
M E M O R A N D U M

DATE: February 9, 2007
TO: City Council Members
FROM: Russell Weeks
RE: Westside Railroad Realignment Project: Briefing and Resolution
CC: Cindy Gust-Jenson, Ed Rutan, Louis Zunguze, Lyn Creswell, DJ Baxter, George Shaw, Tim Harpst, Dan Mulé, Alison McFarlane, Rusty Vetter, Gary Mumford, Jennifer Bruno, Janice Jardine

This memorandum pertains to issues involving a proposed resolution to authorize Mayor Ross C. Anderson to execute an agreement between the City and Union Pacific Railroad for the Westside Railroad Realignment Project. The project involves straightening the Grant Tower railroad track curve and other projects including removing railroad tracks near 900 South Street and on Folsom Street and creating a quiet zone where train whistles will not have to sound at railroad crossings.

The City Council is scheduled February 13 to hear a briefing from the Administration about the proposed agreement, and consider the resolution during the formal part of the February 13 meeting.

The proposed resolution is the second of three agreements involving the Westside Railroad Realignment Project. The City Council adopted a motion on January 9 to authorize Mayor Anderson to sign an agreement between the City and Salt Lake County in which the County transferred up to \$3.5 million in funds to help reconfigure the railroad lines. The third agreement will be one between the City and the Utah Department of Transportation. That agency also is negotiating a separate agreement between itself and Union Pacific.

OPTIONS

- Adopt the proposed resolution.
- Do not adopt the proposed resolution.

POTENTIAL MOTIONS

- I move that the City Council adopt the resolution authorizing the approval of the agreement between Salt Lake City and Union Pacific Railroad regarding reconfiguration of track through Grant Tower.
- I move that the City Council consider the next item on the agenda.

KEY POINTS

- The proposed agreement is similar to and a companion of a 2004 agreement between Salt Lake City and Union Pacific Railroad.
- The agreement assigns the responsibilities of the City and Union Pacific for work on the project.
- The agreement would cap a Salt Lake City financial obligation at \$674,000. The obligation would be triggered only if federal funds for the project fall short of estimates.
- The Agreement would require the City to initiate permanent closure of 100 South Street near 700 West Street and 700 South Street near 600 West Street. The City Council already has approved the permanent closure of 100 South Street near 700 West Street.
- The agreement would give the City an option to buy from Union Pacific a parcel that may be needed for a trade to secure another land parcel owned by Rocky Mountain Power.
- The agreement specifies Union Pacific's transfer to Salt Lake City "all land associated with the 900 South and Folsom Street track corridors." However, City improvements to those corridors are not part of funds to straighten railroad tracks. Corridor improvements would be subject to the future availability of funds.

ISSUES/QUESTIONS FOR CONSIDERATION

Salt Lake City's share of the proposed project is about \$11.2 million. Under the proposed agreement, is there any potential that the City's share would increase?

BACKGROUND/DISCUSSION

The proposed agreement between the City and Union Pacific Railroad is part of the estimated \$50 million project to reconfigure railroad lines owned by Union Pacific. Reconfiguring the railroad lines will result in perhaps five major goals:

1. Straighter tracks would allow Union Pacific Railroad trains to travel through Salt Lake City faster, eliminating what some consider an operational bottleneck for the railroad.
2. Eliminating the bottleneck would eliminate the need to operate trains on what is known as the 900 South rail line. The line was activated in early 2002. Union Pacific already has secured federal permission to abandon the 900 South rail line once the Westside Railroad Realignment Project is complete. After the 900 South line is abandoned the railroad will remove the tracks and transfer the land in the corridor to Salt Lake City. Although a City master plan for the area calls for creating a linear park along the corridor, no funds are available currently for improvements.
3. Faster trains also require a series of connected safety projects at intersections. The safety projects ultimately will result in a "quiet zone" throughout much of the City in which trains no longer will be required to blow their horns at the intersections.

4. Reconfiguring the rail lines may result in the Utah Transit Authority reconfiguring its planned commuter rail line in a way that protects existing development in the Gateway area.
5. Union Pacific's tracks going west from the city will be consolidated into a single alignment, thereby leaving a corridor in the Euclid neighborhood where the flow of City Creek could be brought to the surface, and a linear park created. As with the 900 South rail corridor, bringing City Creek to the surface and creating a linear park depends on the future availability of funds.

The following is a rough breakdown of the estimated \$50 million project:

- \$5 million – Federal appropriation to Salt Lake City and Union Pacific through the SAFETEA-LU transportation spending bill
- \$15 million – UTA contribution for work that must also be completed to accommodate commuter rail
- \$15 million – Union Pacific's agreed contribution
- \$11.2 million – City share
- \$3.5 million – Utah Legislature authorized use of the transportation sales tax collected by Salt Lake County (one-time allowance).

Salt Lake City already has spent about \$4.4 million for the project. The remaining \$6.8 million of the City's \$11.2 million commitment will be financed through issuing bonds later in 2007 and from \$1.2 million in previously-allocated RDA funds. The bonds will be paid off through about \$2.5 million in payments from the City general fund and \$3.1 million in payments by the Salt Lake City Redevelopment Agency.

Bonds for the railroad project will be part of a roughly \$30 million bond issue that includes \$21.6 million for a new fleet facility; the \$5.6 million for the railroad project; \$300,000 for controlling erosion on the 900 South and Folsom Street rail corridors; and \$2.81 million for extending light rail tracks from the Intermodal Hub at 200 South 600 West Street to the Arena Station at 400 West South Temple.

In January, the City Council adopted a resolution authorizing Mayor Ross C. Anderson to execute an interlocal agreement with Salt Lake County to allow the County to release \$3.5 million in one-time County transportation sales tax revenue for the realignment project. The Salt Lake County Council had approved the agreement before the City Council's action.

The City's total contribution appears to remain the same with two *caveats*. First, it appears that the Utah Department of Transportation has some concern that actual federal funds for the project may fall short of the original estimates. The proposed agreement would require the City to pay up to \$674,000 if there is a shortfall in federal receipts. Union Pacific would pay for any shortfall above that number. Second, it appears that in Section No. 4 of the proposed agreement would allow the City or the Salt Lake City Redevelopment Agency to buy a parcel of land for \$500,000. The parcel could be used in a land trade involving another parcel. It should be noted that the \$3.5 million allocation from Salt Lake County will cover a cash contribution to Union Pacific and land acquisition. The Administration believes the existing \$11.2 million plus Salt Lake County's contribution will be adequate to cover all land acquisition costs, including the Union Pacific parcel.

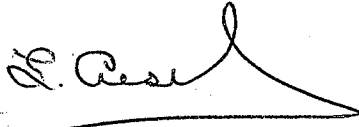



ROSS C. "ROCKY" ANDERSON
MAYOR

SALT LAKE CITY CORPORATION

OFFICE OF THE MAYOR

MEMORANDUM

To: Lyn Creswell, Chief Administrative Officer 
From: D.J. Baxter, Senior Advisor 
Re: Agreement with Union Pacific for Grant Tower Realignment
Date: February 6, 2007

The Administration has now completed negotiations with Union Pacific regarding the funding and construction of the Grant Tower track realignment in downtown Salt Lake City. The project will provide numerous benefits to Salt Lake City, including the permanent removal of trains from the 900 South rail line and donation of the underlying land to Salt Lake City, the permanent removal of trains from a corridor west of downtown where the flow of City Creek can be restored, the improved movement of trains through the city, and the creation of a large railroad quiet zone where train whistles will no longer sound at every crossing.

The entire project will cost roughly \$50 million. Salt Lake City has previously committed to fund the property acquisition and a share of the construction work, jointly valued at approximately \$11 million. In addition to the work the City has committed to complete, the City has also committed to contribute \$2.2 million in cash toward the project. This contribution will be covered by county-collected sales tax funds authorized for the project by the Utah Legislature in 2006, and subsequently approved by the Salt Lake County Council. The Salt Lake City Council has already appropriated all city funds needed for the project, and has created a budget for the incoming county funds and an accompanying appropriation allowing those funds to be spent.

The Agreement contains the following major sections and provisions:

Recitals:

This section addresses the previous agreement reached by Salt Lake City and Union Pacific regarding the 900 South line. It reaffirms the parties' commitments regarding land exchange, and amends the parties' obligations regarding financing, acknowledging that the City was unable to identify sufficient funds to complete the

project according to the original agreement's terms, thus necessitating an increased level of participation from the railroad. This section also notes the project's public benefits.

Section 1 – Scope of Project:

This section, in conjunction with an exhibit, describes the parties' respective responsibilities for constructing various parts of the project.

Section 2 – Allocation of Work:

The section, again referring to the same exhibit, provides more detailed information on what parts of the project each party will complete. In addition to the Grant Tower work the City has agreed to complete, this section makes explicit that the work to restore the flow of City Creek to the surface shall be the City's responsibility. It also acknowledges that Union Pacific is completing work valued at roughly \$13 million, thereby exceeding and fulfilling Union Pacific's commitment in 2004 to contribute at least \$4.5 million toward the project.

This section also specifies the crossings Union Pacific will improve at 800 West, 900 West, and 1000 West. These improvements are designed to qualify the crossings for quiet zone eligibility. (All other crossings in the area and east of the Jordan River will be brought up to quiet zone standards by UTA's commuter rail project). Based on Union Pacific's estimates for this work during our negotiations, this section commits the City to pay up to \$670,000 to Union Pacific for this additional crossing work, to be paid upon submission and approval of Union Pacific invoices. The City has already budgeted for this expense, to be paid with the RDA's City-Wide Housing funds set aside several years ago.

Section 3 – City's Monetary Contribution:

This section details the components of the City's cash contribution. Of the \$2.2 million committed, \$1.25 million will be paid to the Utah Department of Transportation as the 20% local match required for the \$5 million in federal funds acquired for track and crossing improvements south of Grant Tower. The City must pay the remainder of the \$2.2 million, or \$950,000, directly to Union Pacific within 30 days of the "Commencement Date." Union Pacific agreed to reimburse the City for \$300,000 in road construction costs associated with closing the 100 south crossing. Therefore, the \$950,000 payment to Union Pacific will only be \$650,000, to account for our "credit" of \$300,000 for the roadway. Section 7 establishes the Commencement Date as the date on which all needed agreements have been executed, the plans have been finalized and approved, the real estate has been acquired, and all needed permits have been acquired.

This section also addresses the parties' obligations for covering any shortfall in federal funds. UDOT, which is administering the federal funds, will notify the City sometime after 2008 of any shortfalls that have occurred. This agreement obligates the City to cover up to \$674,000 of any federal shortfall, and places on Union Pacific the

responsibility for any shortfall beyond that amount. Because UDOT will look to the City to be responsible for the full shortfall, this section of the agreement obligates Union Pacific to reimburse the City within 30 days of our submitting an invoice to Union Pacific for any amount of federal shortfall beyond the \$674,000.

Section 4 – Real Estate Exchange and Relocation; Real Estate Sale; Franchise Amendment:

Section 4 addresses several critical elements of the real estate exchange. First, this section explains the City's obligation to acquire and convey to Union Pacific all property needed for the new track alignment, and to handle any needed relocations. Prior to our actual transfer of the land to Union Pacific, this section also grants Union Pacific the right to enter the property and begin construction.

Second, this section specifies Union Pacific's obligation to transfer to Salt Lake City all land associated with the 900 South and Folsom track corridors.

Third, this section gives Salt Lake City the option to purchase from Union Pacific for a set price a parcel that may be needed for a trade that would secure a parcel owned by Rocky Mountain Power. This parcel is needed for the new track alignment, but Rocky Mountain Power has only been willing to trade the parcel for another parcel that would adequately accommodate the utility's need for a future substation site.

Fourth, this section provides for the amendment of one or more franchise agreements under which Union Pacific currently occupies, or will occupy with the new alignment, City streets. In one case, Union Pacific will be removing existing tracks from a City street. In others, we will grant Union Pacific the right to occupy news areas of City streets.

Section 5 – Project Approvals and Permits:

Section 5 obligates the City to secure all needed permits for the work conducted by the City, and to facilitate Union Pacific's obtaining of all needed permits.

Section 6 – Project Plans:

This section establishes what constitutes the official plans for the project, and states that neither party may make material changes to the plans without written consent of the other party. It also specifies that the parties' review and approval of one another's plans does not relieve either party of its respective obligations or liabilities.

Section 7 – Commencement and Scheduling of Project Work:

As noted above, Section 7 establishes the Commencement Date as the date on which all needed agreements have been executed, the plans have been finalized and approved, the real estate has been acquired, and all needed permits have been acquired.

This section states that neither party is obligated to begin its work until this date has been reached. Section 7 also establishes a master construction schedule that all parties will endeavor to meet, and requires that the parties coordinate their work with one another.

Section 8 – Requirements for City Work and UPRR Work:

Section 8 details the conditions and obligations under which both parties agree to work. Both parties must ensure the safe conduct and adequate supervision of their own work crews and contractors. Salt Lake City acknowledges in this section that work may be delayed or disrupted by ongoing train operations in the area, and agrees not to seek to recover any delay damages from Union Pacific caused by the presence of trains. At the same time, Union Pacific also agrees to hold the City harmless for any delays in the overall project that result from train operations. City agrees to provide all needed traffic control for the project, and Union Pacific agrees to provide all needed railroad flaggers. This section also requires the City and its contractors to secure written permission from Union Pacific before entering Union Pacific property, and to work with all third-party utility owners to either move or relocate those utilities as necessary to accommodate the new track installation. Finally, this section requires all City work associated with Union Pacific track or crossings to be done according to Union Pacific's standards.

Section 9 – At-Grade Crossings Closure:

Section 9 obligates the City to initiate the formal, permanent closure of two city streets at the railroad tracks. The two crossings being closed are 100 South at approximately 700 West, and 700 South at approximately 600 West. To mitigate for the 100 South closure, the City will be constructing a new mid-block street on land to be donated by Union Pacific. The 700 South closure affects access to one building and a billboard sign. The City has purchased the building and will likely use it for a variety of storage purposes. To provide access to the building and the sign, Union Pacific will grant the City a perpetual access easement across its property, on which the City can install a 20 foot wide roadway for year-round access.

Section 10 – Miscellaneous Provisions:

These provisions cover a variety of legal bases, including record retention requirements, how notices are to be given to the parties, and governing law.

Exhibit A – Grant Tower Alignment:

This exhibit shows the conceptual alignment of the new tracks.

Exhibit B – Scope of Work:

This exhibit shows in general terms what portions of the work each party has committed to complete.

Exhibit C – Real Estate Exchange Provisions:

Exhibit C is the most significant of the exhibits. It provides for the transfer to the City of all of the Union Pacific property associated with the 900 South and Folsom St. rail corridors. It also governs the transfer to Union Pacific of all the land the City has acquired to accommodate Union Pacific's new track alignments. It specifies that the parties consider this an equal exchange of properties, and commits the City to cooperate in helping Union Pacific facilitate the transaction as a 1031 tax-deferred exchange.

Exhibit C also specifies a series of conditions that must be met prior to closing on the exchange of properties. Before the closing can occur, preliminary title commitments and surveys must be complete, and the construction of the rail realignment must be substantially complete with all aspects of the new system in operation. The rationale for this requirement is that Union Pacific will not abandon its old tracks along Folsom or 900 South until the new tracks are fully operational.

Exhibits C-2 through C-6:

These exhibits are forms that will be used to effectuate the various property transfers.

Exhibit D – Construction Schedule:

Exhibit D is the coordinated schedule according to which construction of Union Pacific's and the City's work will proceed. The schedule shows Union Pacific's construction work beginning immediately upon execution of this agreement, and completing before the end of 2007.

RESOLUTION NO. _____ OF 2007

AUTHORIZING THE APPROVAL OF AGREEMENT
BETWEEN SALT LAKE CITY CORPORATION AND
UNION PACIFIC RAILROAD COMPANY REGARDING
RECONFIGURATION OF TRACKS THROUGH GRANT TOWER

WHEREAS, under Agreement #2 Re 900 South dated April 7, 2004, and amended on April 27, 2005 (the "2004 Agreement"), Union Pacific and City agreed on a process to enable the reconfiguration of Union Pacific's mainline tracks through the Grant Tower area in Salt Lake City, Salt Lake County, Utah, and related railroad improvements (the "West Side Railroad Realignment Project"), and to enable City's City Creek restoration and trails project ("City Creek Restoration") to proceed;

WHEREAS, City was unable, within the time limitations of the 2004 Agreement, to obtain the extent of federal and other funding sufficient to pay City's share of the cost of the West Side Railroad Realignment Project under the 2004 Agreement and, accordingly, in consideration of the terms and conditions of this Agreement, Union Pacific has agreed to increase its contribution and the parties have agreed to reinstate and amend the 2004 Agreement;

WHEREAS, City and Union Pacific have agreed to expand the scope of the West Side Railroad Realignment Project to include the closing of certain crossings, the upgrading of certain crossings in downtown Salt Lake City, and coordination of the West Side Railroad Realignment Project with the City Creek Restoration;

WHEREAS, the public benefits include faster clearing of city street crossings, reduced automobile and rail congestion through the metropolitan area, increased public safety and air quality, and the creation of a public park;

WHEREAS, the City and Union Pacific have entered into an agreement on the project scope and funding, and the respective construction, property exchange and other obligations of City and Union Pacific for the project and the City Creek Restoration;

WHEREAS, the agreement reaffirms the obligations of Union Pacific and City under the 2004 Agreement, including, without limitation, Union Pacific's obligation to transfer to City the 900 South Property (as defined in the 2004 Agreement), and the Folsom Street Line (as defined in the 2004 Agreement) railroad right of way, as such obligations are amended by this agreement; and

WHEREAS, the attached agreement has been prepared to accomplish these purposes;

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

1. It does hereby approve the execution and delivery of the following:

AGREEMENT BETWEEN SALT LAKE CITY CORPORATION AND
UNION PACIFIC RAILROAD COMPANY REGARDING
RECONFIGURATION OF TRACKS THROUGH GRANT TOWER

2. Ross C. Anderson, Mayor of Salt Lake City, Utah, or his designee, is hereby authorized to approve and execute said agreement on behalf of Salt Lake City Corporation, subject to such minor changes which do not materially affect the rights and obligations of the City thereunder and as shall be approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

Passed by the City Council of Salt Lake City, Utah, this _____ day of February, 2007.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST AND COUNTERSIGN:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM:



SALT LAKE CITY ATTORNEY

**WEST SIDE RAILROAD REALIGNMENT
CONSTRUCTION AGREEMENT AND
REINSTATEMENT OF AND SECOND AMENDMENT TO
2004 AGREEMENT**

This Agreement ("Agreement") is entered into this _____ day of _____, 2007 ("Execution Date"), between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("UPRR"), and SALT LAKE CITY CORPORATION, a municipality and political subdivision of the State of Utah ("City").

RECITALS:

A. Under Agreement #2 Re 900 South dated April 7, 2004, and amended on April 27, 2005 (the "2004 Agreement"), UPRR and City agreed on a process to enable the reconfiguration of UPRR's mainline tracks through the Grant Tower area in Salt Lake City, Salt Lake County, Utah, and related railroad improvements (the "West Side Railroad Realignment Project"), and to enable City's City Creek restoration and trails project ("City Creek Restoration") to proceed.

B. City was unable, within the time limitations of the 2004 Agreement, to obtain the extent of federal and other funding sufficient to pay City's share of the cost of the West Side Railroad Realignment Project under the 2004 Agreement and, accordingly, in consideration of the terms and conditions of this Agreement, UPRR has agreed to increase its contribution and the parties have agreed to reinstate and amend the 2004 Agreement, as provided in this Agreement.

C. City and UPRR have agreed to expand the scope of the West Side Railroad Realignment Project to include the closing of certain crossings, the upgrading of certain crossings in downtown Salt Lake City, and coordination of the West Side Railroad Realignment Project with the City Creek Restoration. Such expanded scope is referred to in this Agreement as the "Project".

D. The Project's public benefits include faster clearing of city street crossings, reduced automobile and rail congestion through the metropolitan area, increased public safety and air quality, and the creation of a public park. Consequently, in addition to the contributions of City and UPRR under this Agreement, the Project will be funded through the following separate agreements (1) between UPRR and the Utah Department of Transportation ("UDOT"), under which up to Six Million Two Hundred Fifty Thousand Dollars (\$6,250,000) in federal funds (which includes the twenty percent (20%) local match to be paid by City to UDOT as provided under Section 3(b) below) earmarked for the Project will be made available to UPRR as a capital contribution to

UPRR's investment in the Project, (2) between UPRR and Utah Transit Authority ("UTA"), under which UTA agrees that certain of the work required for UTA's transit project will be redesigned to accommodate the Project (the "UTA-UPRR Agreement"), and (3) between City and Salt Lake County, under which Three Million Five Hundred Thousand Dollars (\$3,500,000) will be made available for property acquisitions and other City expenditures for the Project (the "City/County Agreement").

E. This Agreement contains the agreement of City and UPRR on the Project scope and funding, and the respective construction, property exchange and other obligations of City and UPRR for the Project and the City Creek Restoration.

F. This Agreement also contains the agreement of City and UPRR on the closure of 100 South at its intersection with 700 West in order to facilitate the Project, and the allocation of funds and transfer of property ("100 South Property") by UPRR to City necessary for the design and construction of a new street connecting 100 South with 600 West through the middle of the block.

G. This Agreement reaffirms the obligations of UPRR and City under the 2004 Agreement, including, without limitation, UPRR's obligation to transfer to City the 900 South Property (as defined in the 2004 Agreement), and the Folsom Street Line (as defined in the 2004 Agreement) railroad right of way, as such obligations are amended by this Agreement.

AGREEMENT:

Section 1. SCOPE OF PROJECT

The Project generally consists of (a) changing the alignment of the existing tracks of UPRR in the Grant Tower area to the new alignment shown on **Exhibit A** attached, together with associated signal, street improvement, crossing closure and other work, as listed on **Exhibit B** attached ("West Side Railroad Realignment Work"), (b) crossing improvements to cause the crossings listed on **Exhibit B** to qualify as quiet zones under Federal Railroad Administration regulations, and (c) coordination of the West Side Railroad Realignment Work with the City Creek Restoration.

Section 2. ALLOCATION OF WORK

A. City, at its sole cost and expense, shall perform (i) the Project work listed on **Exhibit B** as City Work ("City Work") and in accordance with the Plans (as defined in Section 6.B. below), and (ii) all work for the City Creek Restoration except for the City Creek Restoration coordination work included in the UPRR Work (as defined in Paragraph B. below).

B. UPRR, at its sole cost and expense except as otherwise provided in this Agreement, the UPRR-UDOT Agreement or the UTA-UPRR Agreement, shall

perform the Project work listed on **Exhibit B** as UPRR Work ("UPRR Work") and in accordance with the Plans. City acknowledges and agrees that the estimated cost of the UPRR Work for the Project is Thirteen Million Dollars (\$13,000,000), and that such cost, less the monetary contributions of City provided for under Section 3 below and the funding provided under the UPRR-UDOT Agreement, is in excess of, and thus satisfies, UPRR's obligation under the 2004 Agreement to contribute Four Million Five Hundred Thousand Dollars (\$4,500,000) in labor and materials.

C. UPRR, at City's sole cost and expense, shall perform the crossing improvement work at 8th West, DOT 834-454 D, 9th West, DOT 834-452 P, and 10th West, DOT 834-451 H, listed on **Exhibit B** ("UPRR Crossing Work"). Subject to City's acceptance of the work performed and approval of expenses listed in invoices submitted by UPRR (which acceptance and approval City shall not unreasonably withhold or delay), City, as a capital contribution to UPRR's investment in the Project and not as payment in exchange for services or property, shall reimburse UPRR for the UPRR Crossing Work within thirty (30) days after submission of invoices from time to time (but not more often than every thirty (30) days) by UPRR to City as the UPRR Crossing Work progresses. Such reimbursement will be on the basis of the cost of such work and including, without limitation, UPRR's standard Labor and Administrative Additives. UPRR and City agree that City's obligation to reimburse UPRR for the UPRR Crossing Work, including UPRR's standard Labor and Administrative Additives, will not exceed Six Hundred Seventy Thousand Dollars (\$670,000).

D. Except as provided in Section 2. C., the obligations of City and UPRR to bear costs and expenses as provided in this Agreement will apply regardless of any estimates of quantities or costs, including, without limitation, any estimates in **Exhibit B**.

Section 3. CITY'S MONETARY CONTRIBUTION

In addition to City's other contributions to the Project under this Agreement, City shall (a) pay to UPRR, as a capital contribution to UPRR's investment in the Project, Six Hundred Fifty Thousand Dollars (\$650,000) on or before the thirtieth (30th) day after the Commencement Date (as defined in Section 7 below), (b) pay to UDOT up to One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) as the twenty percent (20%) local match for the federal funding provided under the UPRR-UDOT Agreement, and (c) pay to UDOT any portion of the Six Million Two Hundred Fifty Thousand Dollars (\$6,250,000) paid to UPRR under the UPRR-UDOT Agreement that exceeds the amount of federal funding actually available to UDOT, provided, however, that the risk of any shortfall in federal funding available to UDOT that exceeds \$674,000 will be borne by UPRR, and that UPRR shall reimburse City for payment by City to UDOT under this item (c) in excess of \$674,000, with such reimbursement to be made by UPRR to City within thirty (30) days after receipt by UPRR of City's invoice therefor.

**Section 4. REAL ESTATE EXCHANGE AND RELOCATION;
REAL ESTATE SALE; FRANCHISE AMENDMENT**

A. City, at its sole cost and expense, shall (1) acquire and cause to be conveyed to UPRR all real estate required by UPRR for the Project, in accordance with the provisions of **Exhibit C** attached and including (it being acknowledged by the parties that the final design or construction of the Project may require additional property transfers due to factors beyond UPRR's reasonable control) the properties identified for transfer to UPRR on **Exhibit C-1** attached to **Exhibit C**, and (2) relocate all third parties displaced by the Project or the City Creek Restoration, in compliance with all applicable federal, state and local laws, rules and regulations. Until Closing as provided in **Exhibit C**, City hereby grants to UPRR and its contractors the right to enter upon such real estate for the purpose of performing the UPRR Work, provided that UPRR indemnifies City with respect to any property damage or personal injury or death to the extent caused by the negligence or willful misconduct of UPRR or UPRR's contractors, agents, employees or invitees.

B. In exchange for the real estate to be conveyed by City to UPRR as provided in Paragraph A. above, UPRR agrees to transfer to City the 900 South Property (as defined in the 2004 Agreement), the Folsom Street Line (as defined in the 2004 Agreement) railroad right of way up to the east line of 1100 West, the 100 South Property, and the properties (or property interests) identified for transfer to City by UPRR on **Exhibit C-1** attached to **Exhibit C**, and in accordance with **Exhibit C**. Section 2(b) of the 2004 Agreement is hereby amended to provide that UPRR's obligations to abandon and transfer to City the Folsom Street Line does not include any portion of the Folsom Street Line west of the east line of 1100 West.

C. UPRR and City (or the Redevelopment Agency of Salt Lake City) will negotiate the terms and conditions of a Purchase Option Agreement under which UPRR will grant an option to purchase the property shown on **Exhibit D** attached hereto and hereby made a part hereof for a purchase price of Five Hundred Thousand Dollars (\$500,000) and, if the option is exercised, with (i) the conveyance to be by Special Warranty Deed subject to all outstanding rights, (ii) the use of such property restricted to prohibit residential and park uses, (iii) provisions under which UPRR will have no liability, responsibility or obligation for the environmental condition of such property, and (iv) the right of City to assign its rights under the Purchase Option Agreement, provided that City retains its obligations under the Purchase Option Agreement.

D. The existing Franchise Agreement between City and UPRR with respect to UPRR's tracks on South Temple Street will be amended to reflect the new alignment of UPRR's tracks resulting from the West Side Railroad Realignment Property.

Section 5. PROJECT APPROVALS AND PERMITS

City, at its expense, shall obtain all governmental approvals and permits, including, without limitation, zoning and construction permits, required for the City Work and the City Creek Restoration. City shall also help facilitate UPRR's obtaining of governmental approvals and permits for the UPRR Work.

Section 6. PROJECT PLANS

A. Within forty-five (45) days after the Execution Date, City, at its sole cost and expense, shall cause to be prepared the proposed final plans and specifications for the City Work including, without limitation, at-grade railroad crossings and utility relocation associated with track realignment, and submit such final plans and specifications to UPRR's Assistant Vice President Engineering-Design for review and approval.

B. The final plans and specifications for the City Work that are approved by UPRR's Assistant Vice President Engineering-Design, and the final plans and specifications for the UPRR Work that are prepared by UPRR or its consultant(s), and reviewed by the City Engineer for consistency with the Conceptual Plans and compliance with City standards as to at-grade street crossings, are the "Plans". The Plans must be substantially consistent with the conceptual plans dated March 29, 2005, prepared by Patterson & Associates, Inc. ("Conceptual Plans"), except for the work phasing. When completed and approved as required by this Agreement, the Plans automatically will be made a part of this Agreement by reference.

C. No changes in the Plans may be made without the written consent of UPRR and City, except that City approval is not required for any change to the Plans for the UPRR Work to the extent the change is consistent with the Conceptual Plans and, as applicable, City standards for at-grade street crossings. Any material changes in the track alignment set forth in the Plans are subject to review by City and, if the change materially affects the City Work or would require City to obtain additional property for UPRR, to City's consent.

D. The review and approval of the Plans will not relieve City or UPRR of any of their respective liabilities or obligations under this Agreement or otherwise with respect to the Plans. In reviewing and approving the Plans prepared by the other party, neither party makes any representation or warranty as to the validity, accuracy, legal compliance or completeness of the Plans prepared by the other party.

Section 7. COMMENCEMENT AND SCHEDULING OF PROJECT WORK

A. UPRR and City agree that the City Work and the UPRR Work is not required to commence until the date ("Commencement Date") that (i) the UPRR-UDOT Agreement and the City-County Agreement have been fully executed, (ii) the Plans

have been completed and approved as required by this Agreement, (iii) City has obtained legal authority to occupy all real estate required by UPRR for the Project and is in a position to transfer such real estate to UPRR in accordance with the provisions of **Exhibit C**, and (iv) necessary governmental permits and approvals for the City Work and the UPRR Work have been obtained. If these conditions precedent are not satisfied on or before December 31, 2007, either party may terminate this Agreement and the 2004 Agreement by giving the other party thirty (30) days' notice of termination.

B. Subject to Paragraph A. above, City and UPRR shall commence and perform their respective City Work and UPRR Work in a coordinated (including coordination with UTA's transit project work) and diligent manner, and shall endeavor to perform and complete such work in accordance with the construction phasing and schedule described in the West Side Railroad Realignment Master Schedule dated _____, 2007, attached as **Exhibit E** ("Construction Schedule"), which may be modified and updated as the construction progresses subject to approval by UTA, City and UPRR.

Section 8. REQUIREMENTS FOR CITY WORK AND UPRR WORK

A. UPRR's responsibility for the safe conduct and adequate supervision of the UPRR Work will not be affected by (i) City's approval of the Plans, (ii) City's collaboration in performing any Project work, or (iii) UPRR's compliance with any requests or recommendations made by any City representative.

B. City's responsibility for the safe conduct and adequate supervision of the City Work and the City Creek Restoration will not be affected by (i) UPRR's approval of the Plans, (ii) UPRR's collaboration in performing any Project work, (iii) the presence at the job site of UPRR's representatives, or (iv) City's compliance with any requests or recommendations made by any UPRR representative.

C. City acknowledges that UPRR train operations at and in the vicinity of the City Work and the City Creek Restoration may be in constant or frequent use during the progress of the City Work or the City Creek Restoration and that movement or stoppage of trains, engines or rail cars may cause delays in the City Work or the City Creek Restoration. City agrees to assume the risk of any such delays and agrees that no claims for damages on account of any delay shall be made against UPRR by City or any of its Contractors. However, City is not responsible under this Agreement for delays in completing the City Work in accordance with the Construction Schedule to the extent such delays are caused by the presence or stoppage of trains, engines or rail cars.

D. At no cost or expense to the other party, City shall provide all traffic controls within City rights of way and (subject to Subparagraph E. below) UPRR shall provide all flaggers within UPRR rights of way, as necessary for the Project.

E. City and its Contractors shall in no event enter upon any right of way or other property of UPRR without the prior written consent of UPRR and in all events under the terms of UPRR's Contractor's Right of Entry Agreement. Except to the extent specifically authorized in the Construction Schedule, City and its Contractors must not do or permit anything that will or may obstruct, endanger, interfere with, hinder or delay UPRR's train operations, tracks or facilities, or any communication or signal lines or appurtenances, or the operations and facilities of UPRR's lessees or licensees or others lawfully occupying or using UPRR's property. City and its Contractors shall arrange for UPRR flaggers and otherwise comply with UPRR safety requirements for all work performed within twenty-five feet (25') of UPRR tracks.

F. City, either directly or through its Contractors, shall contact and work with all third parties who own or operate any non-railroad facility (including, without limitation, utilities, fiber optics, pipelines, wirelines, communication lines and fences) to cause all such facilities to be protected, encased, reinforced and/or relocated as necessary to accommodate the Project and the City Creek Restoration, and including, without limitation, with respect to such work on any right of way of UPRR or that is associated with UPRR track or crossing improvements, as necessary to comply with UPRR's standard specifications and requirements, including, without limitation, American Railway Engineering and Maintenance-of-Way Association ("AREMA") standards and guidelines and pursuant to plans for such work that have been approved by UPRR and the owner of the facility. City acknowledges that if such work is performed by the owner of the facility on any right of way or other property of UPRR, then such owner and its contractors must contact and make application to UPRR's Real Estate Department or Fiber Optics Department for UPRR permission to perform such work and execute Contractor's Right of Entry Agreements. UPRR has no obligation to provide property for relocated facilities, or to provide permission for facility changes or relocations that do not comply with UPRR's standard specifications and requirements, including, without limitation, AREMA standards and guidelines.

G. All City Work and City Creek Restoration that is associated with UPRR track or crossing improvements, must comply with UPRR's specifications and standards. Any exceptions will be at UPRR's sole discretion and are not binding on UPRR unless in writing signed by an authorized UPRR representative. Without limitation of the foregoing, all embankment fill and borrow material used by City's Contractors in performing grading and embankment work must first be tested by City or its Contractor to determine if such material is acceptable to UPRR, including, without limitation, ensuring (i) that the borrow and embankment material meets UPRR's specifications and standards, and (ii) that the borrow and embankment material does not contain any material of environmental concern.

Section 9. AT-GRADE CROSSINGS CLOSURE

A. Immediately after execution of this Agreement and as soon as practicable, City shall take all necessary steps to adopt Ordinances to close the roadway at both sides of and within the following crossings:

- (i) 100 South at UPRR Milepost 745.41, DOT 254923A; and
- (ii) 700 South at UPRR Milepost 744.49, DOT 25466ON;

B. After closure of such crossings, UPRR, at its expense, shall remove the pre-cast crossing surface material and the crossing signals and gates at both crossings and the roadway approach material at 700 South and install permanent curbing and signage at 700 South, and City, at its expense, shall remove the roadway approach material at 100 South and install at 100 South and thereafter maintain at both crossings permanent curbing and signage to prevent any use of the crossings. The 700 South crossing will not be closed by City until UPRR grants to City the 700 South perpetual access easement as provided in **Exhibit C**.

Section 10. MISCELLANEOUS PROVISIONS

A. **Retention of Records**. The books, papers and records of UPRR and City as they relate to Project expenses, labor and materials shall at all reasonable times during regular office hours be open to inspection and audit by UPRR and City and UPRR's and City's authorized agents and representatives for a period of three (3) years from the Project completion date.

B. **Notices**. Any notices required or desired to be given under this Agreement must be in writing and personally served, given by overnight express delivery, or given by mail. Telecopy notices will be deemed valid only to the extent (i) actually received by the individual to whom addressed, and (ii) followed by delivery of actual notice within three (3) business days. Notices given by mail must be sent, postage prepaid, by certified mail, return receipt requested. All notices must be addressed to the party to receive at the following address or at such other address as the party may from time to time direct in writing:

UPRR: UNION PACIFIC RAILROAD COMPANY
ATTN: Gary Bates, Director Project Design
1400 Douglas Street, Mail Stop 0910
Omaha, Nebraska 68179
Telephone: (402) 544-2282
Facsimile: (402) 501-0324

with copy to: UNION PACIFIC RAILROAD COMPANY
ATTN: Christine M. Smith, Assistant General Counsel
1400 Douglas Street, Mail Stop 1580
Omaha, Nebraska 68179
Telephone: (402) 544-5761
Facsimile: (402) 501-0127

CITY: City Mayor
451 South State, Room 306
Salt Lake City, Utah 84111

with copies to: Salt Lake City Attorney
451 South State, Room 505
Salt Lake City, Utah 84111

Salt Lake City Engineer
349 South 200 East, Suite 100
Salt Lake City, Utah 84111

Express delivery notices will be deemed to be given upon receipt. Postal notices will be deemed to be given three (3) days after deposit with the United States Postal Service.

C. **Time of the Essence.** Time is of the essence of this Agreement.

D. **Governing Law.** This Agreement is governed by the laws of the State of Utah, except to the extent preempted by federal law.

E. **Entire Agreement; Affirmation of 2004 Agreement.** This Agreement and the 2004 Agreement are the entire agreement between UPRR and City with respect to the Project and supersede all prior agreements between UPRR and City, whether written or oral. UPRR and City hereby reaffirm their respective obligations under the 2004 Agreement as amended by this Agreement, and agree that the 2004 Agreement will not terminate except as provided in this Agreement. In the event of any inconsistency between this Agreement and the 2004 Agreement, this Agreement will control. This Agreement may be modified or amended only by a written instrument executed by UPRR and City.

F. **Successors and Assigns.** This Agreement is binding upon and will benefit each party and their respective successors and assigns. However, neither party may assign or transfer its interest under this Agreement without the prior written consent of the other party.

G. **Representation Regarding Ethical Standards for City Officers and Employees and Former City Officers and Employees.** UPRR represents that it has not: (1) provided an illegal gift or payoff to a City officer or employee of former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee of former City officer or employee to breach any of the ethical standards set forth in the City's conflict

of interest ordinance, Chapter 2.44, Salt Lake City Code.

H. **Warranty of Authority.** UPRR and City each warrant that it has the actual authority to commit to all obligations contained herein.

I. **Exhibits.** Exhibits A, B, C, D and E are by reference made part of this Agreement.

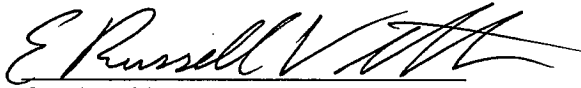
UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation

By: _____
Title: _____

SALT LAKE CITY CORPORATION, a
municipality and political
subdivision of the State of Utah

By: _____
Title: _____

Approved as to form:


Senior City Attorney

GRANT TOWER ALIGNMENT

WEST SIDE RAILROAD REALIGNMENT WORK

2/16/08
C=CITY, U=UPRR

ROADWAY WORK

EXHIBIT B

TRACK WORK

WORK ITEM	ROADWAY WORK														TRACK WORK				
	3rd North	4th North	6th West	8th West	9th West	10th West	South Temple	Jeremy St.	1st South	2nd South	7th South	8th South	9th South	17th South	Lymndyl Sub	Provo Sub	Salt Lake Sub	Folsom Line	9th South Line
Engineering design, bidding, permits	C	C	C	C	C	C	C	C	C	C					U	U			
Property acquisition				C		C	C	C	C						C	C			
Furnish & Inst. Roadway paving including approaches	C	C	C	C	C	C	C	C	C	C	C	C	C	C					
Furnish & Inst. Curb & Gutter	C	C	C	C	C	C	C	C	C	C	C	C	C	C					
Traffic Control Including barricades, detour signs	C	C	C	C	C	C	C	C	C	C	C	C	C	C					
Furnish & Install Crossing Panels	U	U	U	U	U	U	U	U	U	U	U	U	U	U					
Furnish & Install Crossing Signals	U	U	U	U	U	U	U	U	U	U	U	U	U	U					
Remove Crossing Panels																			U
Demo. & Removal structures, foundations, signals, contaminated soil - City acquired property or UP released property															C	C	C	C	C
Demo. & Removal structures, foundations, track, signals, contaminated soil - Existing retained property			C	C	C	C	C	C	C	C					U	U	U	U	U
Clearing and Grubbing (vegetation, top soil removal)															U	U	U	U	U
Furnish & Install Track/Roadway Grading/Subballast including Mob & Demob. & Subexcavation structurally unsuitable mat only			C	C	C	C	C	C	C	C					U	U	U	U	U
Remove rail and ties															U	U	U	U	U
Furnish & Inst. Drainage Culverts															U	U	U	U	U
Furnish & Const. I-15 Pier Protection															U	U	U	U	U
Furnish & Const. I-15 Retaining wall															U	U	U	U	U
Reloc. Light Tower															U	U	U	U	U
Remove Signal pole line															U	U	U	U	U
Furnish & Inst. Track & Switches															U	U	U	U	U
Furnish & Inst. wayside Signals															U	U	U	U	U
Reloc./lower/Excise Utilities including fiber, pipelines			C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Reestablish fencing at new r/w limits			C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Furnish & Install Quiet Zone Improvements				U	U	U	U	U	U	U	U	U	U	U					
Fund Quiet Zone Improvements				C	C	C	C	C	C	C	C	C	C	C					

REAL ESTATE EXCHANGE PROVISIONS

Section 1. Acquisition and Exchange of Property

A. No later than the execution of this Agreement, City, at its expense, shall commence its acquisition of all real property required by UPRR for the Project, as listed and generally shown as properties to be transferred to UPRR on **Exhibit C-1** attached hereto and hereby made a part hereof (the "City Exchange Properties"), and shall complete such acquisitions as soon as practicable.

B. At Closing, as defined in Section 4 of this **Exhibit C**, City shall execute and deliver to UPRR a Special Warranty Deed in the form marked **Exhibit C-2**, attached hereto and hereby made a part hereof, for each of the City Exchange Properties. With respect to any of the City Exchange Properties with identified material environmental contamination, UPRR, at its election, may take, in lieu of fee title to any of the City Exchange Properties, an easement for railroad purposes. If UPRR makes such election, such easement(s) will be granted by City to UPRR by Easement Deed in the form of **Exhibit C-3** attached and hereby made a part hereof.

C. At Closing, UPRR shall execute and deliver to City Quitclaim Deeds in the form marked **Exhibit C-4**, attached hereto and hereby made a part hereof ("Quitclaim Deed"), quitclaiming to City UPRR's right, title and interest in and to each of the 900 South Property, the Folsom Street Line right of way to the east line of 1100 West, and the properties and property interests as listed and generally shown on **Exhibit C-1** attached hereto and hereby made a part hereof (collectively, the "UPRR Exchange Properties"), except that as to the 700 South access easement and the City Creek drainage pipeline, UPRR shall execute and deliver to City the easement deeds in the forms marked **Exhibits C-5** and **C-6**.

D. The Parties agree that the exchange of the UPRR Exchange Properties and the City Exchange Properties provided in this Agreement will be an equal exchange. Each of the transfers necessary to complete the exchange is part of an integrated, interdependent, mutual, and reciprocal plan intended to effectuate a tax-deferred exchange by UPRR of like-kind properties pursuant to and in accordance with the provisions of Section 1031, of the Treasury Regulations promulgated thereunder, and similar state statutes. City will cooperate with UPRR in its efforts to accomplish a tax deferred exchange pursuant to the provisions of Section 1031 at no additional cost to City and provided that City shall have no liability to UPRR in the event this transaction does not qualify as a tax deferred exchange pursuant to Section 1031.

E. Notwithstanding anything to the contrary in this Agreement, City may elect to cause the transfer of the real property shown on **Exhibit C-1** as the Questar Property to be transferred directly to UPRR by the owner of such property, with such transfer to be otherwise on the same terms and conditions as provided in this Agreement.

Section 2. Conditions Precedent to Closing

The following are conditions precedent to Closing:

A. Title Review and Survey. Within fifteen (15) days after the Execution Date, City, at its sole cost and expense, shall obtain and deliver to UPRR:

(i) A preliminary title commitment for an Owner's Title Insurance Policy (ALTA Form B) for each City Exchange Properties issued by Metro Title Company ("Title Company") in the amounts listed on **Exhibit C-1** ("Coverage Amounts"), together with legible copies of all documents referred to in the commitment;

(ii) A current survey of each of the City Exchange Properties performed by a registered surveyor of the State of Utah in accordance with ALTA Land Survey Standards and in a form acceptable to UPRR and Title Company for all purposes, including, without limitation, deleting from the owner's policy of title insurance the standard printed exceptions pertaining to boundaries and encroachments, and showing lot lines and monuments, building lines, easements both burdening and benefiting the City Exchange Properties, rights of way and roadways adjoining the City Exchange Properties, access to and from the City Exchange Properties to and from adjoining public roads, utilities, the exact location of all improvements and encroachments, if any, on the City Exchange Properties or other adjoining properties, and the number of square feet within the boundaries of the City Exchange Properties and within any easements, roadways, rights of way, and encroachments, and containing the following certificate:

"TO UNION PACIFIC RAILROAD COMPANY, SALT LAKE CITY CORPORATION, _____ TITLE COMPANY AND OTHER PARTIES INTERESTED IN THE TITLE TO THE PROPERTY SURVEYED: The undersigned hereby certifies that this survey was this day made on the ground of the property described hereon and is correct; that there are no discrepancies, conflicts or shortages in area or boundary lines, or any encroachments, or any overlapping of improvements, or any easements or rights of way except as shown hereon."

After receipt by UPRR of the preliminary title commitments and the surveys in a form acceptable to UPRR and Title Company and in conformity with the requirements of

this subparagraph (s), UPRR will have thirty (30) days in which to notify City in writing of any objection which UPRR may have to any exceptions reported in the title commitments or matters shown on the surveys. Prior to Closing, City shall, at City's sole cost and expense, remove from the policies of title insurance to be issued to UPRR at Closing any exceptions and from the surveys any matters so objected to by UPRR and any title exceptions occurring after issuance of the title commitments and surveys but before Closing. The policies of title insurance to be issued to UPRR at Closing must insure in UPRR's name indefeasible fee simple and marketable title to the City Exchange Properties (or, if UPRR elects to take an easement, a perpetual, exclusive railroad easement), must provide extended coverage over general exceptions, and must not contain any title exceptions except as approved or waived by UPRR in writing, and must be in the Coverage Amounts.

B. Feasibility Studies. For a period of sixty (60) days after the Execution Date, UPRR may, at UPRR's sole discretion, examine and satisfy itself as to any and all matters in connection with the City Exchange Properties, including, without limitation, the physical and environmental condition of the City Exchange Properties, City shall furnish UPRR with any information in City's possession requested by UPRR in connection with UPRR's examination of the City Exchange Properties, and shall assist UPRR in securing information not in City's possession as UPRR deems necessary and desirable.

C. Completion of Project. The Project must be substantially completed and all aspects of the West Side Railroad Realignment Project must be fully operational.

Section 3. Title Clearing

After Closing, if there are any challenges to UPRR's title to the City Exchange Properties, or if UPRR determines there are any liens, easements, encumbrances, exceptions or reservations that may adversely affect such title, then City will cooperate with UPRR and consider using its power of condemnation to clear such adverse title items to the extent the items existed before Closing.

Section 4. Closing.

- A. At Closing, City shall deliver or cause to be delivered to UPRR:
- (i) the Special Warranty Deeds (and/or Easement Deed(s) if elected by UPRR as provided in Section 1.B. above), executed and acknowledged by City, conveying good and marketable fee simple (or a perpetual, exclusive railroad and communications easement, if elected by UPRR as provided in Section 1.B. above) title to the City Exchange Properties to UPRR free and clear of all claims, liens and encumbrances except as permitted by Section 2.A. of this **Exhibit C**; and

(ii) Complete releases of all liens against the City Exchange Properties.

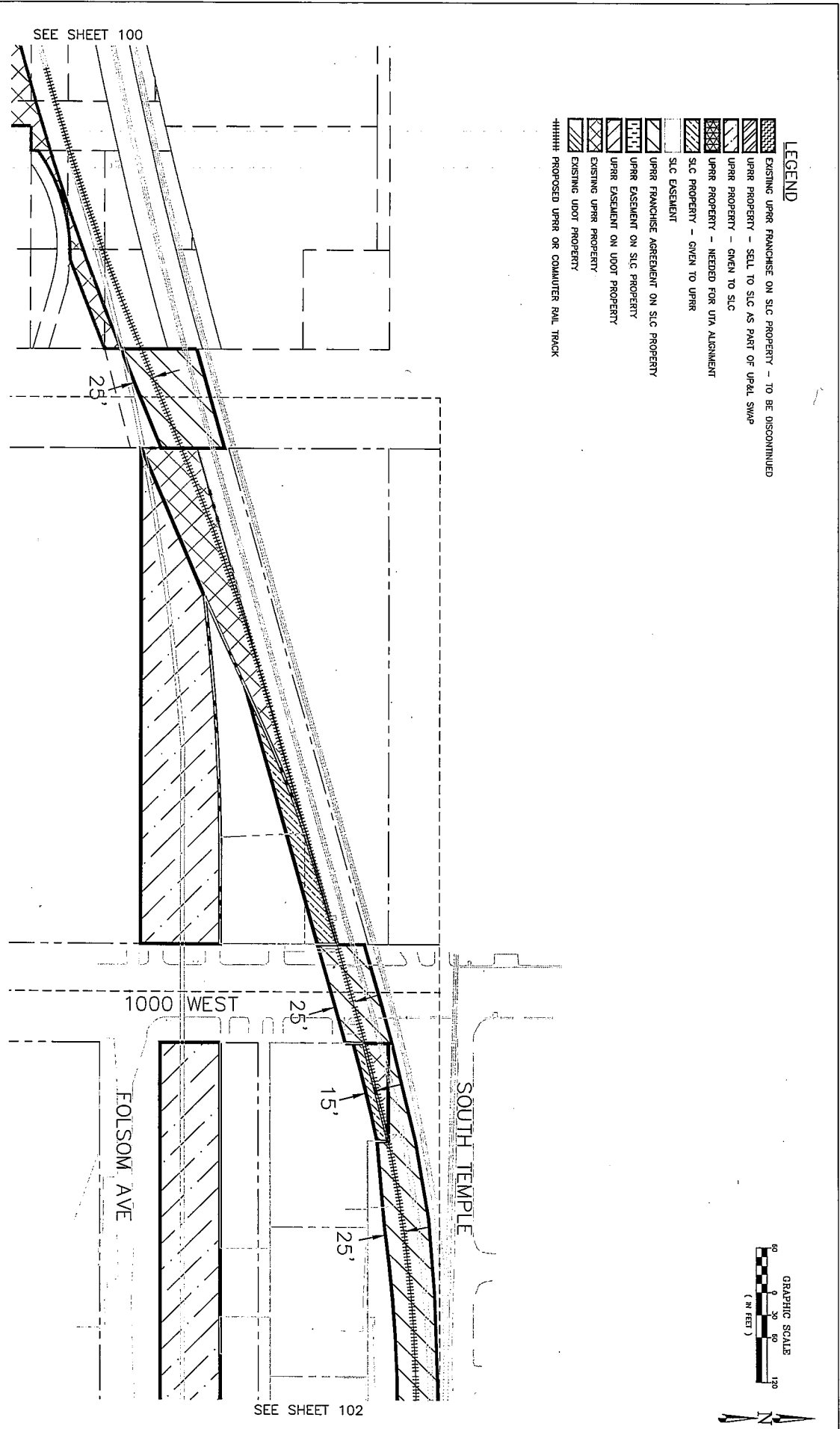
B. At Closing, UPRR shall deliver or cause to be delivered to City the Quitclaim Deeds and Easement Deeds to the UPRR Exchange Properties.


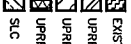
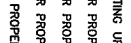
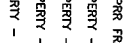
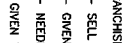
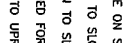
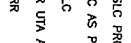

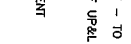
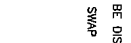


C. Closing. The delivery of the Quitclaim Deeds and Easement Deeds from UPRR to City and the Special Warranty Deeds from City to UPRR ("Closing") through escrow handled by the Title Company will occur when UPRR has advised the Title Company in writing that all conditions precedent in Section 2 of this **Exhibit C** been satisfied.


D. Closing Costs. Each party shall pay the title examination, title policy changes, escrow and recording fees and charges applicable to the properties and interests it is acquiring under this **Exhibit C**.

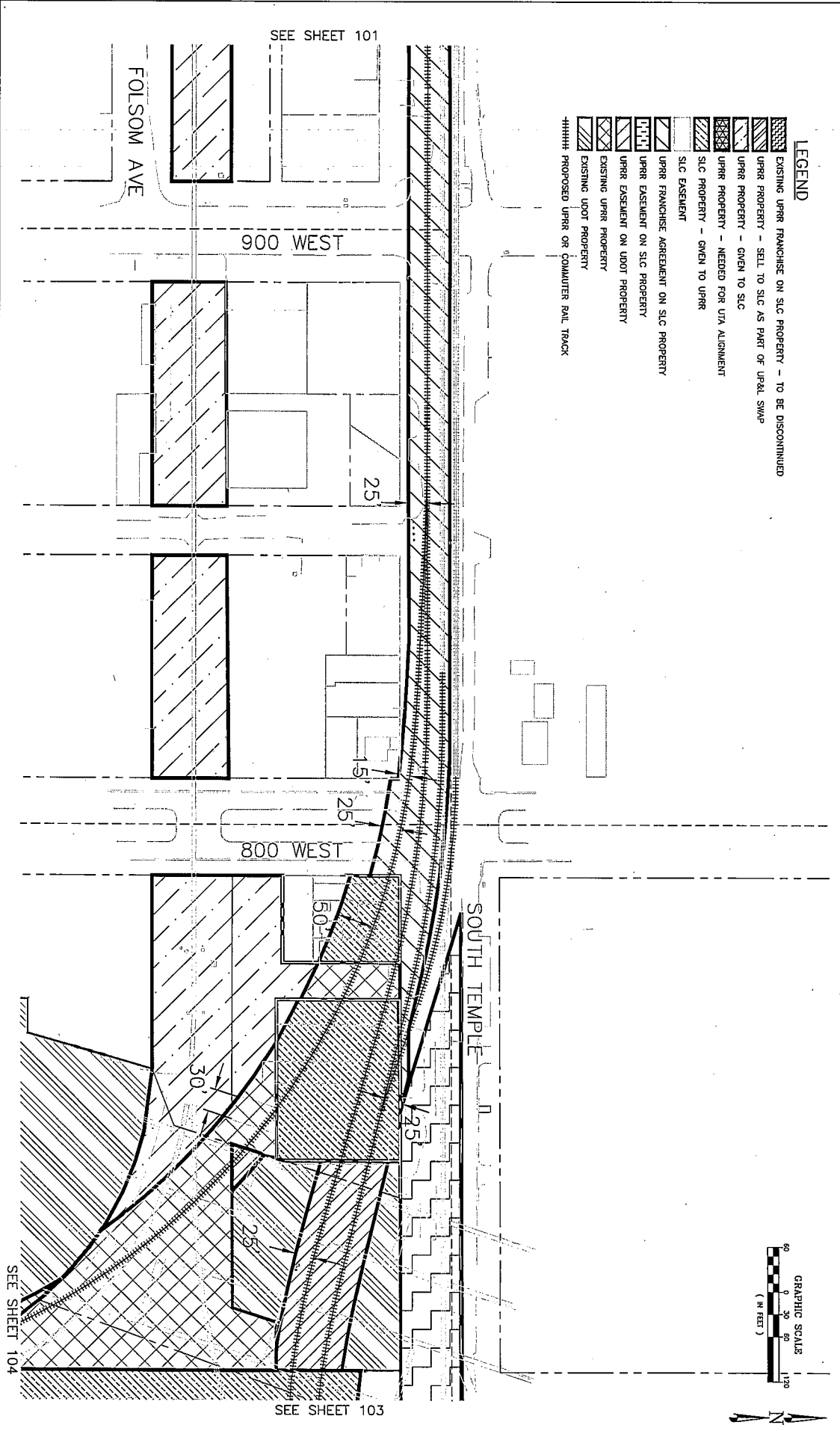
Property Exchange Maps













NO.	APPROVED BY	REVISIONS	DATE	DATE	PRELIMINARY NOT FOR CONSTRUCTION	 PARSONS	WESTSIDE RR RE-ALIGNMENT	PROPERTY TRANSFER	DESIGNED BY _____ DRAWN BY _____ CHECKED BY _____ SCALE _____ DATE _____	AS SHOWN N/A	VAILT NO. _____ JOB NO. _____ SHEET _____ OF _____ SHEETS DRAWING NO. 101



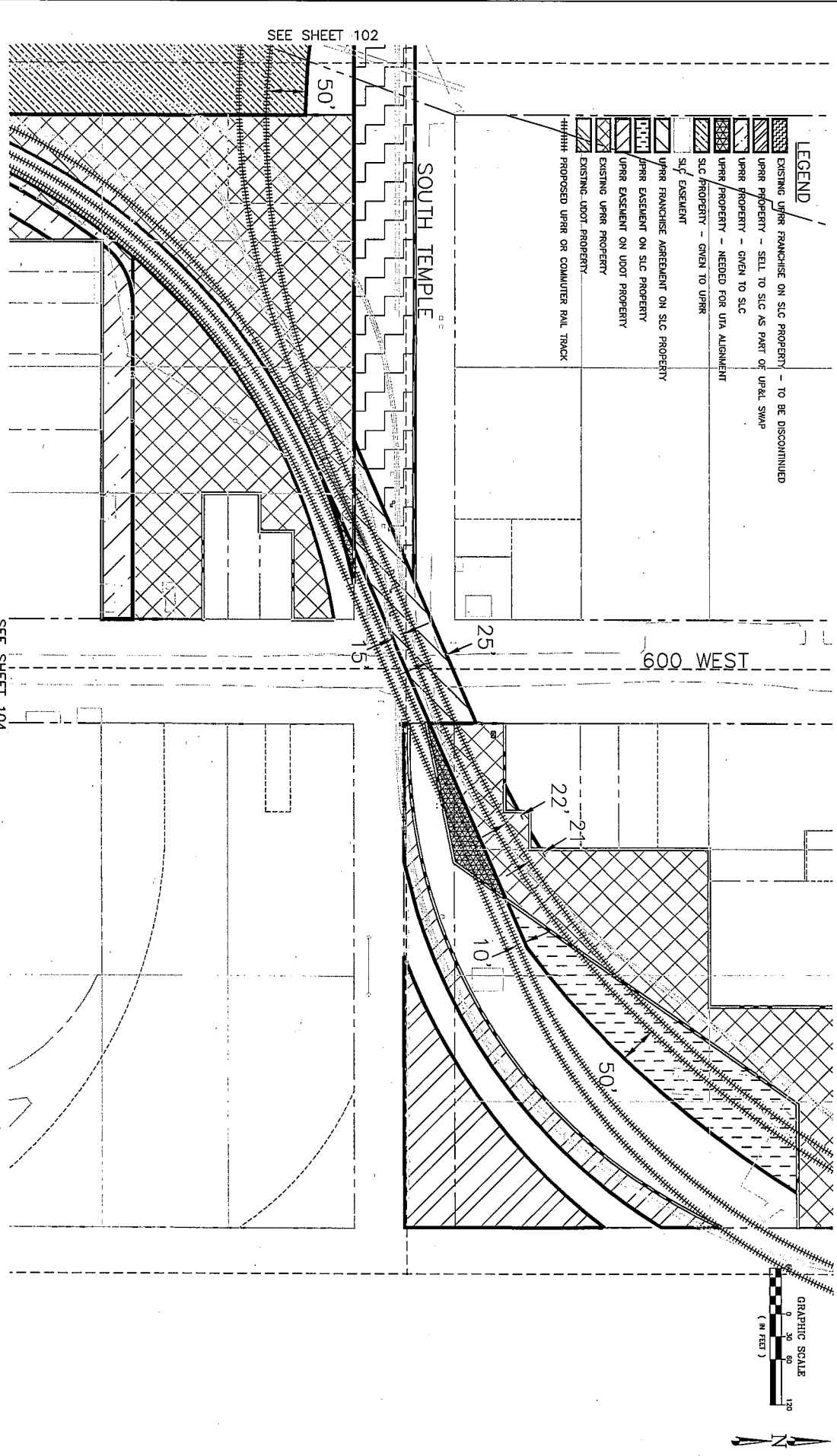
- LEGEND**
-  EXISTING UPRR FRANCHISE ON SLC PROPERTY - TO BE DISCONTINUED
 -  UPRR PROPERTY - SELL TO SLC AS PART OF UPRR SWAP
 -  UPRR PROPERTY - GIVEN TO SLC
 -  UPRR PROPERTY - NEEDED FOR UTA ALIGNMENT
 -  SLC PROPERTY - GIVEN TO UPRR
 -  SLC EASEMENT
 -  UPRR FRANCHISE AGREEMENT ON SLC PROPERTY
 -  UPRR EASEMENT ON SLC PROPERTY
 -  UPRR EASEMENT ON UDOT PROPERTY
 -  EXISTING UPRR PROPERTY
 -  EXISTING UDOT PROPERTY
 -  PROPOSED UPRR OR COMMUTER RAIL TRACK

NO.	APPROVED BY	REVISIONS	MADE BY	DATE	PRELIMINARY NOT FOR CONSTRUCTION	 PARSONS	WESTSIDE RR RE-ALIGNMENT	PROPERTY TRANSFER	DESIGNED BY	_____	VOLUME NO.	_____	
									DRAWN BY	_____	JOB NO.	_____	
					CHECKED BY	_____	SCALE	HORIZ	AS SHOWN	SHEET	_____	OF	_____
					SCALE	VERT	N/A			DRAWING NO.	102		SHEETS
					DATE	_____							

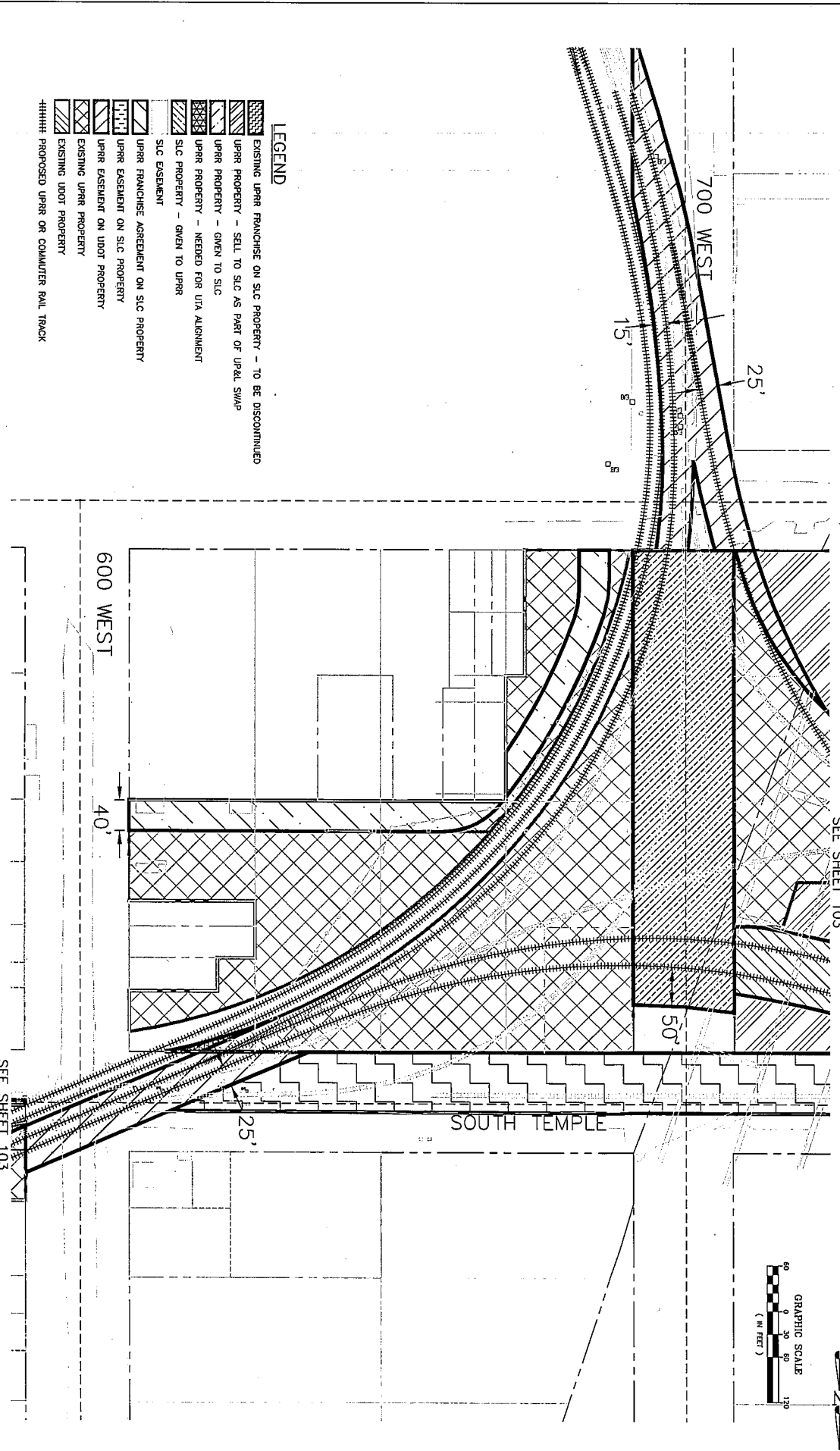


- LEGEND**
-  EXISTING UPRR FRANCHISE ON SLC PROPERTY - TO BE DISCONTINUED
 -  UPRR PROPERTY - SELL TO SLC AS PART OF UPRR SWAP
 -  UPRR PROPERTY - GIVEN TO SLC
 -  UPRR PROPERTY - NEEDED FOR UTA ALIGNMENT
 -  SLC PROPERTY - GIVEN TO UPRR
 -  SLC EASEMENT
 -  UPRR FRANCHISE AGREEMENT ON SLC PROPERTY
 -  UPRR EASEMENT ON SLC PROPERTY
 -  UPRR EASEMENT ON UDOT PROPERTY
 -  EXISTING UPRR PROPERTY
 -  EXISTING UDOT PROPERTY
 -  PROPOSED UPRR OR COMPUTER RAIL TRACK













NO.	APPROVED BY	REVISIONS	MADE BY	DATE	PRELIMINARY NOT FOR CONSTRUCTION		WESTSIDE RR RE-ALIGNMENT	PROPERTY TRANSFER	DESIGNED BY	_____	VAULT NO.	_____
									DRAWN BY	_____	JOB NO.	_____
									CHECKED BY	_____	SHEET	_____
									SCALE	AS SHOWN	OF	_____
									DATE	N/A	SHEETS	_____
									DRAWING NO.	103		

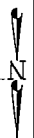
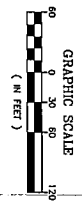


NO.	AUTHORIZED BY	REVISIONS	MADE BY	DATE	PRELIMINARY NOT FOR CONSTRUCTION	 PARSONS	WESTSIDE RR RE-ALIGNMENT	PROPERTY TRANSFER	DESIGNED BY _____ CHECKED BY _____ SCALE _____ DATE _____	VALUITY NO. _____ JOB NO. _____ SHEET _____ OF _____ SHEETS	DRAWING NO. 104
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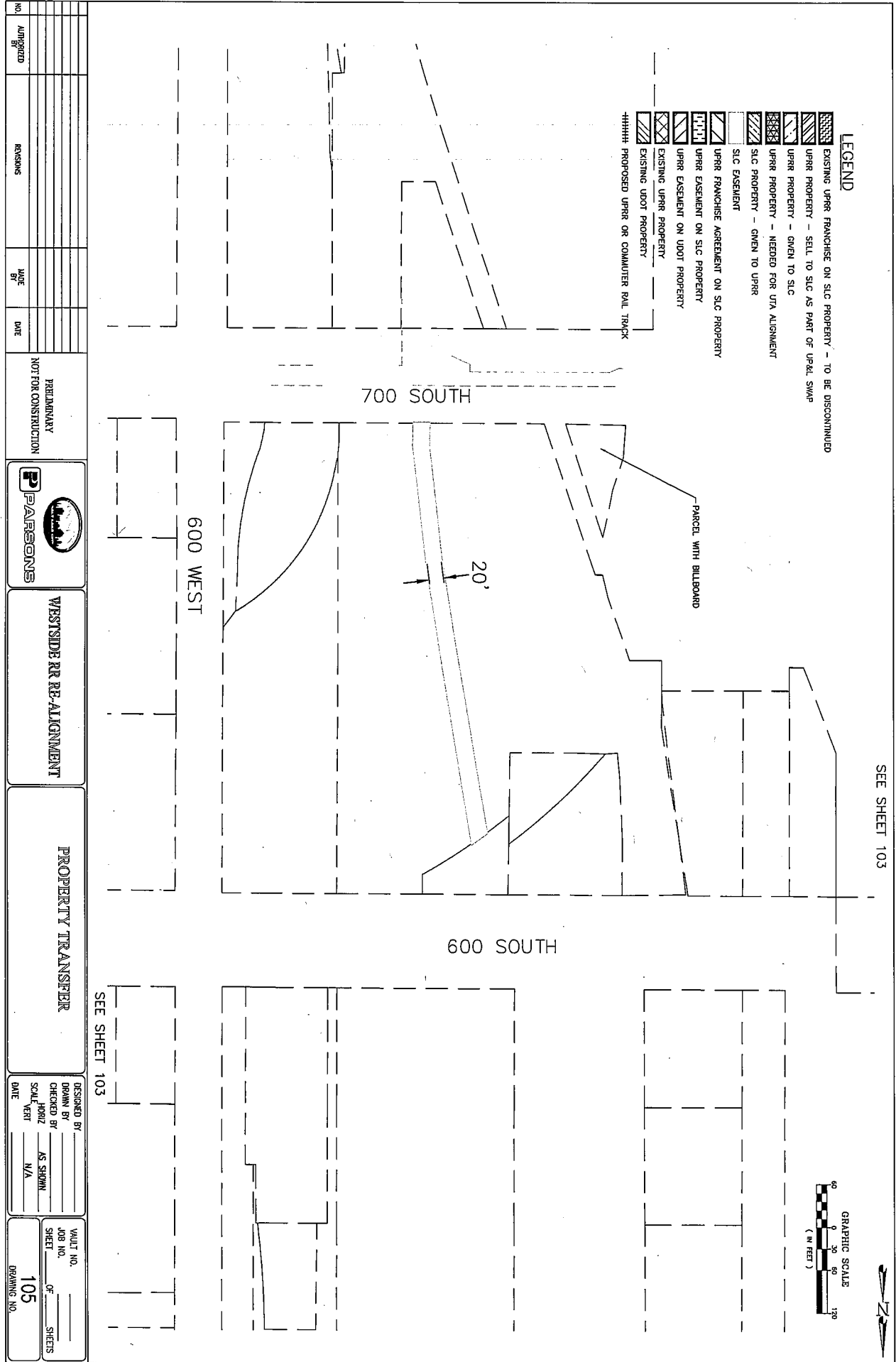
LEGEND

-  EXISTING UPRR FRANCHISE ON SLC PROPERTY - TO BE DISCONTINUED
-  UPRR PROPERTY - SELL TO SLC AS PART OF UPRR SWAP
-  UPRR PROPERTY - GIVEN TO SLC
-  UPRR PROPERTY - NEEDED FOR UTA ALIGNMENT
-  SLC PROPERTY - GIVEN TO UPRR
-  SLC EASEMENT
-  UPRR FRANCHISE AGREEMENT ON SLC PROPERTY
-  UPRR EASEMENT ON SLC PROPERTY
-  UPRR EASEMENT ON UDOT PROPERTY
-  EXISTING UPRR PROPERTY
-  EXISTING UDOT PROPERTY
-  PROPOSED UPRR OR COMMUTER RAIL TRACK



SEE SHEET 103

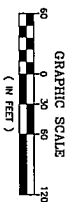
SEE SHEET 103



LEGEND

- EXISTING UPRR FRANCHISE ON SLC PROPERTY - TO BE DISCONTINUED
- UPRR PROPERTY - SELL TO SLC AS PART OF UPRR SWAP
- UPRR PROPERTY - GIVEN TO SLC
- UPRR PROPERTY - NEEDED FOR UTA ALIGNMENT
- SLC PROPERTY - GIVEN TO UPRR
- SLC EASEMENT
- UPRR FRANCHISE AGREEMENT ON SLC PROPERTY
- UPRR EASEMENT ON SLC PROPERTY
- UPRR EASEMENT ON UDOT PROPERTY
- EXISTING UPRR PROPERTY
- EXISTING UDOT PROPERTY
- ##### PROPOSED UPRR OR COMPUTER RAIL TRACK

SEE SHEET 103



NO.	APPROVED BY	REVISIONS	DATE	DATE	PRELIMINARY NOT FOR CONSTRUCTION	PARSONS	WESTSIDE RR RE-ALIGNMENT	PROPERTY TRANSFER	DESIGNED BY _____ DRAWN BY _____ CHECKED BY _____ SCALE _____ TEXT _____ DATE _____	AS SHOWN N/A	VALUET NO. _____ JOB NO. _____ SHEET _____ OF _____ SHEETS	105 DRAWING NO.
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RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

Name &
Address: Union Pacific Railroad Company
Real Estate Department, Mail Stop 1690
1400 Douglas Street
Omaha, Nebraska 68179-1690
Attention: Rod Carroll

SPACE ABOVE FOR RECORDER'S USE

SPECIAL WARRANTY DEED

SALT LAKE CITY CORPORATION, a municipal corporation of the State of Utah ("Grantor") in consideration of the sum of One Dollar (\$1.00) to it paid, the receipt of which is hereby acknowledged, does hereby sell and convey unto UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Grantee"), its successors and assigns, the real estate (the "Property") in Salt Lake County, State of Utah, described in **Exhibit I** hereto attached and hereby made a part hereof.

This Deed is made SUBJECT TO:

[Items of record revealed in the Preliminary Title Report for the Property that UPRR approved or waived as provided in Section 2 of **Exhibit C**]

TO HAVE AND TO HOLD the Property, with the appurtenances, unto Grantee, its successors and assigns forever, and Grantor and its successors and assigns does hereby covenant with Grantee, its successors and assigns, that Grantor is lawfully seized of the Property, that the Property is free from encumbrances except as set forth above, that Grantor has good right and lawful authority to sell the same, and that Grantor, its successors and assigns, shall warrant and defend the same unto Grantee, its successors and assigns, forever, against the lawful claims of all persons claiming under Grantor.

IN WITNESS WHEREOF, Grantor has duly executed this Deed this _____ day of _____, 20__.

Attest:

SALT LAKE CITY CORPORATION

City Clerk

By: _____
Title: _____

(Seal)

ACKNOWLEDGMENT

STATE OF UTAH)
) ss:
COUNTY OF SALT LAKE)

On _____, 20__, before me,
_____, a Notary Public in and for said County and State, personally
appeared _____, who is the
_____ of the SALT LAKE CITY CORPORATION, a municipal
corporation of the State of Utah, and who is personally known to me (or proved to me
on the basis of satisfactory evidence) to be the person whose name is subscribed to in
the within instrument, and acknowledged to me that he/she executed the same in
his/her authorized capacity, and that by his/her signature on the instrument the person,
or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC

(Seal)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

Name &
Address: Union Pacific Railroad Company
Real Estate Department, Mail Stop 1690
1400 Douglas Street
Omaha, Nebraska 68179-1690
Attention: Rod Carroll

(UP Real Estate File Folder _____)

EASEMENT DEED

THIS EASEMENT DEED is made this ____ day of _____, 20__, by and between SALT LAKE CITY CORPORATION, a municipal corporation of the State of Utah ("Grantor") and UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Grantee"):

Grantor, for and in consideration of the sum of One Dollar (\$1.00), to it duly paid, the receipt of which is hereby acknowledged, does hereby grant and convey unto Grantee, its successors and assigns, an EXCLUSIVE PERPETUAL EASEMENT AND RIGHT OF WAY in, to, over, along, upon, under and across the property in Salt Lake County, Utah, described in **Exhibit I** hereto attached and hereby made a part hereof (the "Property"), for the construction, maintenance, operation, repair, renewal, reconstruction and use of railroad trackage and appurtenances, signals and other communication purposes, including the exclusive right and privilege to occupy and use the Property for any and all railroad and communication purposes incidental or related thereto, together with the right of ingress and egress to and from the Property for the purpose of exercising the rights herein granted, and, if and when necessary, removing any railroad trackage and appurtenances located on the Property.

Grantee agrees to indemnify and hold harmless Grantor from and against any claims or actions of third parties for personal injury or property damage caused by the negligence or willful misconduct of Grantee, its employees, agents or contractors, in exercising the rights herein granted.

Grantor shall have no responsibility for the construction, maintenance, operation, repair, renewal or reconstruction of Grantee's railroad trackage and other improvements of Grantee on, in or under the Property, except for the repair of any damage caused by Grantor, its employees, agents or contractors.

TO HAVE AND TO HOLD the easement and right of way described herein unto Grantee, its successors and assigns, forever.

Grantor, for itself, its successors and assigns, does hereby covenant, with Grantee, its successors and assigns, that it has the full power and lawful authority to grant and convey this easement. Grantor also hereby covenants with Grantee that it will warrant and defend Grantee's exclusive and perpetual easement in the Property against the lawful claims of all persons.

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

Attest:

SALT LAKE CITY CORPORATION

City Clerk

By: _____
Title: _____

(Seal)

ACKNOWLEDGMENT

STATE OF UTAH)
) ss:
COUNTY OF SALT LAKE)

On _____, 20___, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who is the _____ of the SALT LAKE CITY CORPORATION, a municipal corporation of the State of Utah, and who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to in the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC

(Seal)

[Real Estate File Folder Number]

QUITCLAIM DEED

UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Grantor") in consideration of the sum of Ten Dollars (\$10.00), and other valuable consideration to it duly paid, the receipt whereof is hereby acknowledged, does hereby REMISE, RELEASE and forever QUITCLAIM unto SALT LAKE CITY CORPORATION, a municipality and political subdivision of the State of Utah ("Grantee") and unto its successors and assigns forever, all of Grantor's right, title, interest, estate, claim and demand, both at law and in equity, of, in, and to the real estate (hereinafter the "Property") situated in Salt Lake County, State of Utah, as more particularly described in **Exhibit A**, attached hereto and hereby made a part hereof.

EXCEPTING from this quitclaim and RESERVING unto Grantor, its successors and assigns, forever, EXCLUSIVE PERPETUAL EASEMENTS ten feet (10') in width measured from the centerline of the Fiber Optic Improvements (as defined below), in, on, over, under and across the Property ("Fiber Optics Easement Property"), in which areas Grantor (and its current easement holders, lessees, sublessees, licensees, successors or assigns) shall have the right to own, construct, reconstruct, maintain, replace, operate, use and/or remove existing communication systems, lines and facilities of every kind and nature, including, but not limited to, all existing facilities, telephone, telegraph, television and fiber optic lines and related equipment (the "Fiber Optics Improvements"), but not including the right to install any future Fiber Optic Improvements except to the extent allowed under existing agreements between Grantee and its current easement holders, lessees, sublessees and licensees. Grantor does further reserve unto itself, its successors and assigns, a limited right-of-way and right of access to the Fiber Optics Easement Property over and across the Property, for the purposes of the use, enjoyment, maintenance, operation and access to the Fiber Optics Easement Property. All Fiber Optics Improvements presently existing on or hereafter constructed on the Fiber Optics Easement Property shall remain the personal property of Grantor. Grantor shall be entitled to all revenues derived from all current agreements to which Grantor is a party affecting the Fiber Optics Easement Property. No permanent building, structure or fence and no material or obstruction of any kind or character shall be stored or maintained on the Fiber Optics Easement Property which would obstruct or interfere with the use and enjoyment of rights herein reserved without the prior written consent of Grantor.

IN WITNESS WHEREOF, the Grantor has caused this deed to be duly executed as of the ____ day of _____, 20____.

Attest:

UNION PACIFIC RAILROAD COMPANY

Assistant Secretary

By _____
Title:

(Seal)

EXHIBIT A
TO
QUITCLAIM DEED
FROM
UNION PACIFIC RAILROAD COMPANY
TO
SALT LAKE CITY CORPORATION

Exhibit A will be the legal description of the UPRR Exchange Properties.

After Recording, Mail To:

Space Above Reserved for County Recorder's Use

EASEMENT DEED

THIS Easement Deed is made this _____ day of _____, 20____, between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Grantor"), and SALT LAKE CITY CORPORATION, a municipal and political subdivision of the State of Utah ("Grantee").

Grantor, for and in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, to it paid by Grantee, grants to Grantee, its successors and assigns, a NONEXCLUSIVE EASEMENT ("Easement") on, along and across the property in Salt Lake County, State of Utah, described in **Exhibit A**, attached and by reference made a part of this Easement Deed (the "Easement Area"), for the sole purpose of using, maintaining, repairing and renewing an existing private roadway (the "Roadway") for private access to a building and advertising sign located near the Easement Area. The Roadway must remain private and in no event may the Roadway be dedicated as a public street or otherwise opened to public use.

The Easement is granted for the purposes described above only. Without limitation of the foregoing, this grant does not include the right to install utilities of any nature, including, without limitation, fiber optic, cable television, electrical, gas or liquid distribution, or telephone lines.

Grantor, its successors and assigns, reserves the right to construct at any and all times and to maintain railroad tracks and appurtenances, fiber optic or signal lines and facilities, pipe, telephone, and electric pole and wire lines, over, under and across the Easement Area, but in such a way as to not interfere with Grantee's use of the Easement; it being understood that the rights so reserved by Grantor, its successors and assigns, are retained along with the general right of Grantor, its successors and

assigns, to use of the Easement Area for any purpose not inconsistent with Grantee's use of the Easement, including, but not limited to any and all general railroad purposes.

The Easement is granted subject to all outstanding leases, licenses and other outstanding rights, including, without limitation, those for pipe, telephone, electric and fiber optic lines and the right of renewals and extensions of the same, and subject also to all conditions, limitations, restrictions, encumbrances, reservations or interests of any person that may affect the Easement Area, whether recorded or unrecorded.

The Easement is also limited to such rights as Grantor may have in the Easement Area and is granted without warranty, express or implied. No damages shall be recoverable from Grantor because of any dispossession of Grantee or because of failure of, or defect in, Grantor's title.

Grantee, at its expense, shall maintain and repair the Roadway in a good and safe condition, except that Grantor shall reimburse Grantee for the repair of any damage to the Roadway caused by Grantor.

Grantor may elect to relocate the Roadway to another location that provides Grantee with reasonably equivalent access to the building and signboard mentioned above. The cost of such relocation shall be borne by Grantor but not to exceed the cost of relocating a roadway with asphalt surface and with no other roadway related improvements including, without limitation, curb and gutter, and any such excess cost shall be borne by Grantee.

To the extent it may lawfully do so, Grantee shall indemnify, defend, and hold harmless Grantor and its affiliates, its and their officers, agents, employees, successors or assigns (the "Indemnitees"), against and from any and all liability (including, without limitation, strict, consequential or punitive damages), claims, demands, actions, causes of action, costs and expenses of whatsoever nature including, without limitation, court costs and attorneys' fees, which may result from personal injury to or death of persons whomsoever, or damage to or loss or destruction of property whatsoever, when such personal injury, death, loss, destruction or damage, howsoever caused, grows out of or arises from the exercise by Grantee of any of the easement rights herein granted, except to the extent caused by the sole active negligence of an Indemnitee. The term "affiliate" (or "affiliates" as the case may be) as used in this Easement Deed means any corporation which directly or indirectly controls, or is controlled by, or is under common control with Grantor.

If Grantee, its successors or assigns, does not use the rights herein granted or the Roadway for any two-year period, Grantor may, at its option, forthwith immediately terminate the Easement by written notice, and Grantee shall execute and deliver to Grantor, its successors and assigns, a Release and Quitclaim in recordable form that releases and quitclaims all of Grantee's right, title and interest in and to the Easement and Easement Area.

Grantor and Grantee have caused this Easement Deed to be executed as of the date first herein written.

Attest: UNION PACIFIC RAILROAD COMPANY

Assistant Secretary

By _____
Title:

(Seal)

Attest: SALT LAKE CITY CORPORATION

City Clerk

By _____
Title:

(Seal)

ACKNOWLEDGMENT

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

On _____, 20____, before me, _____,
Notary Public in and for said County and State, personally appeared
_____ who is the _____ of Salt
Lake City Corporation who is personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person whose name is subscribed to in the within
instrument, and acknowledged to me that he/she executed the same in his/her
authorized capacity, and that by his/her signature on the instrument the person, or the
entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(Seal)

EXHIBIT A

Exhibit A will be the legal description of the Easement Area.

After Recording, Mail To:

Space Above for County Recorder's Use

EASEMENT DEED AND AGREEMENT

This Easement Deed and Agreement is made this ____ day of _____, 20__, between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Grantor") and SALT LAKE CITY CORPORATION, a municipal and political subdivision of the State of Utah ("Grantee").

Grantor, for and in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, to it paid by Grantee, grants to Grantee, its successors and assigns, a NONEXCLUSIVE EASEMENT ("Easement") on, along, under and across the property in Salt Lake County, State of Utah, described in **Exhibit A** attached and by reference made a part of this Easement Deed (the "Easement Area"), for the sole purpose of using, maintaining, repairing and renewing a fifty-four (54") inch diameter storm drain pipeline (the "Pipeline"), together with the right of ingress and egress thereto.

This Easement is subject to the terms, conditions, limitations and covenants in **Exhibit B** attached and by reference made a part of this Easement Deed and Agreement, which shall run with the title to the Easement Deed. Grantee, its successors and assigns; by acceptance of this Easement Deed and Agreement, agrees to observe and perform said terms, limitations, conditions, and covenants.

IN WITNESS WHEREOF, Grantor and Grantee have each caused this instrument to be duly executed as of the date first herein written.

Attest:

UNION PACIFIC RAILROAD COMPANY

Assistant Secretary

By _____
Title _____

(Seal)

Attest:

SALT LAKE CITY CORPORATION

City Clerk

By _____
Title:

(Seal)

ACKNOWLEDGMENT

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

On _____, 20____, before me, _____,
Notary Public in and for said County and State, personally appeared
_____ who is the _____ of Salt Lake
City Corporation who is personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person whose name is subscribed to in the within
instrument, and acknowledged to me that he/she executed the same in his/her
authorized capacity, and that by his/her signature on the instrument the person, or the
entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(Seal)

**EXHIBIT A
TO
WATER PIPELINE EASEMENT DEED AND AGREEMENT**

EXHIBIT A WILL BE THE LEGAL DESCRIPTION OF THE EASEMENT AREA.

TO
WATER PIPELINE EASEMENT DEED AND AGREEMENT

Terms, Conditions, Limitations and Grantee's
Covenants Running with Easement

SECTION 1. LIMITATIONS AND RESERVATIONS

A. The Easement is granted for the purpose described in the Easement Deed and Agreement only. Without limitation of the foregoing, this grant does not include the right to install utilities of any nature, including, without limitation, fiber optic, cable television, electrical, gas or liquid distribution, or telephone lines.

B. Grantor, its successors and assigns, reserves the right to construct at any and all times and to maintain railroad tracks and appurtenances, fiber optic or signal lines and facilities, pipe, telephone, and electric pole and wire lines, over, under and across the Easement Area, but in such a way as to not interfere with Grantee's use of the Easement; it being understood that the rights so reserved by Grantor, its successors and assigns, are retained along with the general right of Grantor, its successors and assigns, to the use of the Easement Area for any purpose not inconsistent with Grantee's use of the Easement, including, but not limited to any and all general railroad purposes.

C. The Easement is granted subject to all outstanding leases, licenses and other outstanding rights, including, without limitation, those for pipe, telephone, electric and fiber optic lines and the right of renewals and extensions of the same, and subject also to all conditions, limitations, restrictions, encumbrances, reservations or interests of any person that may affect the Easement Area, whether recorded or unrecorded.

D. The Easement is also limited to such rights as Grantor may have in the Easement Area and is granted without warranty, express or implied. No damages shall be recoverable from Grantor because of any dispossession of Grantee or because of failure of, or defect in, Grantor's title.

SECTION 2. CONSTRUCTION, MAINTENANCE AND OPERATION

A. The Pipeline shall be constructed, operated, maintained, repaired, renewed, modified and/or reconstructed by Grantee in strict conformity with (i) Grantor's current standards and specifications ("UP Specifications"), except for variances approved in advance in writing by Grantor's Assistant Vice President Engineering – Design, or his authorized representative; (ii) such other additional safety standards as Grantor, in its sole discretion, elects to require, including, without limitation, American Railway Engineering and Maintenance-of-Way Association ("AREMA") standards and guidelines (collectively, "UP Additional Requirements"), and (iii) all applicable laws, rules and regulations ("Laws"). If there is any conflict between the requirements of any Law and the UP Specifications or the UP Additional Requirements, the most restrictive will apply.

B. All work performed on property of Grantor in connection with the construction, maintenance, repair, renewal, modification or reconstruction of the Pipeline shall be done to the satisfaction of Grantor.

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

D. Grantee shall keep and maintain the soil over the Pipeline thoroughly compacted and the grade even with the adjacent surface of the ground.

E. If a contractor is hired by Grantee to do any of the work performed on the Pipeline (including initial construction and subsequent relocation or maintenance and repair work), then Grantee shall require its contractor to execute Grantor's current form of Contractor's Right of Entry Agreement. Grantee acknowledges receipt of a copy of the Contractor's Right of Entry Agreement and an understanding of its terms, provisions, and requirements, and will inform its contractor of the need to execute the agreement. Under no circumstances will Grantee's contractor be allowed onto Grantor's property without first executing the Contractor's Right of Entry Agreement and the contractor providing to Grantor the insurance binders, certificates and endorsements described in the Contractor's Right of Entry Agreement.

SECTION 3. NOTICE OF COMMENCEMENT OF WORK

If any emergency should arise requiring immediate attention, Grantee shall provide as much notice as practicable to Grantor before commencing any work. In all other situations, Grantee shall notify Grantor at least ten (10) days (or such other time as Grantor may allow) in advance of the commencement of any work within the Easement Area in connection with the construction, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Pipeline. Grantee shall also give at least ten (10) days' advance notice to Grantor of proposed performance of any work by Grantee in which any person or equipment will be within 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 25 feet of any track. Upon receipt of such notice, Grantor will determine and inform Grantee whether a flagman need be present and whether Grantee need implement any special protective or safety measures. If any flagman or other special protective or safety measures are performed by Grantor, such services will be provided at Grantee's expense with the understanding that if Grantor provides any flagging or other services Grantee shall not be relieved of any of its responsibilities set forth herein.

SECTION 4. GRANTEE TO BEAR ENTIRE EXPENSE

Grantee shall bear the entire cost and expense incurred in connection with the construction, maintenance, repair and renewal and any and all modification, revision, relocation, retirement or reconstruction of the Pipeline, including (a) any reinforcement of the Pipeline deemed necessary by Grantor or relocation of the Pipeline to such new location as Grantor may designate, whenever in the furtherance of its needs and requirements Grantor shall find such action necessary or desirable, and (b) any and all expense which may be incurred by Grantor in connection therewith for supervision, inspection, flagging, or otherwise.

SECTION 5. NO INTERFERENCE WITH GRANTOR'S OPERATION

The Pipeline and all parts thereof within and outside of the limits of the property of Grantor shall be constructed and, at all times, maintained, repaired, renewed and operated in such manner as to cause no interference whatsoever with the constant, continuous and uninterrupted use of the tracks, property and facilities of Grantor, and nothing shall be done or suffered to be done by Grantee at any time that would in any manner impair the safety thereof. When not in use, Grantee's machinery and materials shall be kept at least 50 feet from the centerline of Grantor's nearest track, and there shall be no crossings of Grantor's tracks except at existing open public crossings.

SECTION 6. PROTECTION OF FIBER OPTIC CABLE SYSTEMS

A. Fiber optic cable systems may be buried on Grantor'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 revenues and profits. Prior to commencing any work, Grantee shall telephone Grantor 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 Grantor's premises to be used by Grantee. If it is, Grantee will telephone the telecommunications company(ies) involved, arrange for a cable locator, make arrangements for relocation or other protection of the fiber optic cable and will commence no work on the right of way until all such protection or relocation has been accomplished. Grantee, to the extent it may lawfully do so, shall indemnify, defend and hold harmless Grantor from and against all costs, liability and expense whatsoever (including,

without limitation, attorneys' fees, court costs and expenses) arising out of or caused in any way by Grantee's failure to comply with the provisions of this paragraph.

B. IN ADDITION TO OTHER INDEMNITY PROVISIONS IN THIS AGREEMENT, TO THE EXTENT IT MAY LAWFULLY DO SO, GRANTEE SHALL INDEMNIFY, DEFEND AND HOLD GRANTOR HARMLESS FROM AND AGAINST ALL COSTS, LIABILITY AND EXPENSE WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS AND EXPENSES) CAUSED BY THE NEGLIGENCE OF GRANTEE, ITS CONTRACTOR, AGENTS AND/OR EMPLOYEES, RESULTING IN (1) ANY DAMAGE TO OR DESTRUCTION OF ANY TELECOMMUNICATIONS SYSTEM ON GRANTOR'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 GRANTOR'S PROPERTY, EXCEPT IF SUCH COSTS, LIABILITY OR EXPENSES ARE CAUSED SOLELY BY THE DIRECT ACTIVE NEGLIGENCE OF GRANTOR. GRANTEE FURTHER AGREES THAT IT SHALL NOT HAVE OR SEEK RECOURSE AGAINST GRANTOR 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 GRANTOR'S PROPERTY OR A CUSTOMER OR USER OF SERVICES OF THE FIBER OPTIC CABLE ON GRANTOR'S PROPERTY.

SECTION 7. REINFORCEMENT OR RELOCATION OF PIPELINE

A. The Easement granted herein is subject to the needs and requirements of Grantor in the operation of its railroad as a common carrier and Grantee shall, at Grantee's sole expense, reinforce, encase or otherwise protect the Pipeline, and/or move all or any portion of the Pipeline to such new location as Grantor shall designate, whenever, in the furtherance of its needs and requirements as a railroad, Grantor shall find such action necessary.

B. All the terms, conditions and stipulations expressed herein with reference to the Pipeline in the aforesaid described location shall, so far as the Pipeline remains on the property of Grantor, apply to the Pipeline as modified, changed or relocated within the contemplation of this Section.

SECTION 8. INDEMNITY

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

B. AS A MAJOR INDUCEMENT AND IN CONSIDERATION OF THE EASEMENT AND PERMISSION HEREIN GRANTED, TO THE EXTENT IT MAY LAWFULLY DO SO, GRANTEE AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS GRANTOR FROM ANY LOSS WHICH IS DUE TO OR ARISES FROM:

- 1.** THE PROSECUTION OF ANY WORK CONTEMPLATED BY THIS AGREEMENT INCLUDING THE INSTALLATION, CONSTRUCTION, MAINTENANCE, REPAIR, RENEWAL, MODIFICATION, RECONSTRUCTION, RELOCATION, OR REMOVAL OF THE PIPELINE OR ANY PART THEREOF;
- 2.** THE PRESENCE, OPERATION, OR USE OF THE PIPELINE OR CONTENTS ESCAPING THEREFROM; OR
- 3.** GRANTEE'S BREACH OF THIS AGREEMENT;

EXCEPT TO THE EXTENT THE LOSS IS CAUSED BY THE ACTIVE DIRECT NEGLIGENCE OF GRANTOR, AS DETERMINED IN A FINAL JUDGMENT BY A COURT OF COMPETENT JURISDICTION, IT BEING THE INTENTION OF THE PARTIES THAT THE ABOVE INDEMNITY WILL OTHERWISE APPLY TO LOSSES CAUSED OR ARISING FROM, IN WHOLE OR IN PART, GRANTOR'S NEGLIGENCE.

SECTION 9. SAFETY MEASURES

It is understood and recognized that safety and continuity of Grantor'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, Grantee shall require all its work be performed in a safe manner and in conformity with the following standards:

(a). **Definitions.** All references to Grantee shall include Grantee's contractors, subcontractors, officers, agents and employees, and others acting under its or their authority; and all references to work of Grantee shall include work both within and adjacent to Grantor's property.

(b). **Compliance With Laws.** Grantee shall comply with all applicable federal, state and local laws, regulations and enactments affecting the work. Grantee shall use only such methods as are consistent with safety, both as concerns Grantee, Grantee's agents and employees, the officers, agents, employees and property of Grantor and the public in general. Grantee (without limiting the generality of the foregoing) shall comply with all applicable state and federal occupational safety and health acts and regulations.

(c). **Supervision.** Grantee, at its own expense, shall adequately police and supervise all work to be performed by Grantee, and shall not inflict injury to persons or damage to property for the safety of whom or of which Grantor may be responsible, or to property of Grantor. The responsibility of Grantee for safe conduct and adequate policing and supervision of its work shall not be lessened or otherwise affected by Grantor's approval of plans and specifications, or by Grantor's collaboration in performance of any work, or by the presence at the work site of Grantor's representatives, or by compliance by Grantee with any requests or recommendations made by such representatives. If a representative of Grantor is assigned to the job site, Grantee will give due consideration to suggestions and recommendations made by such representative for the safety and protection of Grantor's property and operations.

(d). **Removal of Debris.** Grantee 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 Grantor; and any such material and debris shall be promptly removed from Grantor's property by Grantee at Grantee's own expense or by Grantor at the expense of Grantee.

(e). **Explosives.** Grantee shall not discharge any explosives on or in the vicinity of Grantor's property.

(f). **Excavation.** Grantee 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 Grantor. Grantee shall not do or cause to be done any work which will or may disturb the stability of any area or adversely affect Grantor's tracks or facilities. Grantee, at its own expense, shall install and maintain adequate shoring and cribbing for all excavation and/or trenching performed by Grantee in connection with construction, maintenance or other work.

(g). **Drainage.** Grantee, at Grantee's own expense, shall provide adequate passageway for the waters of any streams, bodies of water and drainage facilities (either natural or artificial), so that said waters may not, because of any facilities or work of Grantee, be impeded, obstructed, diverted or caused to back up, overflow or damage the property of Grantor or any part thereof, or property of others. Grantee shall not obstruct or interfere with existing ditches or drainage facilities.

(h). **Safety-Premises.** Grantee 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. Grantee shall have proper first aid supplies available on the job site so that prompt first aid services can be provided to any person that may be injured on the job site. Grantee shall have a non-delegable duty to control its employees, while they are on the job site or any other property of Grantor to be certain they do not use, be under the influence of, or have in their possession any alcoholic beverage or illegally obtained drug, narcotic or other substance.

(i). **Safety-Personal.** The employees of Grantee shall 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. Only waist length shirts with

sleeves and trousers that cover the entire leg are to be worn. If flare-legged trousers are worn, the trouser bottoms must be tied to prevent catching. The employees should wear sturdy and protective footwear. 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. In addition, Grantee shall require its employees to wear personal protective equipment as specified by Grantor rules, regulations or Grantor officials overlooking the work at the job site. In particular, the protective equipment to be worn shall be:

1. Protective head gear that meets American National Standard-Z89.1-latest revision. It is suggested that all hardhats be affixed with Grantee's or subcontractor's company logo or name.
2. Eye protection that meets American National Standard 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, burning, etc.; and
3. Hearing protection which affords enough attenuation to give protection from noise levels that will be occurring on the job site.

(j). **Safety-Devices.** All heavy equipment provided or leased by Grantee shall be equipped with audible back-up warning devices. If in the opinion of Grantor any of Grantee's or any of its subcontractor's equipment is unsafe for use on Grantor's right-of-way, the Grantee, at the request of Grantor, shall remove such equipment from Grantor's right-of-way.

SECTION 10. CLAIMS AND LIENS FOR LABOR AND MATERIAL; TAXES

A. Grantee shall fully pay for all materials joined or affixed to and labor performed upon property of Grantor in connection with the construction, maintenance, repair, renewal, modification or reconstruction of the Pipeline, and shall not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the property for any work done or materials furnished thereon at the instance or request or on behalf of Grantee.

B. Grantee shall not permit any taxes, charges and assessments to be levied upon Grantor or Grantor's property with respect to, or on account of, the Pipeline.

SECTION 11. RESTORATION OF GRANTOR'S PROPERTY

If Grantee, in connection with the construction, maintenance, repair, renewal, modification or reconstruction of the Pipeline, or in the performance of any work contemplated by this Easement or by the failure to do or perform anything for which Grantee is responsible under the provisions of this Easement, shall injure, damage or destroy any property of Grantor or of any other person lawfully occupying or using the property of Grantor, such property shall be replaced or repaired by Grantee at Grantee's own expense, or by Grantor at the expense of Grantee.

SECTION 12. WAIVER OF BREACH

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

SECTION 13. REMEDIES FOR BREACH OR NONUSE

A. If Grantee does not use the rights herein granted or the Pipeline for one year, Grantor may, at its option, forthwith immediately terminate this Easement by written notice, and Grantee shall execute and deliver to Grantor, its successors and assigns, a Release and Quitclaim in recordable form that releases and quitclaims all of Grantee's right, title and interest in and to the Easement and Easement Area.

B. If Grantee shall fail, refuse or neglect to perform and abide by the covenants in the Easement, Grantor, in addition to any other rights and remedies, may perform any work which in the judgment of Grantor is necessary to place

the Pipeline and appurtenances in such condition as will not menace, endanger or interfere with Grantor's facilities or operations or jeopardize Grantor's employees; and Grantee will reimburse Grantor for the expenses thereof.

C. Notice of default and notice of termination may be served personally upon Grantee or by mailing to the last known address of Grantee. Grantee will surrender peaceable possession of the Easement upon termination. Termination shall not affect any rights, obligations or liabilities of the parties, accrued or otherwise, which may have arisen prior to termination.

SECTION 14. RETIREMENT OF PIPELINE UPON TERMINATION

Prior to the termination of this Agreement howsoever, Grantee shall, at Grantee's sole expense, retire the Pipeline in place by complying with the then current UP Additional Requirements as provided in Section 2A of this **Exhibit B** including, without limitation, ensuring that all portions of the Pipeline on Grantor's property are grouted full with concrete. In performing such retirement work, Grantee, at Grantee's sole expense, shall restore, to the satisfaction of Grantor, any portions of Grantor's property that Grantee had to disturb in performing such retirement work to as good a condition as such property was in at the time prior to the construction of the Pipeline. If Grantee fails to do the foregoing, Grantor may, but not obligated, do such work at the cost and expense of Grantee. In the event of such work by Grantor, Grantor shall in no manner be liable to Grantee for any damage sustained by Grantee for or on account thereof, and such work shall in no manner prejudice or impair any right of action for damages, or otherwise, that Grantor may have against Grantee.

SECTION 15. OTHER RAILROADS

All protective and indemnifying covenants of this Easement shall inure to the benefit of Grantor and any other railroad company lawfully using Grantor's property or facilities.

SECTION 16. EASEMENT NOT TO BE ASSIGNED

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

SECTION 17. SUCCESSORS AND ASSIGNS

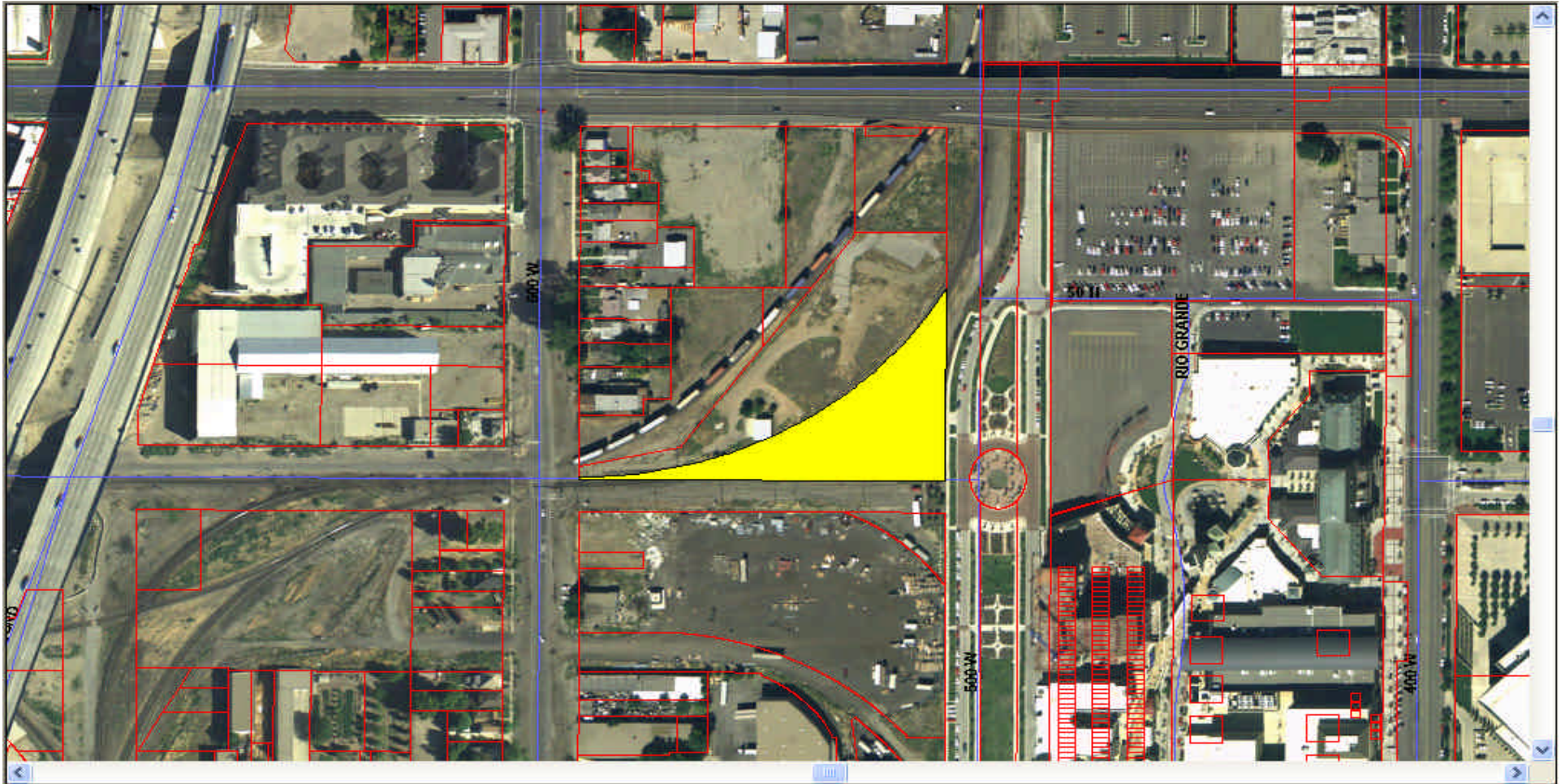
Subject to the provisions of Section 16 hereof, this Easement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

OPTION PROPERTY MAP

SALT LAKE CITY CORPORATION

GIS Map Application

Printed on: 1/18/2007



CONSTRUCTION SCHEDULE

