transportation, communication and pipeline facilities and appurtenances in, upon, over, under, across and along the Property. Grantor may move equipment of all types on, along and over the grant area.

IN WITNESS WHEREOF, the Grantor has executed this instrument as of the date first herein written.

ATTEST:

UNION PACIFIC RAILROAD COMPANY

Assistant Secretary

By _____
Director Contracts

(Seal)

DRAFT

ACCEPTED:

CITY OF CHANDLER

By _____

Title: _____

APPROVED AS TO FORM:

Office of the City Attorney

By: _____

Title: _____

ACKNOWLEDGMENT

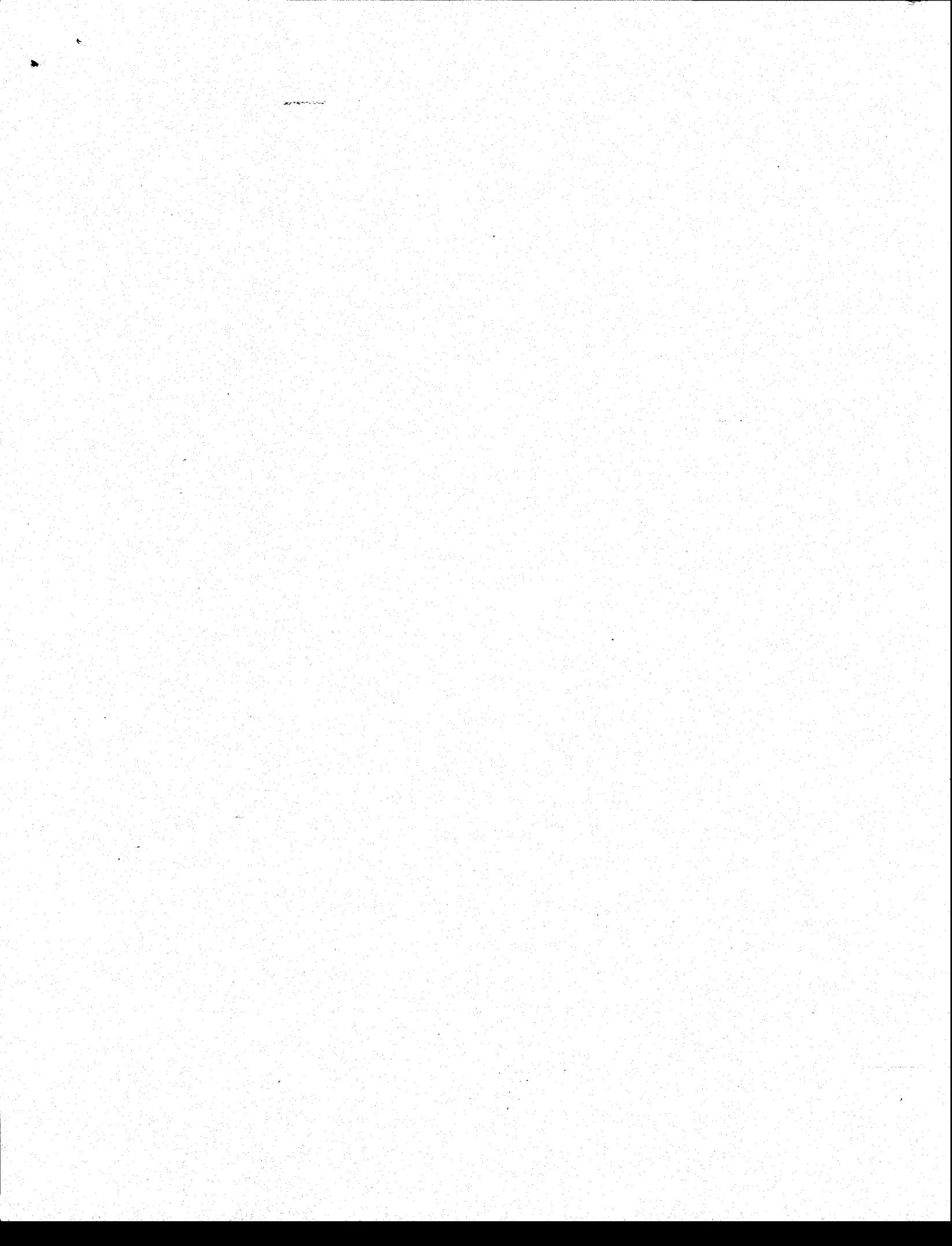
STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

On this ____ day of _____, 2004, before me, Paul G. Farrell, a Notary Public in and for said County and State, personally appeared Gregory L. Pinker and Michael E. Heenan who are the Director Contractors and the Assistant Secretary, respectively, of Union Pacific Railroad Company, a Delaware corporation, and who are personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to in the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(Seal)



NEW APPLICATION



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LETTER OF TRANSMITTAL

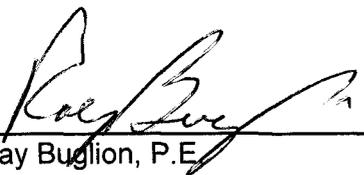
To: Don Thompson - ACC Railroad Safety Supervisor	RE: Reconstruction of Pecos Rd. RR Crossing
From: Ray Buglion	
Date: 11/09/04	

Mr. Thompson:

Please find enclosed, ten copies of the information regarding improvements to the railroad crossing of Pecos Road in Chandler. Each packet includes a brief letter of explanation, schematics of the proposed improvements and, a copy of the fully executed crossing agreement.

Please do not hesitate to contact me with any questions.

Thanx,



 Ray Buglion, P.E.
 Engineer
 480-782-3319

C: File