

THIS AGREEMENT, made and entered into this *27th* day of *August*, 1969, by and between OREGON-WASHINGTON RAILROAD & NAVIGATION COMPANY, an Oregon corporation, and its lessee, UNION PACIFIC RAILROAD COMPANY, a Utah corporation (hereinafter collectively called "Railroad"), and UMATILLA COUNTY, a political subdivision of the State of Oregon, acting by and through its Board of County Commissioners (hereinafter called "Second Party"),

W I T N E S S E T H:

RECITALS:

1. As a part of its county road system, Second Party maintains a highway designated as Westland Road (hereinafter called "highway"). The highway crosses the right of way and tracks of the Railroad's Main Line at or near Railroad Milepost 181.1 in Umatilla County, Oregon. Second Party wishes to widen the highway at said crossing and proposes that suitable protective devices be installed at said crossing for the benefit and accommodation of travelers on the highway and the general public.

2. Authority for such alteration of the crossing has been requested from the Public Utility Commissioner of Oregon in proceedings docketed as No. SXF-420 and No. SXF-477. Subject to the granting of an order by the Public Utility Commissioner of Oregon authorizing the alteration, Second Party has requested the Railroad to enter into an agreement identifying the location of said crossing and providing for the alteration, improvement, protection and maintenance of the highway (hereinafter sometimes referred to as Second Party's "project"), which the Railroad is willing to do, upon and subject to the terms and conditions hereinafter stated.

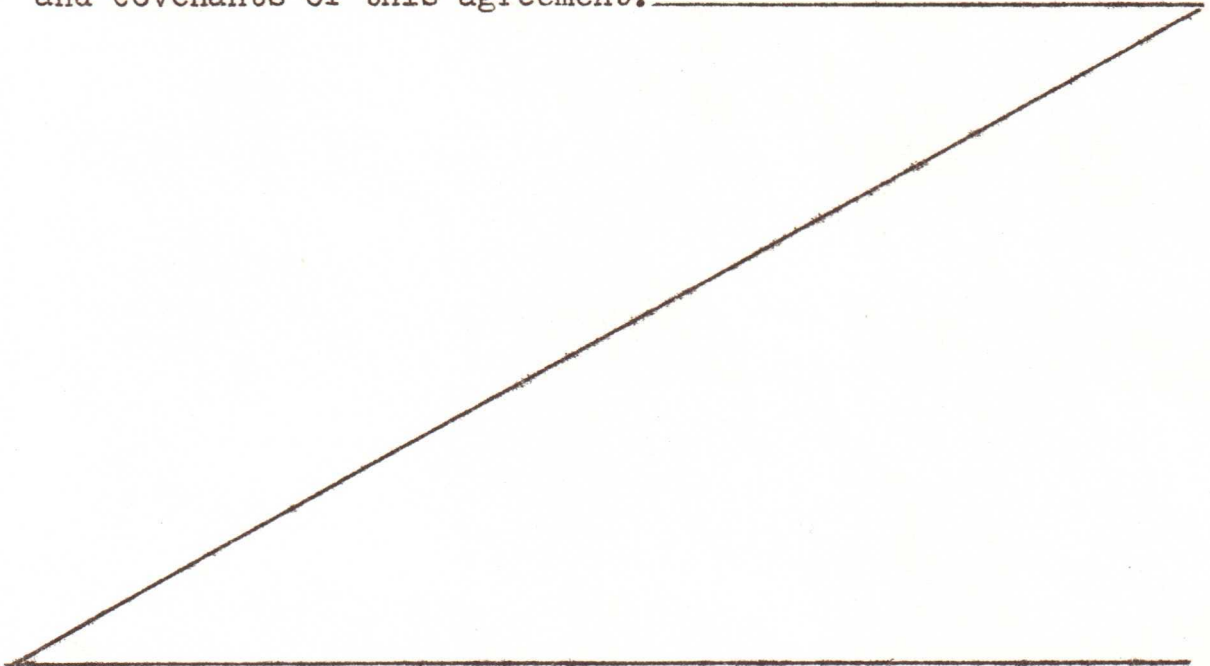
NOW, THEREFORE, it is agreed by and between the parties as follows:

Section 1. EASEMENT GRANTED. (a) So far as it lawfully may do so, and subject to each and all of the terms, provisions, conditions, covenants, reservations and exceptions contained in this agreement, the Railroad hereby grants to Second Party an easement to reconstruct and thereafter maintain, repair, renew and use a public highway at common grade, upon, over and across a portion of the Railroad's right of way and tracks in Umatilla County, Oregon. Said easement area is shown in green color on map dated May 5, 1969, attached hereto, marked "Exhibit A," and by this reference incorporated herein, and is described as follows:

All that part of the right of way of the Oregon-Washington Railroad & Navigation Company, Union Pacific Railroad Company (Lessee), situated in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 25, Township 4 North, Range 27 East of the Willamette Meridian, and the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 30, Township 4 North, Range 28 East of the Willamette Meridian in Umatilla County, Oregon, lying between lines that are parallel with and 30.0 feet distant, measured at right angles, on each side of a straight line that intersects the centerline of said Railroad's Main Line (Portland to Huntington) as now constructed and operated at Railroad Engineer's Station 427+45.6 which is a point in said centerline that is 5.0 feet distant northwesterly from the east line of said Section 25, measured along said centerline of main line, and forms an angle of 75° 37' 40" from west to south with said centerline.

Reserving unto the Railroad, without limitation, the right of the Railroad to cross said highway within the easement area with off-track equipment and vehicles, as necessary to maintain and operate the Railroad.

(b) In consideration for the easement granted as aforesaid, Second Party shall and will do, keep, observe and perform each and all of the terms, provisions, conditions and covenants of this agreement.



(c) Said easement(s) are granted only insofar as the Railroad lawfully may grant the same, and the Railroad makes no covenant or warranty of title, for quiet possession or against encumbrances. Said easement(s) include only the railroad property identified in paragraph (a) of this section and no other property, and Second Party shall not encroach upon, occupy or use any other property of the Railroad, and shall not permit others acting under its authority to encroach upon, occupy or use any other property of the Railroad.

(d) The Railroad grants to Second Party only easement(s) for the purposes aforesaid and no other or greater estate. Second Party shall not use or permit use of said property or any part thereof for any other purposes. Without limiting the foregoing, Second Party shall not use or permit use of said property or any part thereof for railroad purposes, or for gas, oil or gasoline pipe lines. Second Party may construct lines on said property for the purpose of conveying electric power or communications incidental to its use of the property for highway purposes, provided such lines are 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. No nonparty shall be admitted by Second Party to use or occupy any part of the Railroad's property for any purpose, except as specifically provided for herein, without the Railroad's written consent. Nothing herein shall obligate the Railroad to give such consent, which, if granted, may be subject to such terms and conditions as the Railroad, in its sole discretion, may deem to be necessary or convenient. If at any time said property of the Railroad, or any part thereof, shall permanently cease to be used for the purposes aforesaid or shall be used for purposes unauthorized hereby, then the easement(s) hereby granted as to such property or parts thereof shall cease and terminate.

(e) The easement(s) hereby granted are subject to any and all encumbrances and rights (whether public or private), irrespective of whether or not they are recorded, existing at the time of granting said easement(s), and also to any and all extensions and renewals of said existing encumbrances and rights. Second Party shall not damage, destroy or interfere with the property or rights of nonparties in, upon or relating to said railroad property, unless Second Party at its own expense settles with and obtains release from such nonparties on mutually satisfactory terms.

(f) The Railroad reserves the right to use and to grant to other parties the right to use said railroad property for any and all purposes not inconsistent with the easement(s) hereby granted, including, but not by way of limitation, the right to construct, reconstruct, maintain, operate, repair, alter, renew and replace existing and additional wire lines, pipe lines, tracks, facilities and appurtenances, located or to be located either wholly or partly within said property; in such manner, however, as not to damage the highway facilities located on said property. The Railroad further reserves the right to attach signal, communication or power lines and facilities to any highway facilities located upon said property, subject, however, to Second Party's policy on utility installations and approval by Second Party of detailed plans of the proposed attachment.

(g) Second Party will assume, bear and pay all taxes and assessments of whatsoever kind or nature (whether general, local or special) levied or assessed upon or against said railroad property, excepting taxes levied upon and against said property as a component part of the Railroad's operating property as a whole.

(h) If any property or rights other than the easement(s) hereby granted are necessary for the construction, maintenance and use of the highway and its appurtenances, or for the performance of any work contemplated by this agreement, Second Party will acquire all such other property and rights at its own expense and without expense to the Railroad.

Section 2. CONSTRUCTION OF HIGHWAY. (a) Second Party, at its own expense, will apply for and obtain all public authority required by law, ordinance, rule or regulation for the project contemplated by this agreement, and each and every part thereof, and will furnish the Railroad upon request with satisfactory evidence that such authority has been obtained. All construction work by Second Party shall be performed in accordance with the terms and conditions imposed by said public authority in granting its approval, and in accordance with this agreement.

(b) Except as may be otherwise provided in Section 3 of this agreement, Second Party, at its own expense and without expense to the Railroad, will furnish all labor, material and equipment necessary for and shall and will construct and complete said highway and all appurtenances thereof. Said appurtenances shall include, without limitation, all necessary and proper drainage facilities and all necessary and proper guardrails or barriers between the highway and the railroad tracks, which guardrails or barriers shall be of suitable design and adequate to confine highway traffic, and to protect the Railroad's property and facilities and any highway-rail protective devices. Upon completion of the work, Second Party shall remove from the Railroad's property all temporary structures and falsework, and will leave said property 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 thereof. If said project is to be financed in whole or in part by Federal funds, all construction work by Second Party shall be performed in accordance with the Federal-Aid Highway Act and regulations promulgated thereunder, and with this agreement.

(d) All construction work of Second Party upon Railroad's property (including but not limited to construction of the highway and all appurtenances and all related and incidental work) shall be performed and completed in a manner satisfactory to the Chief Engineer of the Railroad or his authorized representative and in accordance with detailed plans and specifications prepared by and at the expense of Second Party, and approved in writing by the Railroad's Chief Engineer. Said plans and specifications, and the work performed thereunder, shall be in accordance with the typical sections and notes pertaining to construction as set forth in the exhibit(s) attached hereto.

(e) If the project includes construction of a structure over which trains are to be operated, or for which the Railroad has any responsibility for maintenance, Second Party shall furnish the Railroad permanent reproducible prints of all design and shop drawings as soon as possible after approval by the Chief Engineer of the Railroad or his authorized representative. Upon completion of construction, Second Party shall furnish the Railroad two sets of "as constructed" prints and, in addition, upon request of the Chief Engineer of the Railroad, "as constructed" permanent reproducible prints of all or any portion of the structure. If the project includes construction of a structure over or adjacent to the Railroad's tracks, Second Party shall furnish the Railroad two sets of prints of final approved drawings with "as constructed" information inserted thereon.

(f) All construction work of Second Party shall be performed diligently and completed within a reasonable time, and in any event within three (3) years from the effective date of this agreement, or within such further period of time as may be specified in writing by the Railroad's General Manager. No part of said work 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 Second Party and its contractors. Second Party, for itself and its contractors, hereby assumes the risk of any and all such delays and agrees that no claims for damage shall be made against the Railroad because thereof.

Section 3. WORK TO BE DONE BY RAILROAD. (a) The Railroad may make any and all changes, alterations or relocations, whether temporary or permanent, which in its judgment may be or become necessary or expedient because of the project. Such work shall include, without limitation, the work detailed in Exhibit(s) B attached hereto and incorporated herein, for which the Railroad shall furnish all necessary labor, material and equipment.

(b) Second Party will reimburse the Railroad for the entire cost and expense of performing all work referred to in paragraph (a) of this section. Reimbursement for the use of railroad-owned and operated equipment will be in accordance with the Union Pacific Railroad Company's Disbursements Bulletin in effect on the date of use of such equipment. Rental rates for any item of equipment necessary to the job and not included in the Disbursements Bulletin will be established on an individual basis and agreed to by the parties. Bills for reimbursement shall be paid by Second Party promptly upon receipt thereof, in the manner and at the time provided therein. The Railroad will submit to Second Party bills for flagging and other protective services and devices currently during the progress of the work contemplated by this agreement. The Railroad will submit complete billing for flagging and other protective services within 120 days after completion of the project, provided Second Party advises the Railroad of the commencement of the 120-day period by giving the Railroad written notification of completion of the project.

(c) Subject to the foregoing, if this project is financed with Federal funds, under the Federal-Aid Highway Act, reimbursement of the Railroad by Second Party shall be in accordance with the guidelines established by Policy and Procedure Memorandum 30-3 (PPM 30-3) of the Federal Highway Administration's Bureau of Public Roads issued October 15, 1966, and any amendments thereof or supplements thereto; provided, the use of said PPM 30-3 as a guideline for reimbursement between the parties hereto shall not be deemed to require reimbursement of Second Party by the Federal Highway Administration as a condition precedent to Second Party's obligation. If Second Party desires to secure reimbursement from the Federal Highway Administration for all phases of the work performed by the Railroad, it is the responsibility of Second Party to ensure that interpretation of said PPM 30-3 will permit Federal participation in the cost and expense of work which, pursuant hereto, is to be performed by the Railroad at the expense of Second Party.

Section 4. MAINTENANCE. (a) After construction of the highway and its appurtenances, Second Party at its own expense and without expense to the Railroad shall and will keep and maintain the highway and appurtenances thereof (including, without limitation, paving but not headers, in the track area of the grade crossing) in good condition and repair, so as not to jeopardize, damage or interfere with the Railroad's property, facilities or operations. The Railroad, at its own expense, shall maintain its track structure and appurtenances, including headers. If at any time the Railroad shall elect, or be required by competent public authority, to raise or lower the grade of all or any part of the railroad property upon which said crossing is constructed, Second Party shall at once alter and change that portion of said crossing to be constructed and maintained by it, so as to conform to the change of grade required by the Railroad, and the provisions hereof shall thereafter apply to such crossing as so changed.

(b) The Railroad at its own expense shall maintain and operate the crossing protection devices (hereinafter called "signals") installed pursuant hereto; provided, however, in the event State or Federal funds shall become available to share the cost of maintenance of crossing protection devices, the Railroad shall have the benefit of such law.

(c) Said signals and their appurtenances shall be owned by the Railroad, but if said signals are permanently removed and are not reinstalled at some other location mutually agreeable to the parties or designated by competent public authority, the Railroad shall and will pay Second Party the then fair salvage value of said signals and their appurtenances, less the cost of recovery thereof.

(d) When replacement or moving of said signals is necessitated by highway changes, the expense incurred therefor shall be regarded as a part of the cost of the highway change and treated accordingly. When such replacement or moving is necessitated by railroad changes, the expense incurred therefor shall be regarded as part of the cost of the railroad change and shall be treated accordingly. If Second Party widens or otherwise changes said highway so as to require moving of said signals at said crossing, Second Party will bear the expense of making the necessary changes in said signals and appurtenances. If continued maintenance and operation of said signals at said

railroad-highway crossing shall hereafter become unnecessary, undesirable or improper because of the closing or relocation of said highway, separation of grade at said crossing or improvement in methods of crossing protection or otherwise, and if discontinuance of said signals shall be agreed upon by the parties or ordered by competent public authority, then said signals and appurtenances shall be dismantled and removed to some other public highway grade crossing mutually agreed upon by the parties or designated by order of such public authority, and the expense thereof shall be borne and paid by the parties in the manner and proportion to be agreed upon by them or determined by such public authority. If no such other crossing is so agreed upon by the parties or determined by public authority, said signals and their appurtenances shall be salvaged as hereinbefore provided.

Section 5. SAFETY MEASURES. All work of Second Party contemplated by this agreement shall be performed and accomplished without interruption to or delay of operations of the Railroad or of others lawfully occupying or using their property or facilities, and without interruption to or delay of continuous railroad traffic. It is understood and recognized that safety and continuity of railroad operations and communications are of utmost importance, and in order that 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 Second Party that:

(a) All references in this section to Second Party and its work shall include besides Second Party, its contractors, subcontractors, officers, agents and employees, and others acting under its or their authority; and all references in this section to work of Second Party shall include such work, whether within or outside of railroad property.

(b) Second Party 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 track or facilities or any communication or signal lines, installations or appurtenances of any thereof. Second Party shall shelter and protect the Railroad's said property as required by Railroad.

(c) Second Party, at its own expense, shall adequately police and supervise all work to be performed by it; shall regulate the conduct thereof in such manner that the prosecution thereof will not endanger, interfere with, hinder or delay operations of the Railroad or of others lawfully using or occupying railroad property or facilities, and shall not inflict injury to persons or damage to property for the safety of whom or of which the Railroad or such others may be responsible, or to property of the Railroad or such others.

(d) If at any time Second Party's engineers and the Chief Engineer of the Railroad or their respective representatives shall be of the opinion that any work of Second Party is being or is about to be done or prosecuted without due regard and precaution for safety and security, Second Party shall cause such work to be suspended until suitable, adequate and proper protective measures are adopted and provided.

(e) Second Party 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 in connection with or as a result of the project or any work contemplated by this agreement; and any such material and debris shall be promptly removed from the Railroad's property by Second Party at its own expense or by the Railroad at the expense of Second Party, and any damage caused thereby shall be promptly restored and repaired by Second Party at its own expense, or by the Railroad at the expense of Second Party.

(f) Second Party shall not place or discharge explosives upon railroad property or in such close proximity thereto as to cause injury or damage to facilities or operations thereon. If Second Party uses any explosives in the vicinity of railroad property or operations, the said explosives shall be discharged only after the giving of adequate notice to the Railroad and at such times as will not endanger railroad property and operations. Second Party shall require that explosives are transported, handled, stored or otherwise secured and used in accordance with local, State and Federal laws in a manner satisfactory to the Railroad at all times, and subject to precautions which the Railroad may in its discretion require. 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. Without limiting the foregoing, it is agreed that Second Party shall not discharge any explosives in the vicinity of the railroad tracks at any time when in the judgment of the Railroad such discharge would be dangerous or would interfere with railroad operations; and with respect to any blasting or the storage or handling of explosives in the vicinity of the railroad tracks, property or operations, Second Party, at its own expense, shall take all measures and precautions necessary to guard and protect railroad facilities against danger of damage, destruction or interference.

(g) Second Party shall not place any combustible material upon or about the premises of the Railroad, nor erect any structure thereon (except as herein otherwise provided), nor cause or permit the view along the tracks of the Railroad to be obstructed, nor obstruct or interfere with the drainage ditches, drainage facilities or water facilities of the Railroad.

(h) If Second Party shall excavate from existing slopes adjacent to the tracks of the Railroad or create new slopes in the performance of any work contemplated hereby, Second Party shall so excavate from existing slopes and construct new slopes that the pitch of same shall not be excessive, nor create undue hazards of slides or falling rock, nor impair or endanger the clearance between said existing or new slopes and the tracks of the Railroad.

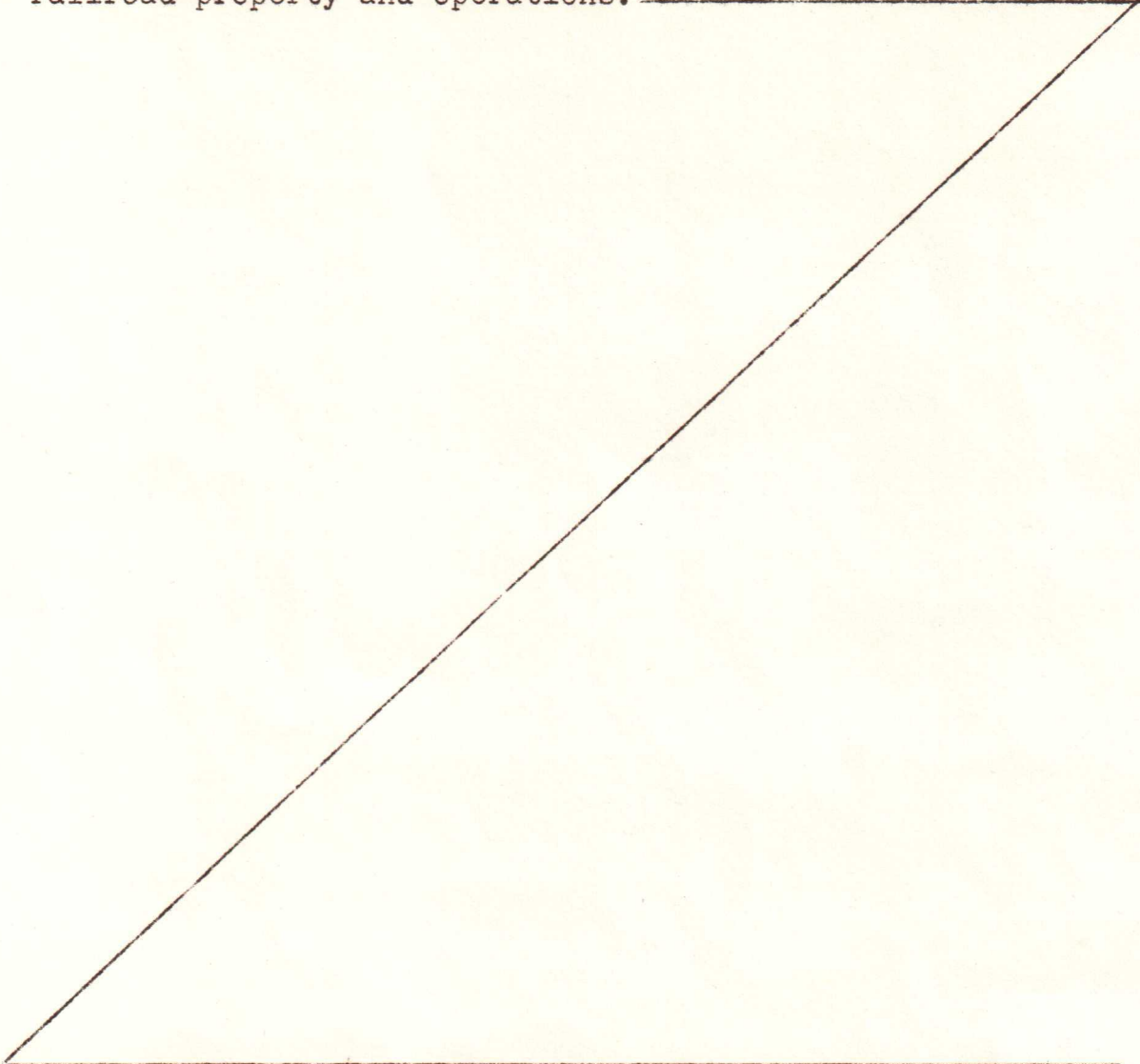
(i) Second Party, at its own expense, shall provide and maintain suitable facilities for draining the highway and its appurtenances, and shall not suffer or permit drainage water therefrom to flow or collect upon property of the Railroad. Second Party, at its own expense, shall provide adequate passageway for the waters of any streams, bodies of water and drainage facilities (either natural or artificial, and including water from railroad culverts and drainage facilities), so that said waters may not because of any facilities or work of Second Party 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.

(j) Before commencing any construction or other substantial work contemplated by this agreement, Second Party shall give reasonable notice of the time when such work shall commence, to the Superintendent of the Railroad, and shall cooperate with the Railroad in every reasonable way for the adequate protection of railroad facilities and operations during progress of the work.

(k) Second Party shall not do or cause to be done in the performance of any work contemplated hereby, anything which will or may disturb the stability of any area so as to affect adversely the tracks or facilities of the Railroad.

(l) Second Party, at its own expense, shall and will install and maintain adequate shoring and cribbing for all excavation and/or trenching performed by it in connection with construction, maintenance or other work of any kind contemplated by this agreement. Said shoring and cribbing shall be constructed and maintained with such materials and in such manner as to withstand all stresses likely to be encountered, including but not by way of limitation, any stresses resulting from vibration caused by railroad operations at or in the vicinity of such work; and such shoring and cribbing shall be installed and maintained in a manner satisfactory to the Chief Engineer of the Railroad or his authorized representative.

(m) The responsibility of Second Party 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 worksite of railroad representatives, or by compliance by Second Party with any requests or recommendations made by such representatives. If a railroad representative is assigned to the project, Second Party will give due consideration to suggestions and recommendations made by such representative for safety and protection of railroad property and operations.



Section 6. INSURANCE. (a) Before work is commenced on the project, and thereafter before commencement by any contractor for Second Party of any maintenance work on the highway within any easement areas described herein or shown on the exhibit(s) attached hereto, Second Party, without expense to the Railroad, shall furnish and deliver to the Railroad, or shall require each of its contractors to furnish and deliver to the Railroad, a public liability and property damage insurance policy or policies in favor of the Railroad; and Second Party without expense to the Railroad, at all times during the progress of and until final completion of the project, and until completion of such maintenance work, shall keep and maintain, or cause its contractors to keep and maintain, such policy or policies in full force and effect. The Railroad, upon request of Second Party, may purchase any such policy for which Second Party is responsible pursuant hereto, and Second Party shall reimburse the Railroad for the full amount of the cost of such policy.

(b) Said public liability insurance shall provide for a maximum limit of not less than Five Hundred Thousand Dollars (\$500,000) for all damages arising out of bodily injuries to or death of one person, and subject to that limit for each person, a total maximum limit of One Million Dollars (\$1,000,000) for all damages arising out of bodily injuries to or death of more than one person in any one occurrence. Said property damage insurance shall provide for a maximum limit of not less than Five Hundred Thousand Dollars (\$500,000) for all damages arising out of injury to or destruction of property in any one occurrence, and subject to that limit, a total (or aggregate) maximum limit of One Million Dollars (\$1,000,000) for all damages arising out of injury to or destruction of property during the period of work.

(c) The terms "person" or "persons" as herein used shall include employees and passengers of the Railroad as well as other persons, and the term "property" as herein used shall include as well as other property, property owned by and property in the care, custody or control of the Railroad.

(d) Each such insurance policy shall be issued by a reliable insurer satisfactory to the Railroad and authorized to do business in the state in which the work is to be performed, and each such policy shall be in form and substance satisfactory to the Railroad. The original and one true and complete copy of said policy or policies shall be delivered to and remain in the possession of the Railroad.

(e) Each such policy or policies shall conform substantially with the Public Liability and Property Damage Policy provided in United States Bureau of Public Roads Memorandum No. 20-12 dated June 30, 1967, as amended. Each such policy or policies shall cover all work to be performed and all operations to be conducted under this agreement.

Section 7. INJURY AND DAMAGE. If Second Party or its contractors, subcontractors, officers, agents or employees, or others acting under its or their authority, shall in the performance of any work contemplated by this agreement, or by the failure to do or perform anything for which it is responsible under the provisions of this agreement, injure, damage or destroy any property of the Railroad or of any other corporation, person or firm lawfully occupying or using the property of the Railroad, such damage shall be restored by Second Party at its own expense or by the Railroad at the expense of Second Party.

Section 8. DEFAULT. If Second Party shall fail, refuse or neglect to do, keep, observe and perform each and all of the terms, provisions, conditions and covenants of this agreement, the Railroad, in addition to any other rights and remedies it may have, may perform any work which in the judgment of the Railroad is necessary to place said highway and appurtenances in such condition as will not menace, endanger or interfere with railroad facilities or operations or jeopardize railroad passengers or employees; and Second Party will reimburse the Railroad for the expense thereof.

Section 9. EFFECTIVE DATE. This agreement shall become effective as of the date first herein written, or as of the date on which work on the said project was commenced, whichever is earlier.

Section 10. OTHER RAILROADS. All protective and indemnifying provisions of this agreement shall inure to the benefit of the Railroad and any other railroad company or companies at any time lawfully using the Railroad's property or facilities.

Section 11. SUCCESSORS AND ASSIGNS. This agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

Section 12. FUTURE ELIMINATION OF GRADE CROSSING.
In the event the grade crossing constructed pursuant hereto is eliminated in the future by grade separation structure(s), the Railroad shall not be required to contribute to the cost of construction or maintenance of such grade separation structure(s) nor shall the Railroad be deemed to have received any cognizable benefit by reason of the construction thereof or by reason of the closure of said grade crossing and the removal of protective devices installed and maintained thereat.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate as of the day and year first hereinabove stated.

OREGON-WASHINGTON RAILROAD &
NAVIGATION COMPANY,
UNION PACIFIC RAILROAD COMPANY

By J. Meier
Vice President

Attest:

J. A. [Signature]
Assistant Secretary

UMATILLA COUNTY

By D. P. Cook
County Judge

By [Signature]
County Commissioner

By Raymond Bevans
County Commissioner

Attest:

Jessie M. Bell
County Auditor
Clerk

D-3279

D-3279

T. 4 N., R. 27 E., W.M.
SEC. 25

T. 4 N., R. 28 E., W.M.
SEC. 30

SEC. 25
SEC. 30

M.P. 181.1
32' GRADE CROSSING
R.R. 427+45.6 -
County Rd. 20+50.2

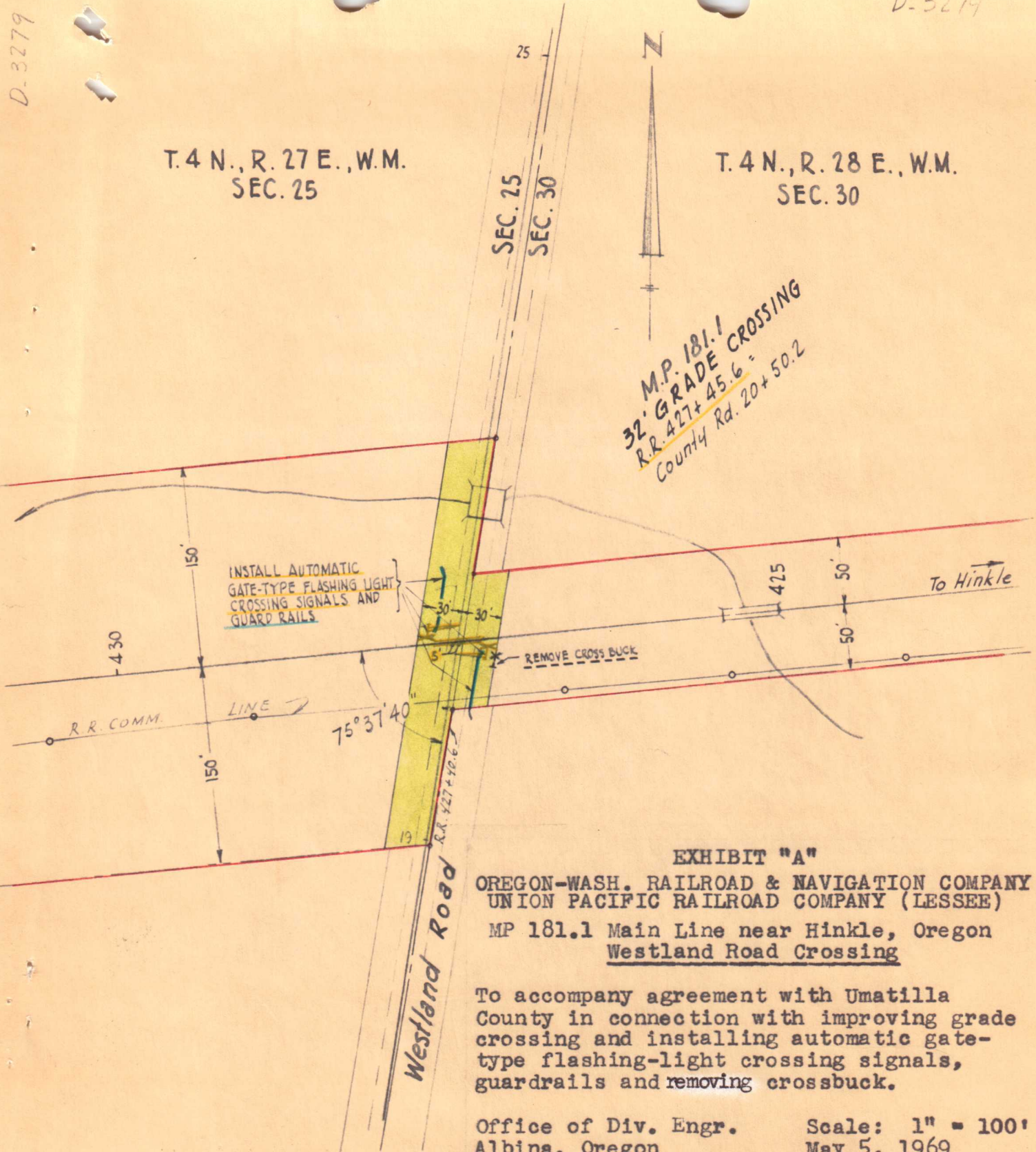


EXHIBIT "A"
OREGON-WASH. RAILROAD & NAVIGATION COMPANY
UNION PACIFIC RAILROAD COMPANY (LESSEE)
 MP 181.1 Main Line near Hinkle, Oregon
Westland Road Crossing

To accompany agreement with Umatilla County in connection with improving grade crossing and installing automatic gate-type flashing-light crossing signals, guardrails and removing crossbuck.

Office of Div. Engr. Scale: 1" = 100'
 Albina, Oregon May 5, 1969

- Legend -
- Easement for Grade Crossing shown ----- Tinted Green
 - Grade Crossing, Automatic Gate-type Flashing-light Crossing Signals shown ----- Yellow
 - Guardrails shown ----- Blue
 - Remove Crossbuck shown ----- Dashed Black
 - Railroad R/W shown ----- Outlined Red

EXHIBIT "B"

Work to be performed by Railroad
at expense of Second Party per
Section 3(a):

<u>Description</u>	<u>Labor</u>	<u>Material</u>	<u>Total</u>
<u>Engineering</u>			
Preliminary Engineering	\$ 150		
Labor additives	<u>50</u>		
	\$ 200		\$ 200
<u>Highway Crossing Protection</u>			
Install 2 automatic gate- type flashing light crossing signals	\$3,970	\$10,029	
Equipment rental		450	
Signal Engineering	750		
Labor & material additives	1,591	1,203	
Contingencies	<u>474</u>	<u>1,048</u>	
	\$6,785	\$12,730	
Less Railroad's 10% portion	<u>678</u>	<u>1,272</u>	
	\$6,107	\$11,458	\$17,565

The preceding cost figures are estimates only, and Second Party will reimburse the Railroad Company for all costs involved in handling the specified work, whether they be more or less than the estimated costs.

Flagging and other protective services and devices will be provided by the Railroad at Second Party's expense, to protect the railroad facilities, property and operations. In general, the Railroad will furnish such flagging or other protective services and devices:

First. For any excavation below elevation of track subgrade, if in the opinion of the Railroad's representative, track or other railroad facilities may be subject to settlement or movement.

Second. During any clearing, grubbing, grading or blasting in proximity of the railroad facilities, which in the opinion of the Railroad's representative, may endanger or interfere with railroad facilities or operations;

Third. When any of Second Party's operations are carried on within or near railroad right of way and in the opinion of the Railroad's representative, could endanger railroad facilities or create a hazard to railroad operations.

Information as to the Railroad's employees which may be required to provide protection to railroad facilities is as follows:

<u>Number</u> (a)	<u>Classification</u> (b)	<u>Base Pay</u> (c)	<u>Headquarters</u> (d)
2	Section Laborers	\$2.85 to \$2.89 per hour	Ordnance, Ore.
1	Section Foreman	\$3.48 to \$3.57 per hour	Ordnance, Ore.

(a) A full flagging crew generally consists of three men. Under certain conditions, more than three men may be required or a lesser number may be sufficient; however, additional personnel, such as Communication Lineman and/or Signaller, may be used to protect communications and signal facilities, if deemed necessary by the Railroad.

(b) The classification is shown solely for information, and there is no guarantee that the above classes of labor will actually be used or that the rates of pay shown in column (c) will be those in effect at the time the work is undertaken.

- (c) Shows base pay for normal eight-hour shift in effect JANUARY 1, 1969. Normal overtime rate is one and one-half times base rate.
- (d) Estimated cost for travel per employee from headquarters to job site and return is \$4.60 per round trip.
- (e) In addition, protective devices, such as crossing signals, indicators, telltales, lights, telephone, etc., may be required.

To all direct labor costs, there shall be additional charges for Vacation Allowances; Paid Holidays; Health and Welfare, Railroad Retirement and Unemployment Taxes; Public Liability, Property Damage and Workmen's Compensation Insurance; and accounting and billing. For estimating purposes only, these additives collectively may be considered as approximately 34% of direct labor costs.

The determination of the cost of flagging and protective services and devices to be used as a basis for submitting of bids shall be the responsibility of Second Party or its prospective bidders.