
M E M O R A N D U M

DATE: March 9, 2007
TO: City Council Members
FROM: Russell Weeks
RE: Briefing: Utah Transit Authority Commuter Rail Franchise Ordinance and Franchise Agreement
CC: Cindy Gust-Jenson, Lyn Creswell, Louis Zunguze, Ed Rutan, DJ Baxter, Tim Harpst, George Shaw, Valda Tarbet, Gary Mumford, Christopher Bramhall, E. Russell Vetter, Janice Jardine, Jennifer Bruno

This memorandum pertains to a proposed ordinance that would grant to the Utah Transit Authority a franchise to build and maintain rail lines “over, upon, and through City streets, rights-of-way and other City property” under the terms and conditions of a franchise agreement negotiated by Mayor Ross C. Anderson’s Administration.

The Administration is scheduled to brief the City Council about the proposed ordinance and agreement at the City Council’s work session March 13. The City Council tentatively is scheduled formally to consider the items at the Council’s meeting March 20.

OPTIONS

- Adopt the proposed ordinance.
- Do not adopt the proposed ordinance.
- Amend the proposed ordinance.

POTENTIAL MOTIONS

- I move that the City Council adopt the ordinance granting to the Utah Transit Authority a franchise, known as the Commuter Rail Franchise, subject to the provisions of the agreement negotiated by Mayor Ross C. Anderson’s Administration.
- I move that the City Council consider the next item on the agenda.
- I move that the City Council adopt the ordinance granting to the Utah Transit Authority a franchise, known as the Commuter Rail Franchise, subject to the provisions of the agreement negotiated by Mayor Ross C. Anderson’s Administration with the following amendments: (City Council Members may wish to amend the proposed ordinance after the March 13 briefing.)

KEY POINTS

- Granting the franchise to UTA would allow the agency to build tracks for its commuter rail line “over, upon, and through City streets, rights-of-way and other City property” in areas ranging from 1800 North Street to 1700 South Street.
- The proposed term of the franchise would be 50 years with an automatic renewal of 50 years after the initial term expires.
- UTA would pay a \$300,000 fee for the initial 50-year term. The sum would be “payable upon the execution and delivery of the Agreement.”
- The proposed ordinance and agreement acknowledge that the franchise fee plus UTA’s costs “to accommodate the City’s land use needs and requirements” involved in the Westside Railroad Realignment Project and UTA’s costs to design and build quiet zone improvements at several locations for the commuter rail line “equal or exceeds the fair market value of the Franchise Area.”
- If the franchise is granted, it would be non-exclusive, leaving the City the right “to locate, construct, operate, maintain, replace and repair other facilities in the Franchise Area,” and to grant to third parties the same right – if the projects and facilities met other requirements in the proposed ordinance and franchise agreement.

BACKGROUND/DISCUSSION

The proposed ordinance and agreement are part of the Utah Transit Authority’s project to build a commuter rail system. The system would connect Ogden, parts of Weber County, and Davis County to Salt Lake City in the first phase. UTA bought from Union Pacific Railroad a corridor to lay railroad tracks for the project. Some of the corridor intersects Salt Lake City streets and property. According to the Administration transmittal letter, UTA is required to obtain a franchise from the City for its use of public streets and property. An interlocal agreement adopted in 2004 by Salt Lake City, UTA, and two other cities agreed to grant to UTA the right to plan build and operate the commuter rail line within the corridor that UTA purchased from the railroad.

As noted in the *Key Points* section, the proposed franchise area would extend from 1800 North Street to 1700 South Street. Active streets the rail line would cross would be 1800 North, 400 North, 300 North, 600 West, 200 South, 800 South, 700 South, 900 South and 1700 South. Closed streets the rail line would cross would be 1500 North, 500 North, 200 North, 100 South and portions of 500 West and South Temple streets.

As part of the financial consideration to Salt Lake City for granting the franchise, UTA would build at its own expense quiet zone improvements for the commuter rail project at the following streets: 300 North, 400 North, 600 West, 200 South, 700 South, 900 South, 800 South and 1700 South. UTA would maintain the improvements at its own expense. Quiet zones allow trains to cross street intersections without blowing their whistles. As mentioned in the Key Points section, UTA also would pay \$300,000 to the City as soon as the proposed agreement is signed for the 50-year initial term of the franchise.

In addition, the proposed ordinance and agreement contain provisions for UTA to negotiate “in good faith” to allow the City to build a “bicycle/pedestrian/recreational trail” within UTA’s right of way.

SALT LAKE CITY CORPORATION

CHRISTOPHER E. BRAMHALL
SENIOR CITY ATTORNEY

LAW DEPARTMENT

ROSS G. ANDERSON
MAYOR

EDWIN P. RUTAN, II
CITY ATTORNEY

COUNCIL TRANSMITTAL

TO: Lyn Creswell
Chef Administrative Officer

FROM: Christopher E. Bramhall
Senior City Attorney

DATE: March 6, 2007

SUBJECT: UTA Commuter Rail Franchise

ACTION ITEM: City Council briefing on March 13, 2007;
Proposed franchise ordinance adoption on March 20, 2007.

DISCUSSION: Utah Transit Authority ("UTA") has acquired from Union Pacific Railroad Company a corridor of real property through the City, which corridor UTA proposes to use for the construction and operation of a commuter rail mass transit system ("Commuter Rail"). The corridor acquired by UTA intersects numerous streets owned, operated and maintained by Salt Lake City. UTA is required to obtain a franchise from Salt Lake City for the use of such streets and to compensate the City for such use. This requirement is based on Salt Lake City's ownership interest in such streets, applicable law and the provisions of a Master Interlocal Agreement among UTA, Salt Lake City and numerous other municipalities and other governmental entities.

Consistent with the council-mayor form of government, the Mayor, through his staff, has negotiated a Commuter Rail Franchise Agreement with UTA. Pursuant to Utah law, the franchise rights provided for in such Franchise Agreement may only be approved and granted by ordinance approved by the City Council.

It is proposed that the City Council be briefed on this matter on March 13, 2007, and that an ordinance awarding the commuter rail franchise be considered for adoption by the City Council on March 20, 2007.

ATTACHMENT: Proposed form of Franchise Ordinance. Proposed form of Franchise Agreement.

CONTACT

PERSON: Chris Bramhall, 535-7683; DJ Baxter, 535-7735

SALT LAKE CITY ORDINANCE

No. _____ of 2007

(Granting to Utah Transit Authority a Commuter Rail Franchise)

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WHEREAS, Utah Transit Authority ("UTA"), is undertaking a project consisting of the acquisition, construction and operation of a commuter rail public transportation system, which shall provide public transportation to passengers through a corridor extending along the Wasatch Front (the "System"); and

WHEREAS, as part of the proposed System, UTA intends to construct and operate a double track rail line that will pass through the City generally parallel to the existing Union Pacific Railroad Company trackage, and intersect or otherwise utilize various City streets, rights-of-way and other City property described herein (collectively, and as more particularly described herein, the "Franchise Area"); and

WHEREAS, UTA has requested that the City grant UTA a franchise for the construction, operation, maintenance, repair and replacement of portions of the System over, upon and across the Franchise Area; and

WHEREAS, the City, in the exercise of its police power, ownership, use or rights over and in the public rights-of-way, and pursuant to its other regulatory authority, believes it is in the best interests of the public to provide to UTA a non-exclusive franchise for such purpose; and

WHEREAS, the City and UTA propose to enter into a Franchise Agreement, the substantially final form of which has been presented to the City Council at the meeting at which this Ordinance is being considered for adoption (the "Agreement"); and

WHEREAS, the City desires to approve the execution and delivery of such Agreement and to otherwise take all actions necessary to grant the referenced franchise to UTA; and

WHEREAS, the City believes this Ordinance to be in the best interests of the residents of the City,

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah, as follows:

SECTION 1. Short Title. This Ordinance shall be known as the "UTA Commuter Rail Franchise Ordinance."

SECTION 2. Grant of Franchise. (a) There is hereby granted to UTA, in accordance with the terms and conditions of the Agreement, the right, privilege, and franchise (collectively, the "Franchise"), to locate, construct, operate, maintain, replace and repair the Rail Line (as such term is defined in the Agreement)(collectively, the "Use of the Franchise Area"), over, upon and through City streets, rights-of-way and other City property within the Franchise Area, subject to the provisions of this Agreement.

(b) UTA acknowledges that (i) the City may have previously granted franchises affecting the Franchise Area, (ii) various public and private utility facilities may be situated within the Franchise Area, and (iii) no right of action in favor of UTA and against the City relating in any way to the existence of utility lines or facilities, or for damages of any kind against the City relating to such utility lines and facilities or the existence of prior franchises, shall arise or be deemed to arise from this Ordinance or the Agreement.

(c) The rights granted UTA herein are non-exclusive. The City retains the right to locate, construct, operate, maintain, replace and repair other facilities in the Franchise Area, and

to grant to third parties the right to locate, construct, operate, maintain, replace and repair other facilities in the Franchise Area, provided that each of the following conditions is satisfied:

(i) The location, construction, operation, maintenance, replacement and repair of the other facility does not unreasonably interfere with UTA's Use of the Franchise Area;

(ii) The location, construction, operation, maintenance, replacement and repair of the other facility shall not commence without first obtaining a UTA Access Permit as required by Section 4 of the Agreement.

(iii) All costs associated with the installation of other facilities in the Franchise Area are borne by parties other than UTA.

(d) The rights granted to UTA herein and in the Agreement do not include the right to attach or locate any of UTA's facilities to or on, or otherwise utilize, any City-owned facilities or structures, including without limitation light poles, towers, buildings and trees.

(e) The City makes no warranties, either express or implied, regarding the nature, extent or status of its title to the property within the Franchise Area, or the existence or non-existence of rights in third parties that may be superior to the franchise rights granted to UTA hereunder and under the Agreement. In addition, UTA recognizes that certain property within the proposed System corridor belongs to the State of Utah or other third parties, and the City makes no representations or warranties whatsoever with respect to such property. In the event UTA finds it necessary to acquire additional rights from third parties, the City shall have no obligation to pay, or to reimburse UTA for the payment of, any costs related to such acquisition, or in connection with any litigation challenging UTA's Use of the Franchise Area.

(f) The Franchise Area which UTA is authorized to use pursuant to this Ordinance and the Agreement shall be that area described on Exhibit A attached hereto.

(g) This Ordinance is adopted, and the Franchise is granted, subject to all of the terms and conditions of the Agreement, the substantially final form of which is attached hereto as Exhibit B, and which is incorporated herein and made a part hereof as fully and completely as if set forth herein. This Ordinance contains a summary of certain provisions of the Agreement. Reference is hereby made to the Agreement for a full and complete description of such terms and conditions. Any differences or discrepancies between this Ordinance and the Agreement shall be resolved in favor of the Agreement.

SECTION 4. Tenn. Subject to the provisions of Section 11 of the Agreement, the Franchise shall be operative for an initial term of fifty (50) years. Subject to the last sentence of this Section 4, the initial term shall be automatically renewed for one (1) additional term of fifty (50) years; provided, however, that if, at least 180 days prior to the expiration of the initial term, the City notifies UTA of one or more significant concerns regarding UTA's Use of the Franchise Area (whether or not the matters of concern are addressed by or constitute a default under this Ordinance or the Agreement), and such concerns are not corrected by UTA to the satisfaction of the City, or an appropriate amendment to this Ordinance or the Agreement is not executed within such 180 day period, the City shall not be obligated to renew the term of the Franchise, in which event the rights of UTA hereunder shall terminate at the end of the initial term. The parties do not intend that the term of the Franchise shall exceed any limitation imposed by law, including without limitation the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated

1953, as amended (the "Interlocal Act"), and agree to comply with any applicable requirements of the Interlocal Act in connection with any renewal of the term of the Franchise.

SECTION 5. Acceptance by UTA. Within thirty (30) days after the effective date of this Ordinance, UTA shall execute and deliver to the City Recorder of the City, a copy of the Agreement. Such execution and delivery of the Agreement shall constitute the unqualified acceptance by UTA of this Ordinance and the Franchise. Failure by UTA to execute and deliver the Agreement as provided herein shall render this Ordinance and the rights granted hereunder null and void.

SECTION 6. consideration and Payment. (a) In consideration for the rights for Use of the Franchise Area granted by the City to UTA, UTA agrees to pay to the City a franchise fee equal to \$300,000. The franchise fee shall be payable upon the execution and delivery of the Agreement. Such payment shall satisfy all of UTA's franchise fee payment obligations through the end of the initial 50-year term provided in Section 4 of this Ordinance. The franchise fee is based on the fair market value of the Franchise Area, as calculated on Exhibit C attached hereto, net of (i) certain significant out-of-pocket engineering, survey, management and related costs that UTA has incurred to accommodate the City's land use needs and requirements with respect to the Rail Line alignment in the Grant Tower area of the City, and (ii) the cost UTA has incurred and will incur to design and construct the quiet zone improvements as provided in Section 7 of the Agreement. The City and UTA agree that the sum of the stated franchise fee, and the costs of the items specified in subparagraphs (i) and (ii) above, equals or exceeds the fair market value of the Franchise Area, as set forth in Exhibit C. The franchise fee shall satisfy any obligations of UTA with respect to replacing the South Temple Street right-of-way and 500 West Street right-of-way.

The rights granted by the City to UTA for the use of South Temple Street and 500 West Street shall not be subject to Section 5(d) or Section 11 of the Agreement.

(b) Bicycle corridor. UTA agrees to negotiate with the City in good faith for the grant of a license for a bicycle/pedestrian/recreational trail within UTA right of way on the terms and conditions generally available to local governments similar to those set forth in Exhibit H of the Agreement.

SECTION 7. Rights Reserved to the City. Without limitation upon the rights which the City might otherwise have, the City hereby expressly reserves the following rights, powers and authorities, except as modified by the Agreement or the Interlocal Agreement (as defined in the Agreement):

(a) To exercise its governmental powers now or hereafter to the full extent that such powers may be vested in or granted to the City.

(b) To grant additional franchises within the City to other persons for the conduct of services under any conditions whatsoever acceptable to the City, notwithstanding the same might later be alleged to be more favorable than the rights granted herein.

(c) To exercise any other rights, powers, or duties required or authorized to be exercised by the City under the Constitution of the State of Utah, the laws of the State of Utah, or City ordinances.

(d) To grant additional franchises through, upon, over, or under the subject Franchise Area, and to utilize the Franchise Area for its own purposes, including the construction, installation, operation, maintenance, repair, replacement and removal of City Utilities (as defined in the Agreement), on the conditions set forth in Section 2 of this Ordinance.

SECTION 8. Police Powers. UTA acknowledges the right vested in the City pursuant to general law to exercise its police powers for the protection of the health, safety and welfare of its citizens and their properties. Nothing in this Ordinance or the Agreement shall be construed as precluding the City from exercising such powers in connection with the System, except with respect to matters specifically addressed in this Ordinance, the Agreement or the Interlocal Agreement, and then only to the extent of the express terms of this Ordinance, the Agreement or the Interlocal Agreement.

SECTION 8. Early Termination or Revocation of Franchise. The City may terminate or revoke the Franchise and all rights and privileges herein provided in accordance with the terms of the Agreement.

SECTION 9. This Ordinance shall take effect immediately upon publication of a summary hereof, as certified by the City Recorder in accordance with Section 10-3-713, Utah Code Annotated.

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

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to the Mayor on _____

Mayor's Action: ____ Approved ____ Vetoed

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date March 6, 2007
By E. Russell Vatt

MAYOR

ATTEST:

CHIEF DEPUTY CITY RECORDER

(SEAL)

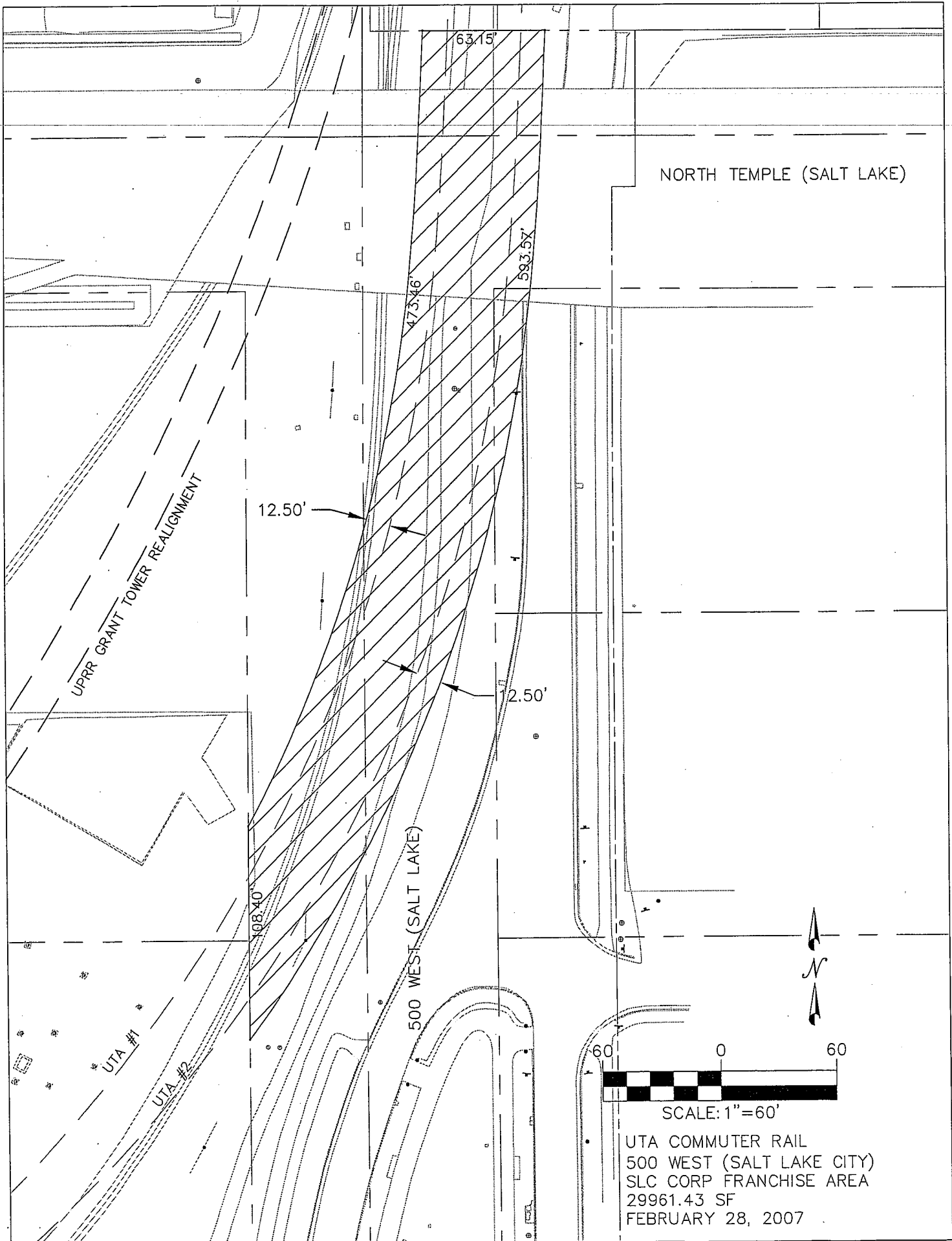
Bill No. _____ of 2007.

Published: _____

I:\n drives\BC6753\UTA Commuter Rail Franchise Ordinance 3-2-07.doc

Exhibit A

[Here attach description of Franchise Area.]

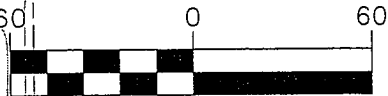


NORTH TEMPLE (SALT LAKE)

UPRR GRANT TOWER REALIGNMENT

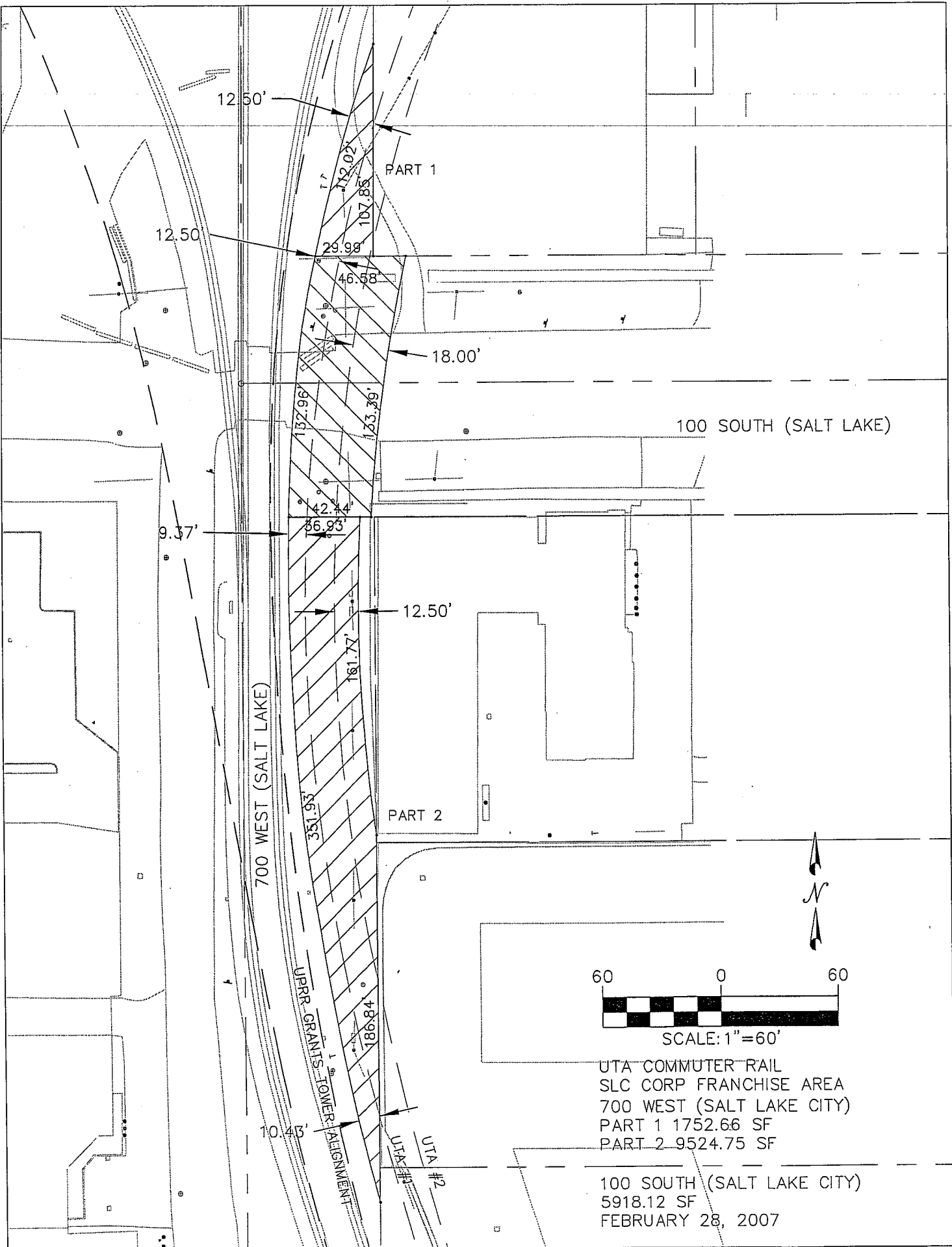
UTA #1
UTA #2

500 WEST (SALT LAKE)



SCALE: 1"=60'

UTA COMMUTER RAIL
500 WEST (SALT LAKE CITY)
SLC CORP FRANCHISE AREA
29961.43 SF
FEBRUARY 28, 2007



PART 1

PART 2

700 WEST (SALT LAKE)

100 SOUTH (SALT LAKE)

UPRR GRANTS TOWER ALIGNMENT

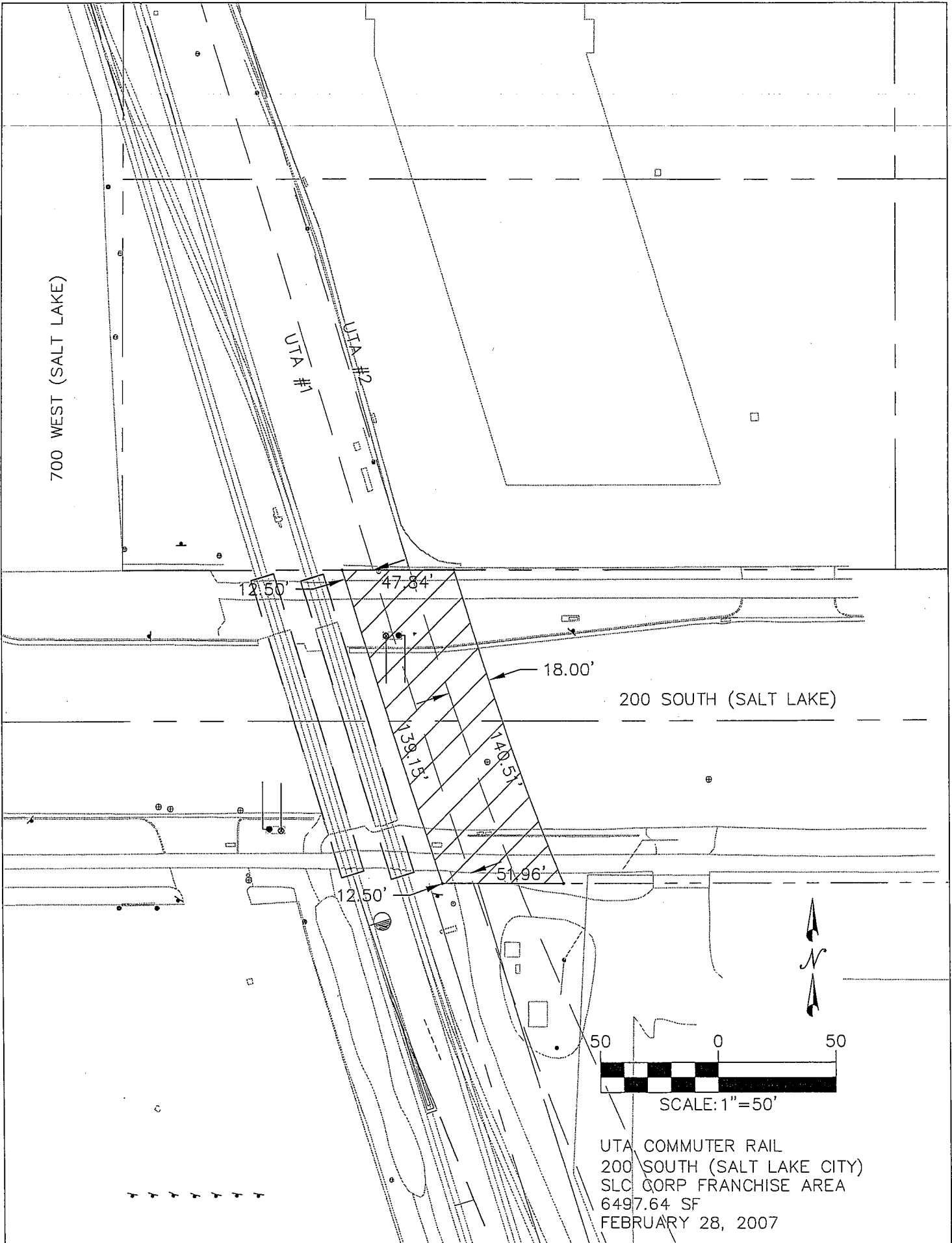
UTA #2



SCALE: 1"=60'

UTA COMMUTER RAIL
 SLC CORP FRANCHISE AREA
 700 WEST (SALT LAKE CITY)
 PART 1 1752.66 SF
 PART 2 9524.75 SF

100 SOUTH (SALT LAKE CITY)
 5918.12 SF
 FEBRUARY 28, 2007



700 WEST (SALT LAKE)

UTA #1
UTA #2

12.50'

47.84'

18.00'

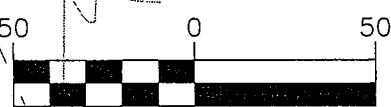
200 SOUTH (SALT LAKE)

438.15'

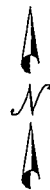
1540.51'

12.50'

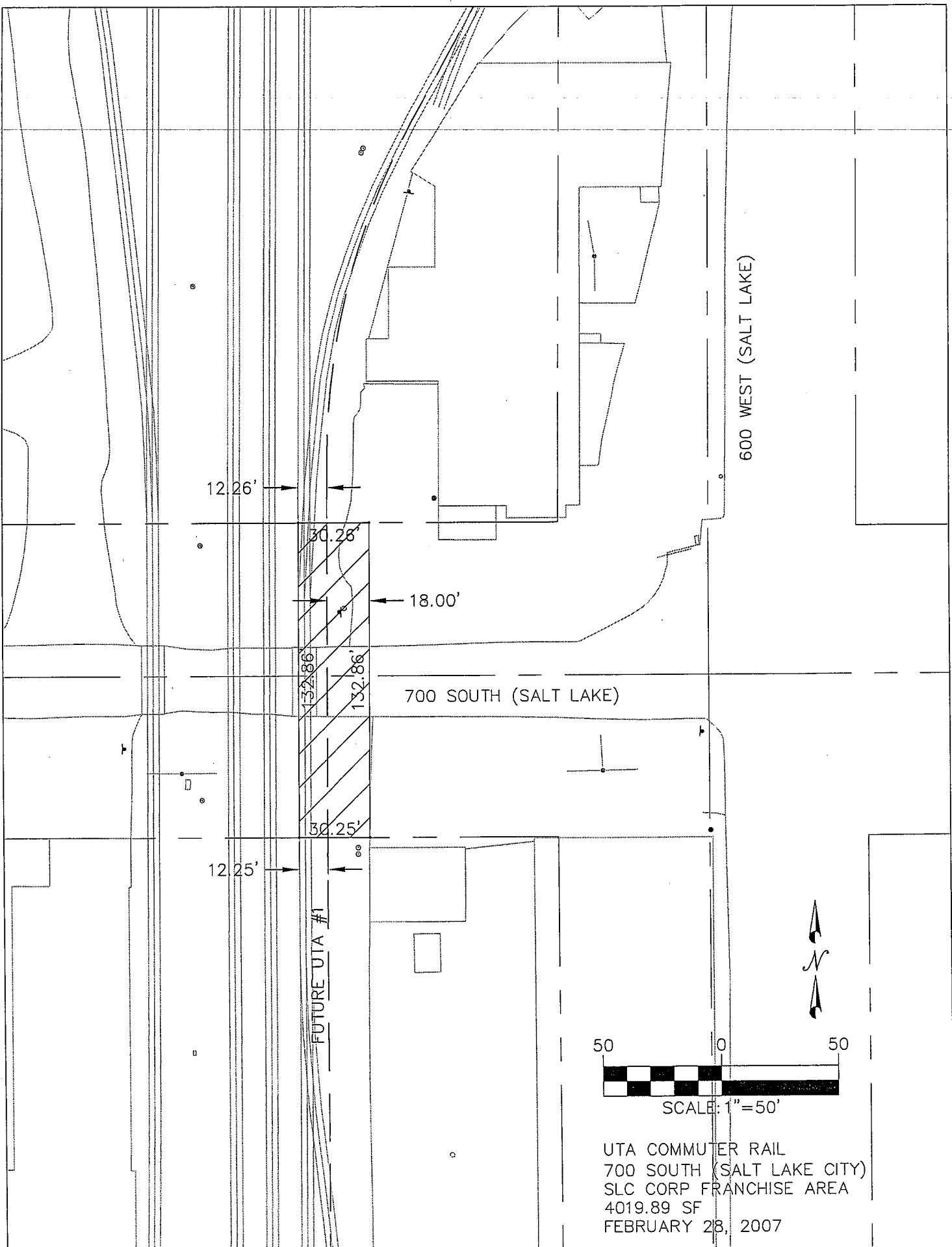
51.96'



SCALE: 1" = 50'



UTA COMMUTER RAIL
200 SOUTH (SALT LAKE CITY)
SLC CORP FRANCHISE AREA
6497.64 SF
FEBRUARY 28, 2007



600 WEST (SALT LAKE)

12.26'

30.28'

18.00'

700 SOUTH (SALT LAKE)

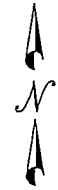
132.86'

132.86'

12.25'

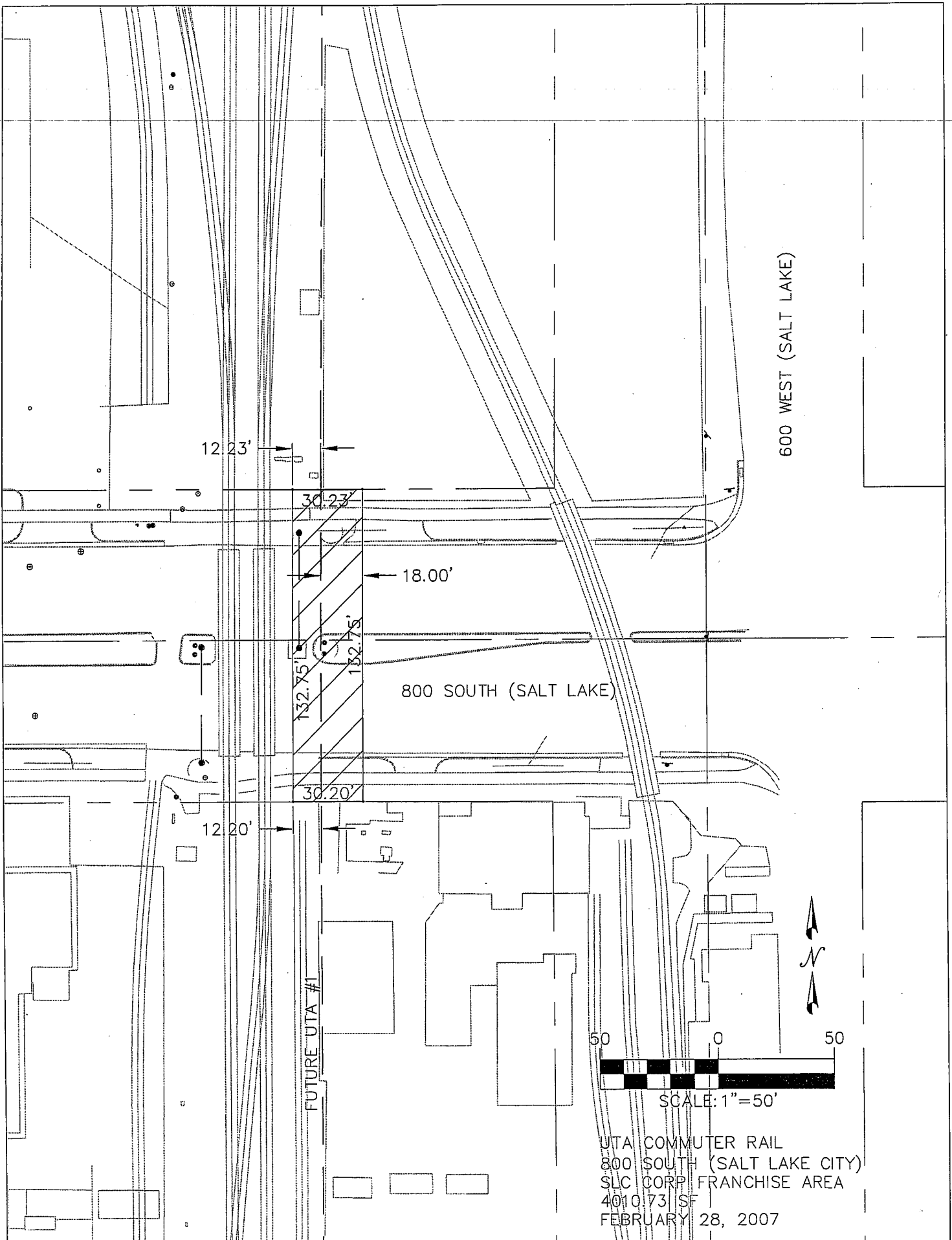
30.25'

FUTURE UTA #1



SCALE: 1" = 50'

UTA COMMUTER RAIL
700 SOUTH (SALT LAKE CITY)
SLC CORP FRANCHISE AREA
4019.89 SF
FEBRUARY 28, 2007



600 WEST (SALT LAKE)

800 SOUTH (SALT LAKE)

FUTURE UTA #1

12.23'

30.23'

18.00'

132.75'

152.75'

30.20'

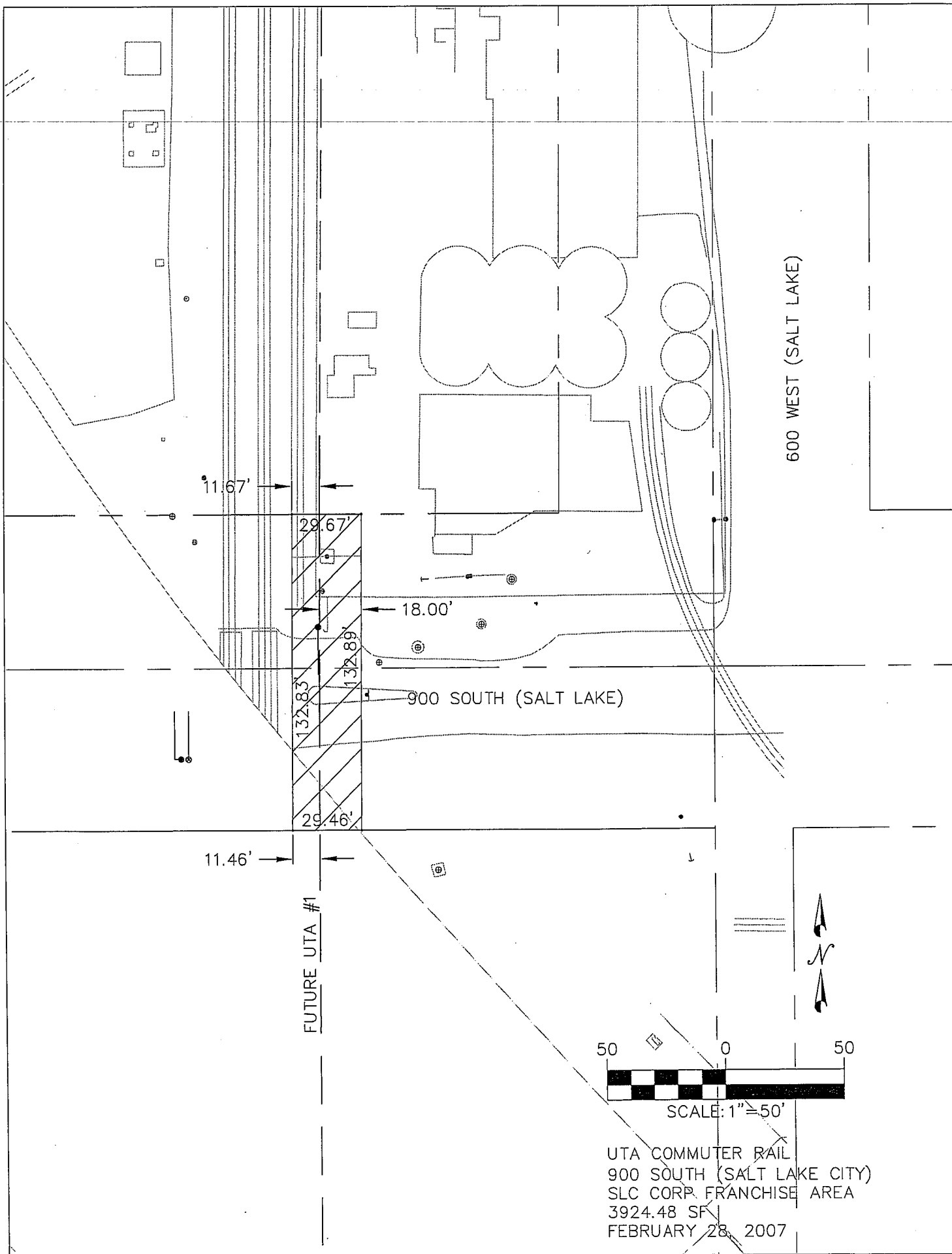
12.20'



SCALE: 1"=50'



UTA COMMUTER RAIL
800 SOUTH (SALT LAKE CITY)
SLC CORP FRANCHISE AREA
4010 731 SF
FEBRUARY 28, 2007



600 WEST (SALT LAKE)

11.67'

29.67'

18.00'

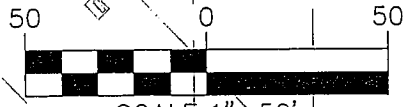
900 SOUTH (SALT LAKE)

132.83'

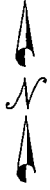
29.46'

11.46'

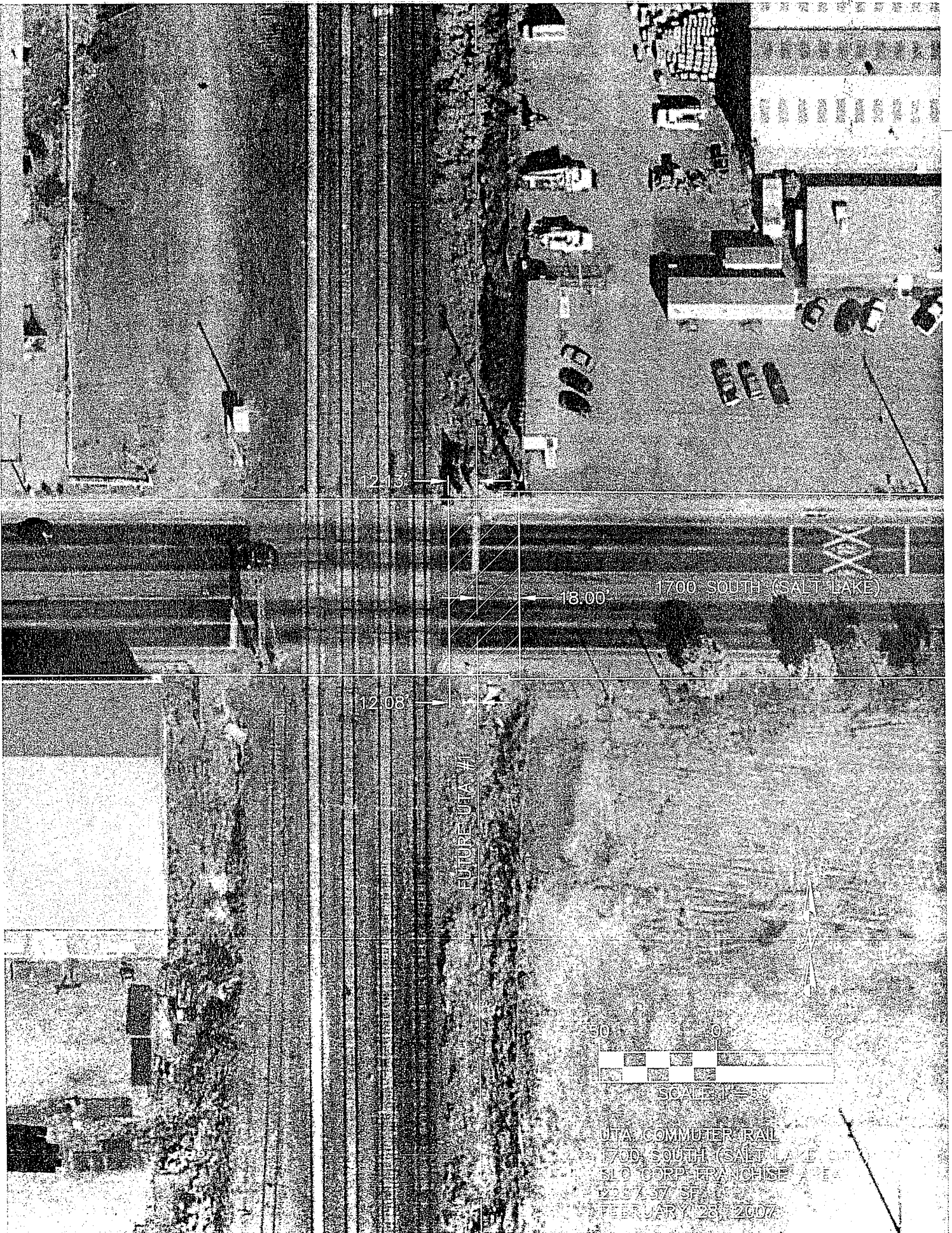
FUTURE UTA #1



SCALE: 1" = 50'



UTA COMMUTER RAIL
 900 SOUTH (SALT LAKE CITY)
 SLC CORP. FRANCHISE AREA
 3924.48 SF
 FEBRUARY 28, 2007



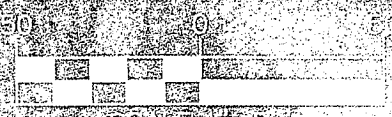
12.15

13.00

1700 SOUTH (SALT LAKE)

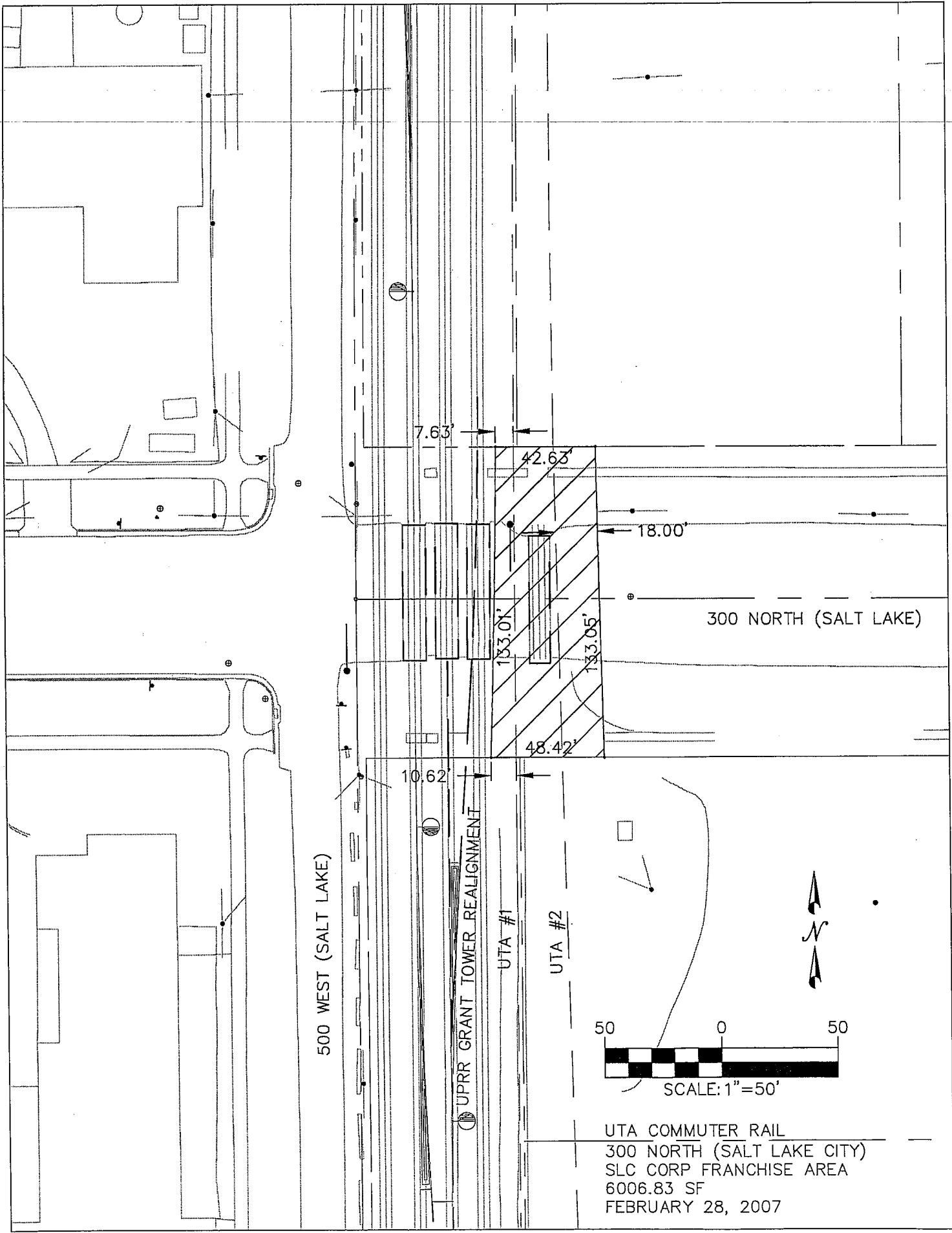
12.08

FUTURE UTA #1



SCALE 1" = 30'

UTA COMMUTER RAIL
1700 SOUTH (SALT LAKE)
SLO CORP. FRANCHISE AREA
225 / 37 SP-1
FEBRUARY 28, 2007



500 WEST (SALT LAKE)

7.63'

42.63'

18.00'

300 NORTH (SALT LAKE)

133.01'

133.05'

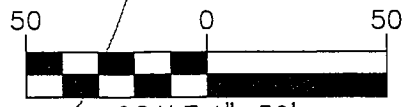
48.42'

10.62'

UPRR GRANT TOWER REALIGNMENT

UTA #1

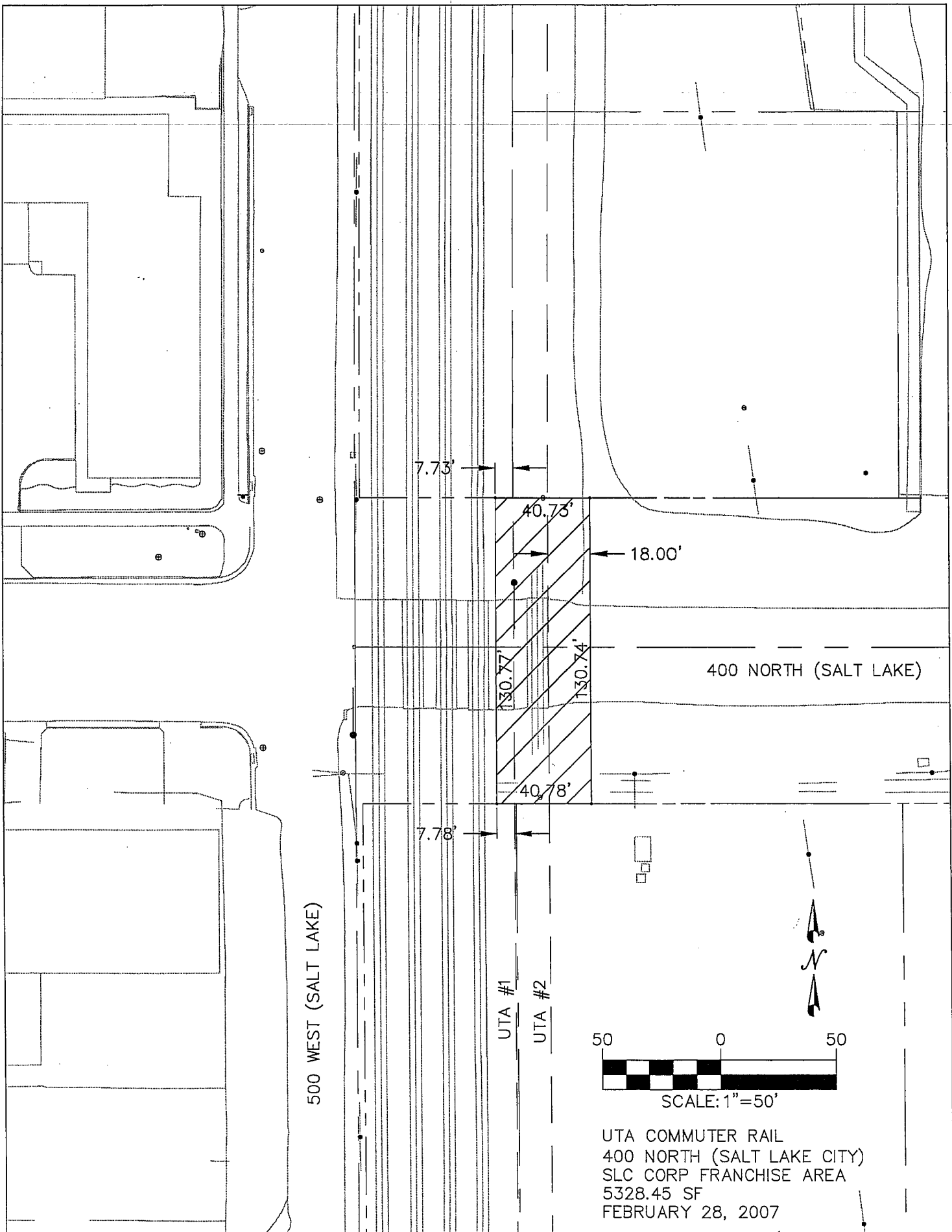
UTA #2

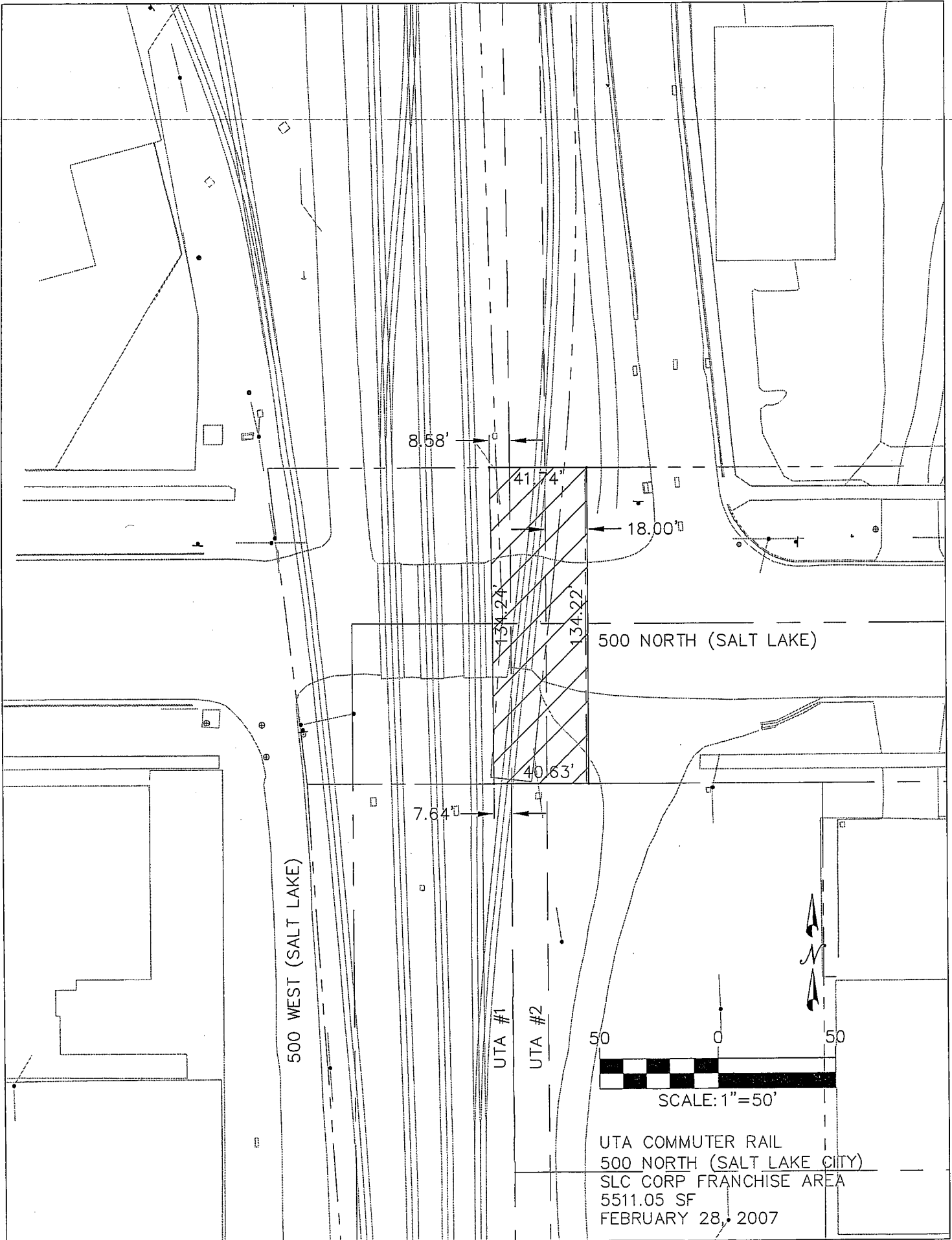


SCALE: 1" = 50'

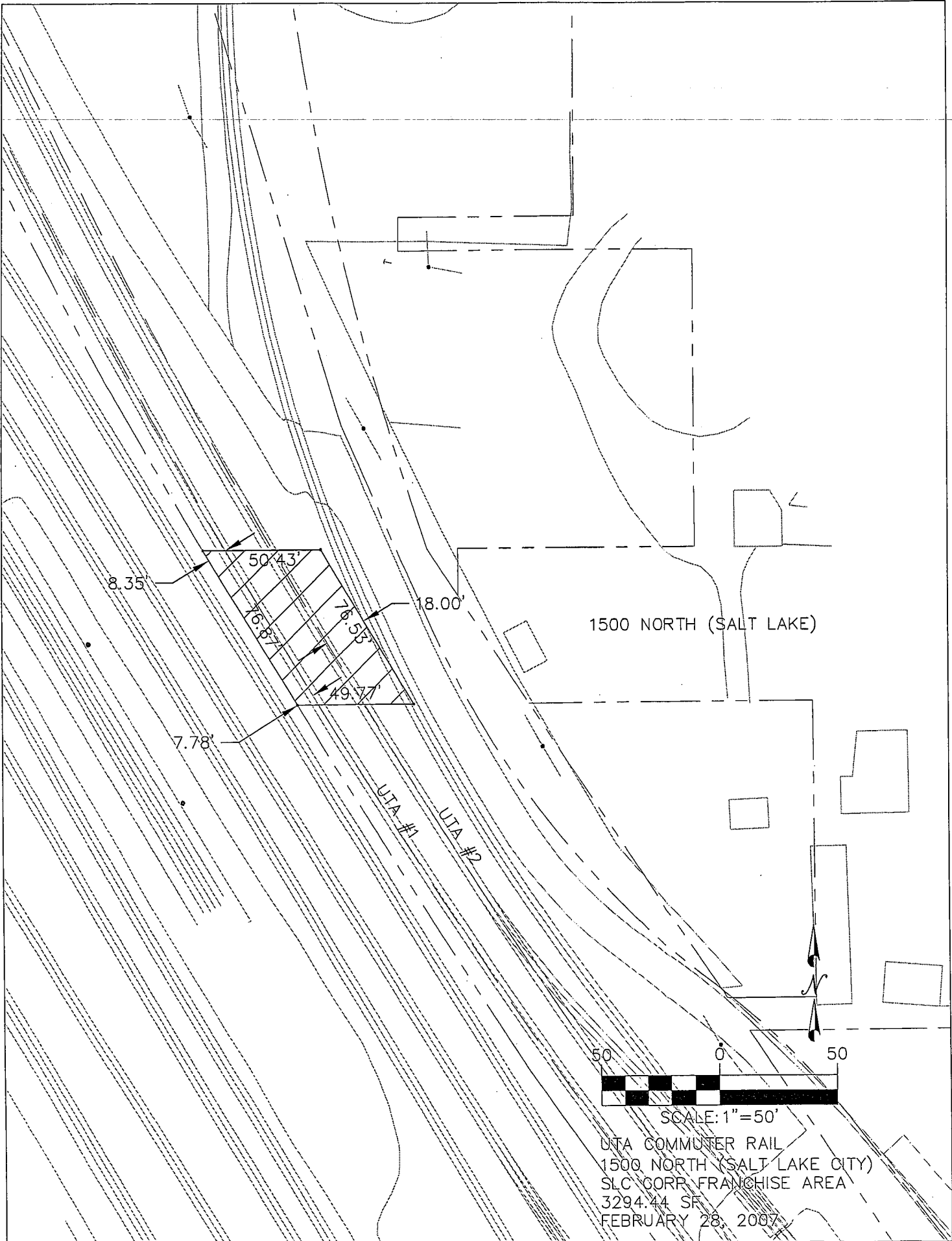


UTA COMMUTER RAIL
 300 NORTH (SALT LAKE CITY)
 SLC CORP FRANCHISE AREA
 6006.83 SF
 FEBRUARY 28, 2007





UTA COMMUTER RAIL
500 NORTH (SALT LAKE CITY)
SLC CORP FRANCHISE AREA
5511.05 SF
FEBRUARY 28, 2007

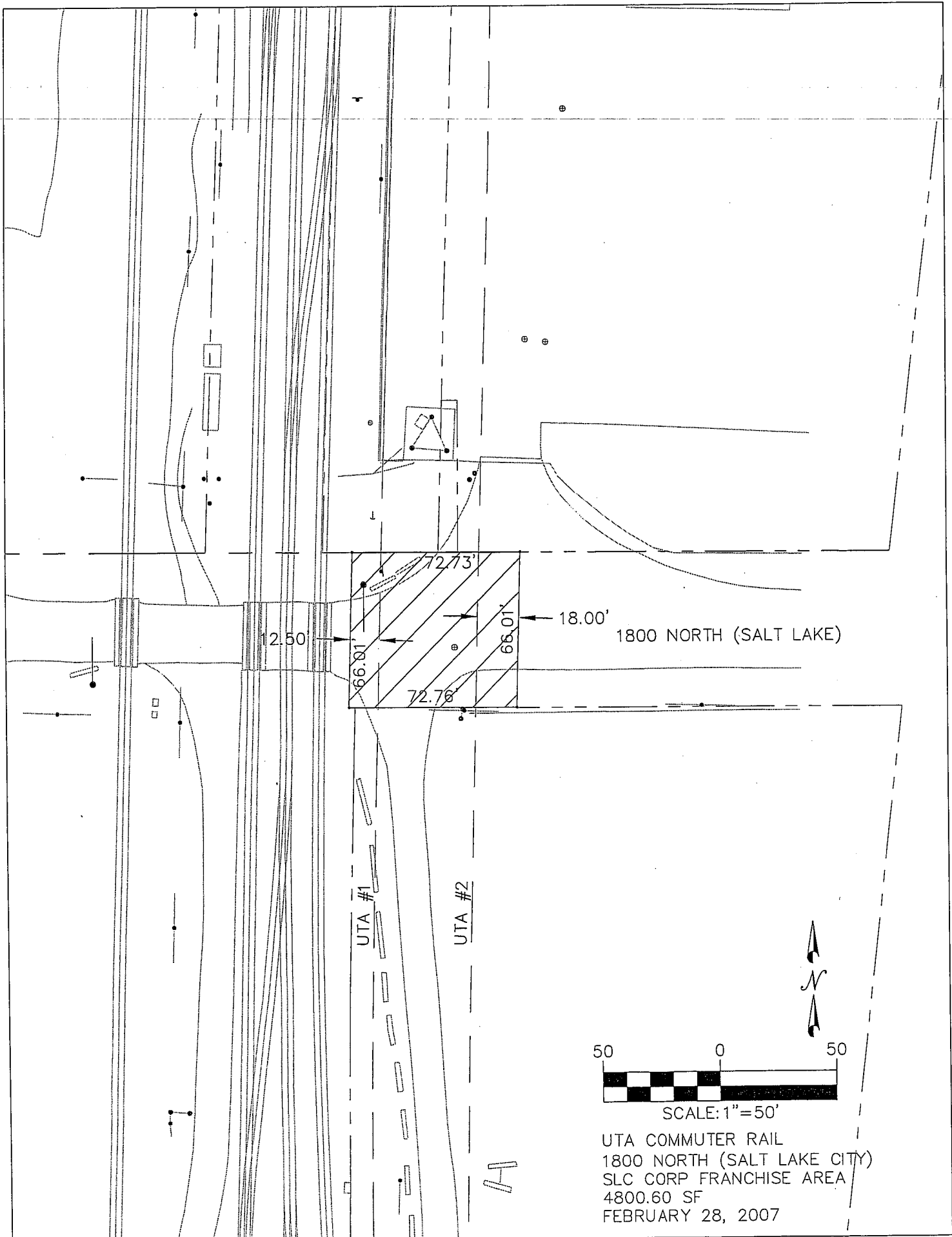


1500 NORTH (SALT LAKE)

UTA #1
UTA #2



SCALE: 1" = 50'
UTA COMMUTER RAIL
1500 NORTH (SALT LAKE CITY)
SLC CORP. FRANCHISE AREA
3294.44 SF
FEBRUARY 28, 2007



12.50

66.01

72.73

72.73

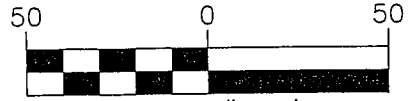
66.01

18.00

1800 NORTH (SALT LAKE)

UTA #1

UTA #2



SCALE: 1"=50'

UTA COMMUTER RAIL
 1800 NORTH (SALT LAKE CITY)
 SLC CORP FRANCHISE AREA
 4800.60 SF
 FEBRUARY 28, 2007

EXHIBIT B

[Here attach form of Franchise Agreement.]

Exhibit C

[Here attach calculation of franchise fee.]

Street	Width	Total Area	Over the Fence Value (per sq ft)	Area Fee Value	Annual lease payment**
1800 N	66	2,376	\$ 4.00	\$ 9,504	\$ 427.68
400 N	132	4,752	9.50	45,144	2,031.48
300 N	132	4,752	9.50	45,144	2,031.48
100 S	132	4,752	15.00	71,280	3,207.60
600 W	132	4,752	17.50	83,160	3,742.20
200 S	132	4,752	15.00	71,280	3,207.60
800 S	132	4,752	7.50	35,640	1,603.80
900 S	132	4,752	8.00	38,016	1,710.72
1700 S	66	2,376	5.00	11,880	534.60

Closed
Streets

1500 N	66	2,376	\$ 4.00	9,504	\$ 427.68
500 N	132	4,752	9.50	45,144	2,031.48
200 N	132	4,752	9.50	45,144	2,031.48
700 S	132	4,752	7.00	33,264	1,496.88

\$ 24,484.68

** Adjusted 50% for limited
exclusive use of the right-of-way.

Net Present Value: \$961,348.49 (based on 4.08% CPI and discount rate of 5%)

FRANCHISE AGREEMENT
(UTA Commuter Rail)

THIS FRANCHISE AGREEMENT (UTA Commuter Rail), dated as of _____, 2007 (this "Agreement"), by and between SALT LAKE CITY CORPORATION, a municipal corporation of the State of Utah (the "City"), and UTAH TRANSIT AUTHORITY, a public transit district organized under the laws of the State of Utah ("UTA"),

WITNESSETH:

WHEREAS, UTA is undertaking a project consisting of the acquisition, construction and operation of a commuter rail public transportation system, which shall provide public transportation to passengers along a corridor extending along the Wasatch Front (the "System"); and

WHEREAS, as part of the proposed System, UTA intends to construct and operate a double track rail line (which rail line, together with all functionally related and appurtenant facilities more particularly described on Exhibit A attached hereto, is referred to herein as the "Rail Line"), that will pass through the City generally parallel to the existing Union Pacific Railroad Company trackage, and intersect or otherwise utilize various City streets, rights-of-way and other City property described herein (collectively, and as more particularly described herein, the "Franchise Area"); and

WHEREAS, the City Council has heretofore approved, and the City has executed and delivered, that certain Master Interlocal Agreement Regarding Fixed Guideway

Systems Located Within Railroad Corridors, recorded with the Salt Lake City Recorder February 10, 2004, by and among UTA, the City and numerous other Utah cities and counties (the "Interlocal Agreement"), pursuant to which Interlocal Agreement the cities and counties which are a party thereto have generally granted, or agreed to grant, to UTA the right to plan, design, construct, own, operate and maintain the System in such cities and counties, within the corridor identified in such Interlocal Agreement; and

WHEREAS, the Interlocal Agreement provides that the rights of UTA to plan, design, construct, operate and maintain the System over existing streets within the City, Provo City, Salt Lake County and any other city that has the right to require a franchise agreement shall be subject to the terms and conditions of franchise agreements to be entered into between UTA and each of such communities; and

WHEREAS, UTA has requested that the City grant UTA a franchise for the construction, operation, maintenance, repair and replacement of the Rail Line over, upon and across the Franchise Area; and

WHEREAS, in recognition of the separation of powers inherent in the Council-Mayor optional form of government of the City, the Mayor has negotiated this Agreement for legislative and policy approval by the City's legislative body; and

WHEREAS, the City Council has adopted this Agreement by reference in a franchise ordinance, to which this Agreement has been annexed and incorporated; and

NOW, THEREFORE, for and in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. Franchise Description. (a) On or prior to the date hereof, the City has adopted a franchise ordinance entitled UTA Commuter Rail Franchise Ordinance (the "Ordinance"). The Ordinance references this Agreement, and incorporates the same. This Agreement is subject to all of the terms and conditions of the Ordinance, and this Agreement and the Ordinance shall be construed together as integrated documents.

(b) The Ordinance confers upon UTA, and its successors and assigns, the non-exclusive right to locate, construct, operate, maintain, replace and repair the Rail Line (collectively, the "Use of the Franchise Area"), over, upon and through City streets, rights-of-way and other City property within the hereinafter described Franchise Area, subject to the provisions of this Agreement.

(c) UTA acknowledges that (i) the City may have previously granted franchises affecting the Franchise Area, (ii) various public and private utility facilities may be situated within the Franchise Area, and (iii) no right of action in favor of UTA and against the City relating in any way to the existence of utility lines or facilities, or for damages of any kind against the City relating to such utility lines and facilities or the existence of prior franchises, shall arise or be deemed to arise from this Agreement.

(d) The rights granted UTA herein are non-exclusive. The City retains the right to locate, construct, operate, maintain, replace and repair other facilities in the Franchise Area, and to grant to third parties the right to locate, construct, operate, maintain, replace and repair other facilities in the Franchise Area, provided that each of the following conditions is satisfied:

(i) The location, construction, operation, maintenance, replacement and repair of the other facility does not unreasonably interfere with UTA's Use of the Franchise Area;

(ii) The location, construction, operation, maintenance, replacement and repair of the other facility shall not commence without first obtaining a UTA Access Permit as required by Section 4 of this Agreement; and

(iii) All costs associated with the installation of other facilities in the Franchise Area are borne by parties other than UTA.

(e) The rights granted to UTA herein and in the Ordinance do not include the right to attach or locate any of UTA's facilities to or on, or otherwise utilize, any City-owned facilities or structures, including without limitation light poles, towers, buildings and trees.

(f) The City makes no warranties, either express or implied, regarding the nature, extent or status of its title to the property within the Franchise Area, or the existence or non-existence of rights in third parties that may be superior to the franchise rights granted to UTA under the Ordinance and hereunder. In addition, UTA recognizes that certain property within the proposed System corridor belongs to the State of Utah or other third parties, and the City makes no representations or warranties whatsoever with respect to such property. In the event UTA finds it necessary to acquire additional rights from third parties, the City shall have no obligation to pay, or to reimburse UTA for the payment of, any costs related to such acquisition, or in connection with any litigation challenging UTA's Use of the Franchise Area.

(g) The Franchise Area which UTA is authorized to use pursuant to the Ordinance and this Agreement shall be that area described on Exhibit B attached hereto.

(h) As reflected in this Agreement and the Franchise Area defined in this Agreement, the parties contemplate that UTA will construct the Rail Line upon certain property that the City has acquired or will acquire from Rocky Mountain Power (the "Block 82 Parcel"). The Block 82 Parcel is located generally in the middle of the block bounded by 500 West, North Temple, 600 West and 200 South. Pursuant to a separate exchange agreement, the City will convey the Block 82 Parcel to UTA in fee and UTA will convey to the City in fee the real property that UTA currently owns in Block 82. This exchange shall be deemed to be an exchange of property of equal value, and no additional consideration shall be due and payable by either party to the other. The respective parcels to be conveyed by the parties are described on Exhibit C attached hereto.

SECTION 2. Term. Subject to the provisions of Section 11 hereof, this Agreement and the rights granted to UTA herein shall be operative for an initial term of fifty (50) years. Subject to the last sentence of this Section 2, the initial term shall be automatically renewed for one (1) additional term of fifty (50) years; provided, however, that if, at least 180 days prior to the expiration of the initial term, the City notifies UTA of one or more significant concerns regarding UTA's Use of the Franchise Area (whether or not the matters of concern are addressed by or constitute a default under this Agreement), and such concerns are not corrected by UTA to the satisfaction of the City, or an appropriate amendment to this Agreement is not executed within such 180 day period, the City shall not be obligated to renew the term of this Agreement, in which

event the rights of UTA hereunder shall terminate at the end of the initial term. The parties do not intend that the term of this Agreement shall exceed any limitation imposed by law, including without limitation the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Interlocal Act"), and agree to comply with any applicable requirements of the Interlocal Act in connection with any renewal of the term of this Agreement.

SECTION 3. Consideration and Payment. (a) In consideration for the rights for Use of the Franchise Area granted by the City to UTA, UTA agrees to pay to the City a franchise fee equal to \$300,000. The franchise fee shall be payable upon the execution and delivery of this Agreement. Such payment shall satisfy all of UTA's franchise fee payment obligations through the end of the initial 50-year term provided in Section 2 of this Agreement. The franchise fee is based on the fair market value of the Franchise Area, as calculated on Exhibit D attached hereto, net of (i) certain significant out-of-pocket engineering, survey, management and related costs that UTA has incurred to accommodate the City's land use needs and requirements with respect to the Rail Line alignment in the Grant Tower area of the City, and (ii) the costs UTA has incurred and will incur to design and construct the quiet zone improvements as provided in Section 7 of this Agreement. The City and UTA agree that the sum of the stated franchise fee, and the costs of the items specified in subparagraphs (i) and (ii) above, equals or exceeds the fair market value of the Franchise Area, as set forth in Exhibit D. The franchise fee shall satisfy any obligations of UTA with respect to replacing the South Temple Street right-of-way and 500 West Street right-of-way. The rights granted by the City to UTA for the

use of South Temple Street and 500 West Street shall not be subject to Section 5(d) or Section 11 of this Agreement.

(b) Bicycle Corridor. UTA agrees to negotiate with the City in good faith for the grant of a license for a bicycle/pedestrian/recreational trail within UTA right of way on the terms and conditions generally available to local governments similar to those set forth in Exhibit H attached hereto.

SECTION 4. Access to Franchise Area. (a) Due to safety considerations, access by each party to the Franchise Area in connection with construction, repair, maintenance or other similar activities shall be subject to the conditions set forth in this Section 4. The conditions of this Section are intended to facilitate a business-like working relationship between the parties, and to ensure the public safety and the safety of employees of the parties.

(b) UTA agrees that it shall not use the conditions of this Section 4 to interfere arbitrarily or unreasonably with the City's access to its Franchise Area property, or to inhibit the use by the City of its right-of-way property, or to interfere with the exercise by the City of its police powers or other responsibilities to the public. UTA agrees that it shall cooperate with the City to allow access to the Franchise Area on the schedule set forth herein.

(c) The City acknowledges that the Franchise Area is proximate to an active railroad corridor governed by safety rules and regulations promulgated by the Utah Department of Transportation, the Federal Railroad Administration, the Federal Transit Administration, and the UTA. The City agrees that it shall not perform work with the Franchise Area except as provided in this Section 4. For all purposes of this Agreement, "work" shall not include mechanized street cleaning or snow removal.

(d) UTA agrees that it shall not unreasonably deny, delay or withhold the issuance of a permit granting access to the Franchise Area. In the event that UTA does not provide the City with access to the Franchise Area on the schedule set forth herein, City may access the Franchise Area provided that it complies with applicable safety rules and regulations.

(e) Access Procedure.

(i) Prior to conducting work within the Franchise Area, the City shall provide written notification of the proposed work to UTA's Rail Services dispatch office by facsimile or electronic mail to the person indicated in Section 19(a). Such notice shall include the name, address, phone number, fax number and electronic mail address of the contact person; the type of work (whether routine, scheduled, major or emergency), the nature and location of the proposed work; and the proposed time, date and duration of the proposed work.

(ii) After receipt of such notice, UTA's Rail Services dispatch office shall arrange for safety personnel trained in railroad worker protection to meet City representatives at the Franchise Area and to remain at the site during the period of work performance. UTA's Rail Services dispatch office shall deliver to the contact person using the contact information provided a written work permit granting access to the Franchise Area ("Access Permit"). Such Access Permit shall specify the location, date and time during which the City may perform the proposed work in the presence of an authorized UTA safety representative.

(f) Access Schedule. The parties shall use their best efforts to adhere to the following schedule when coordinating for access to the Franchise Area ("Access Schedule"):

(i) Routine Maintenance. "Routine Maintenance" shall mean and include routine work which can be accomplished in less than eight hours, such as filling potholes, weed abatement, trash removal, and similar activities. The parties agree on a 48 hour notice period for Routine Maintenance. The City shall give UTA notice of the City's scheduled performance of Routine Maintenance. Within 24 hours of first receiving notice from the City, UTA shall grant an Access Permit for Routine Maintenance authorizing work to commence before the expiration of the notice period.

(ii) Scheduled Work. "Scheduled Work" shall mean and include work that (i) can be scheduled weeks or months in advance, (ii) cannot be accomplished within eight hours, and/or (iii) generally requires sizeable equipment or work crews, including, by way of example, pipeline repair or replacement, street resurfacing, sidewalk construction, and similar work. The parties agree on a five business day notice period for Scheduled Work. The City shall give UTA notice of the City's scheduled performance of Scheduled Work. Within two business days of first receiving notice from the City, UTA shall grant an Access Permit for Scheduled Work authorizing work to commence before the expiration of the notice period.

(iii) Major Work. "Major Work" shall mean and include work which may require the closure of a crossing, such as the reconstruction of the street. The parties agree to consult with each other regarding all major work to be performed by the City within the Franchise Area. The parties shall in good faith negotiate all requirements applicable to

such major work. The parties agree on a 30 business day notice period for Major Work. The City shall give UTA notice of the City's scheduled performance of Major Work. Within 10 business days of first receiving notice from the City, UTA shall grant an Access Permit for Major Work authorizing work to commence before the expiration of the notice period.

(iv) Emergency Work. "Emergency Work" shall mean and include all work which by its nature is unanticipated, and which cannot be postponed, such as repairing a ruptured water line, or clearing a crossing of a traffic accident. The City shall notify UTA's Rail Services dispatch office as soon as is reasonably possible under the circumstances of any emergency work to be performed within the Franchise Area, shall keep UTA informed of progress, and shall work closely with UTA to ensure public safety. In case of an emergency, both parties shall cooperate in performing as expeditiously as safely can be done those acts necessary to allow or effect repair, with each party bearing its own cost. In the event the City enters the Franchise Area prior to the arrival of safety personnel, the City shall be responsible to comply with all safety rules and regulations applicable during an emergency. It is expressly recognized that in the event of any temporary irreconcilable conflict, repair by the City of its water, sewer and storm drain lines shall take precedence over operation of the System.

(g) Neither the City nor UTA shall impose on the other party a fee or other charge, or reimbursement requirement, in connection with any work performed by the other party within the Franchise Area.

(h) All work in the public way performed by UTA within the Franchise Area shall require that UTA first obtain from the office of the City Engineer a standard permit

required for work in the public way. Such permit shall be issued on the same terms and conditions as other work in the public way permits. The issuance of such permit shall be not be unreasonably denied, delayed or withheld, and such permit shall be issued without charge.

SECTION 5. Specific Conditions. (a) UTA shall submit design plans for all construction work within the Franchise Area to the City Engineer and the Chief Engineer of the Department of Public Utilities, for review and approval of plans for compliance with local standards then in effect. Such plans shall be submitted at approximately the conceptual development stage, near the completion of the preliminary engineering stage, and at final design. Any changes required by the City shall be submitted by the City to UTA within fourteen (14) days after receipt by the City of such plans. If comments on the final design plans are not submitted by the City to UTA within such fourteen (14) day period, such plans shall be deemed approved.

(b) All construction, repair, maintenance and other work within the Franchise Area shall be done in such a manner so as to minimize disruption of System service, local businesses and the common and ordinary use of Facilities by pedestrians and vehicles. Neither party shall be liable to the other for such disruptions, so long as the work is performed in a manner consistent with this Agreement.

(c) The Rail Line facilities shall be designed and constructed so as to be fully integrated with City streets and other property, with respect to consistency of grade, and quality and consistency of materials and construction. The tops of the rails shall match the existing profile of the street surface. Whenever the City reasonably determines it is necessary to change the grade of a street, UTA shall change the grade of its track at the

City's expense. Whenever UTA reasonably determines it is necessary to change the grade of its track, the City shall change the grade of its street at UTA's expense.

(d) (i) Except as otherwise provided in this Agreement, the City may, as provided in this subsection (d), require the relocation or reinstallation of Rail Line facilities situated within the Franchise Area provided that the City provides, at no cost to UTA, a feasible alternative location for the facilities that meets all applicable safety requirements and that allows for a contiguous, linear alignment for the operation of a passenger rail system.

(ii) Whenever the City shall require the relocation or reinstallation of any of the Rail Line facilities (other than the track and structure supporting the passenger rail system) situated within the Franchise Area, it shall be the obligation of UTA, upon notice of such requirement and written demand made of UTA, and within a reasonable time thereof, to remove and relocate or reinstall such Rail Line facilities as may be reasonably necessary to meet the requirements of the City. Such relocation may be required by the City for any lawful purpose, including, without limitation, the resolution of existing or anticipated conflicts or the accommodation of any conflicting uses or proposed uses of the Franchise Area, whether such conflicts arise in connection with a City project or a project undertaken by some other person or entity, public or private. Prior to requiring the relocation of any Rail Line facilities, the City shall take into account all feasible technical alternatives, the estimated costs thereof, and the estimated cost to UTA of the required relocation.

(iii) Except as provided in subsection (c) above, UTA shall be required to relocate the track and structure supporting the passenger rail system only if the CEO of

the City provides UTA with written assurance that all costs and expenses of such relocation shall be borne by parties other than UTA.

(iv) Except as provided herein, any relocation required by the City under this subsection (d) shall be accomplished by UTA at no cost or expense to the City. In the event the relocation is ordered to accommodate the facilities or uses of an entity other than the City or UTA, the cost and expense of such relocation shall be borne by such other entity. Any money and all rights to reimbursement from the State of Utah or the federal government, to which UTA may be entitled for work done by UTA pursuant to this paragraph, shall be the property of UTA. The City shall assign or otherwise transfer to UTA all rights it may have to recover for such work performed by UTA and shall reasonably cooperate with UTA's efforts to obtain reimbursement.

(e) The parties agree that UTA is responsible to maintain the Rail Line facilities and public way within the Franchise Area only and is not responsible to maintain any other rail facilities located in public ways that are not within the Franchise Area.

(i) The Franchise Area shall be maintained by UTA, at its expense, as required by this Agreement and applicable State law and City ordinance.

(ii) The portion of the Franchise Area to be utilized by vehicular, bicycle and pedestrian traffic shall be maintained by UTA as a smooth, safe and consistent surface, free of depressions or obstructions, in a manner consistent with the adjacent City facilities. Whenever any street, sidewalk or other similar City facility within the Franchise Area is paved, resurfaced or repaired by the City, UTA shall, concurrent therewith or immediately thereafter, pave, resurface, or

repair the Franchise Area with the same kind of material used to surface such street, or with such other material as may be reasonably approved by the City not in conflict with federal or state law or regulation.

(iii) The Rail Line facilities and the Franchise Area shall, at all times, be maintained in a neat, clean and orderly condition.

(iv) If any maintenance of the Franchise Area required to be performed pursuant to this Agreement or any legislative act, rule or regulation and is not completed within thirty (30) days after written notice is sent from the City, or within a longer reasonable time given the nature of the maintenance required, as approved by the City, the City may perform such maintenance or repairs as it reasonably deems necessary, not inconsistent with state or federal law or regulation, pursuant to said notice. In such event, the City shall comply with the provisions of Section 4. For such work, UTA shall entirely reimburse the City within thirty (30) days after receipt from the City of a statement itemizing the City's costs and expenses. UTA shall pay any reasonable City cost or expense incurred in collecting such maintenance cost, including reasonable attorney's fees.

(f) If, in connection with the performance of any repair or maintenance work, UTA shall remove, damage or in any manner interfere with any City facilities, UTA shall replace such facilities with the same or similar materials as reasonably required by the City, consistent with applicable federal and state laws and regulations, and to the reasonable satisfaction of City.

(g) Except as may be required for an electrified overhead catenary system, UTA shall cause to be constructed and located underground all lines, wires, cables or conduits used as part of the Rail Line facilities within the Franchise Area.

SECTION 6. City Utilities. (a) As part of the Rail Line design process, UTA shall contact the City during the planning phase to obtain information on existing and proposed utilities. With the assistance of the City, UTA shall prepare an inventory of all City owned public utility lines and facilities that are (i) presently situated within the Franchise Area, or (ii) presently situated near the Franchise Area and susceptible to damage caused by the System.

(b) UTA shall be responsible to understand local requirements normally associated with replacement and relocation of utilities in the City and to comply with the City's generally applicable standards, including notice requirements.

(c) The City shall be given the opportunity to review and comment on proposed relocations or modifications of utilities. UTA shall confer with the City and will use its best efforts to resolve the concerns expressed by the City. The City shall have authority to approve plans of utilities, including plans for the relocation or modification of utilities, which approval shall not unreasonably be denied, delayed or withheld.

(d) Design and construction of System-required utility relocations or modifications will be a UTA expense unless otherwise provided by agreement between the parties.

(e) As long as the System is in place, UTA agrees to pay all costs of repairing damage to City utilities to the extent such damage is caused by the System.

SECTION 7. Quiet Zones. (a) As additional consideration for the rights for Use of the Franchise Area granted by the City to UTA, UTA agrees, during the term of this Agreement and at its own expense, to construct quiet zone improvements in the manner required by UDOT at the streetrail crossings listed below at the same time it is constructing its commuter rail project at the streetrail crossings. UTA has no obligation to construct improvements at the crossings in advance of the construction schedule generally adopted for the commuter rail project.

- (i) 300 North
- (ii) 400 North
- (iii) 600 West
- (iv) 200 South
- (v) 700 South
- (vi) 900 South
- (vii) 800 South
- (vii) 1700 South

(b) At all other streetrail crossings within the Franchise Area, UTA shall cooperate with the City in the event the City determines in the future to acquire, construct and install, at the City's expense, such facilities as shall be necessary to extend "quiet zone" designation or recognition to such additional streetrail crossings.

(c) UTA shall maintain the quiet zone improvements within the Franchise Area at its own expense.

(d) UTA agrees to abide by any and all applicable restrictions on the sounding of horns, bells, whistles or other warning devices at any streetrail crossings within the

City which qualify for "quiet zone" designation or recognition under applicable federal or state law, rules or regulations, and to operate such crossings in such a manner, as may be required under the Final Rule published by the Federal Railroad Administration on April 27, 2005, to establish and preserve such crossings as "quiet zones" under such Final Rule.

SECTION 8. City Approval of Agreements With Third Parties. All agreements between UTA and private parties which may affect the Franchise Area or the subject matter of this Agreement, including without limitation any agreements with companies operating private utilities, shall be subject to City approval as to those provisions which affect the City.

SECTION 9. Indemnification. (a) UTA shall indemnify, defend, and hold harmless the City, and its respective past, present and future officials, employees, officers, directors, trustees and agents (each an "Indemnified Party"), from and against all claims, demands, lawsuits, liens and all liability or damage of whatever kind, including attorneys' fees and expenses of dispute resolution (including expert witness fees and investigative expenses), arising out of or by reason of any acts, errors or omissions: (i) related to the exercise by UTA of the rights granted to UTA herein (excluding, however, challenges to the City's authority to enter into this Agreement); (ii) in any construction or other activity related to the System; (iii) in any planning, design, operation, maintenance or repair of the System; (iv) related to UTA's breach of any material provision of this Agreement; or (v) related to UTA's failure to comply with any federal, State or local environmental laws or regulations.

(b) Notwithstanding the foregoing, UTA shall not be required to indemnify, defend or hold harmless the City from claims, damages, losses or expenses to the extent

that such claims, damages, losses or expenses are the result of the negligence or willful misconduct of the City.

(c) The indemnification provisions of this Section 9 shall survive the termination of this Agreement and shall supersede any conflicting provision in any Agreement between the City and UTA or UTA's predecessor in interest.

SECTION 10. Insurance. UTA maintains and shall continue to maintain until the expiration or termination of this Agreement, a catastrophic risk management program, allowing for its diverse risk exposures and financial condition, and maintains cash reserves sufficient to meet its obligations under this program. Upon the commencement of passenger rail service through the Franchise Area, UTA shall obtain and maintain general liability insurance, written on an "occurrence" basis, with minimum limits of coverage of One Hundred Million Dollars (\$100,000,000) per occurrence. UTA shall not permit its insurance to expire or be canceled or materially changed. Upon the commencement of passenger rail service through the Franchise Area, the City shall be named as additional insured and entitled to receive notice of any termination, modification or reduction in insurance coverage.

SECTION 11. Termination of Agreement. (a) Except as otherwise provided herein, this Agreement shall be subject to termination as to any portion of the Franchise Area prior to the end of the otherwise effective term hereof if UTA fails to have such portion of the Franchise Area included in the Metropolitan Planning Organization's Long Range Transportation Plan for more than ten years or if, after the initial construction of System, such portion of the Franchise Area ceases to be operated by UTA for public transportation purposes for a period of more than ten years.

(b) The City may not terminate this Agreement based on the occurrence of any event that is the result of force majeure, as described in Section 14 hereto.

SECTION 12. Acceptance by UTA of Franchise; UTA Duty to Approve Franchise Agreement. Within thirty (30) days after the effective date of the Franchise Ordinance adoption by the City Council, UTA shall execute this Agreement, which execution shall constitute an unqualified acceptance of the Franchise Ordinance.; Otherwise, this Agreement and the Franchise Ordinance shall be null and void.

SECTION 13. Duty to Restore. Upon the expiration of this Agreement, or earlier termination or partial termination pursuant to Section 11 hereof, all Rail Line facilities located within portions of the Franchise Areas as to which UTA's rights hereunder have been terminated shall, at the option of the City, be removed, and such property shall be restored to a condition consistent with the adjoining streets or other public facilities, both with respect to grade, underlying materials, surface, appearance, quality, finish and type of construction, and in accordance with applicable City material specifications and construction standards, at the sole cost and expense of UTA, within ninety (90) days of such expiration or termination, or such longer period as shall be required by the nature of the work, as approved by the City. If UTA fails to restore the property as required herein, the City may perform such work, and UTA hereby agrees to reimburse the City within thirty (30) days after receipt of a statement from the City itemizing the City's costs and expenses, including any collection costs, and attorney's fees.

SECTION 14. Default. (a) Except as provided in subsection (b) below, either party shall be deemed in default under this Agreement upon the failure of such party to observe or perform any covenant, condition or agreement on its part to be observed or

performed hereunder, and the continuance of such failure for a period of thirty (30) days after the giving of written notice by the other party, which notice shall specify such failure and request that it be remedied, unless the party giving such notice shall agree in writing to an extension of such time period prior to its expiration; provided, however, that if the failure stated in such notice cannot be corrected within the applicable period, it shall not give rise to a default hereunder if corrective action is instituted within the applicable period and diligently pursued until such failure is corrected. In the event of a default hereunder, the non-defaulting party shall have a breach of contract claim and remedy against the other in addition to any other remedy provided or permitted by law. In the event of any dispute with respect to any of the covenants or agreements contained herein, the prevailing party shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees, which may arise or accrue from enforcing this Agreement or its provisions, and in pursuing any remedy provided by this Agreement or the laws of the State of Utah or the United States, whether such remedy is pursued by filing a suit or otherwise.

(b) The parties hereto shall be excused for any period of delay in the performance of any obligations hereunder when prevented from so doing by causes beyond the party's control, including any acts of God, wars (declared or undeclared), enemy or hostile government actions, government regulations or controls, labor disputes, acts of terrorism or vandalism, blockades, epidemics, civil commotion, riots, insurrections, interruptions by government or court orders, arrests, sabotage, storm, storm warnings, flood, earthquake, lightning, hurricane or other weather conditions, fire or other casualty, inability to obtain labor, materials, supplies or reasonable substitutes therefore,

at reasonable cost and after the exercise of reasonable diligence; provided, however, no such cause shall excuse UTA from making any payments required by this Agreement.

SECTION 15. Dispute Resolution. (a) Any dispute regarding the construction or interpretation of any provision of this Agreement, or of any other agreement among the parties relating to the implementation of the System, or regarding any policy matter or the determination of an issue of fact, shall be referred for resolution to the City representative and the UTA representative involved in the dispute.

(b) If the dispute is not resolved between the City representative and the UTA representative within 14 days from the date of first notification by one party to the other of the disputed issue, the dispute may be advanced, by either party, to the Chief Executive Officer ("CEO") or designee of the City and CEO or designee of UTA. The CEOs shall engage in good faith negotiations aimed at reaching an amicable solution to the dispute that is consistent with the cooperation and coordination expressed in this Agreement and the Interlocal Agreement.

(c) If the dispute is not resolved between the respective CEOs within 30 days after notice of the dispute is given to the CEOs, then the parties shall refer the dispute for resolution to a single mediator, agreed upon by both parties. If the parties are unable to agree upon a single mediator, the matter shall be referred to a three member mediation panel. One member of the mediation panel shall be selected by UTA, one member of the mediation panel shall be selected by the City, and the third member of the mediation panel shall be selected jointly by the other two panel members. Panel members shall be independent of the parties and shall be recognized and approved by State and/or federal courts as qualified and experienced mediators/arbitrators. Each party shall pay its own

costs and fees, including the fees of its appointed mediator, and shall jointly pay for the costs and fees of the jointly appointed mediator. Any of the above time periods may be modified by mutual agreement of the parties.

(d) If the dispute cannot be resolved by the mediator or mediation panel within 90 days from the date of a final determination by the CEOs, the dispute may be brought before a court or other tribunal appropriate under the circumstances for de novo review. A matter may only proceed to court after exhausting the above appeal procedure.

SECTION 16. UTA to Have No Recourse. (a) Except as expressly provided in this Agreement, UTA shall have no recourse whatsoever against the City for any loss, cost, expenses or damage arising out of the provisions or requirements of the franchise or because of the enforcement thereof by the City or for the failure of the City to have the authority to grant all or any part of the franchise.

(b) Each party acknowledges that it has carefully read the terms and conditions of this Agreement and is not aware of any ambiguities therein. In the event any dispute arises over the meaning of any term, the same shall not be construed strictly against either party as the drafter thereof.

SECTION 17. Restrictions Against Assignment. (a) Neither this Agreement nor any of the rights of UTA hereunder shall be assigned or transferred either in whole or in part or leased, sublet or mortgaged in any manner, neither shall title thereto, whether legal or equitable, nor any right, interest nor property therein pass to nor vest in any person either by the act of UTA nor by operation of law, without the prior written consent of the City, which may be granted or withheld in its absolute discretion. The granting,

giving, or waiving of any consent by City shall not waive the requirements of obtaining subsequent consents.

(b) The consent or approval of the City to any assignment, lease, transfer, sublease, or mortgage of this Agreement shall not constitute a waiver or release of the rights of the City in and to the Franchise Area.

SECTION 18. Compliance With State, Federal and Municipal Laws. UTA and the City shall at all times comply with all laws and ordinances of the City, the State of Utah, and the federal government or any administrative agency thereof, including specifically any City ordinance restricting trains from blocking public intersections for extended periods of time.

SECTION 19. Notice. (a) Access Procedure. Any notice regarding access required to be given pursuant to Section 4 (e) of this Agreement shall be given by facsimile to (801) 352-6605 or electronic mail to sduffy@rideuta.com, or at such other number or address as UTA may provide in writing from time to time.

(b) General. Except as set forth in Section 19(a) above, any notice, demand, request, consent, submission, approval, designation or other communication which a party is required or designated to give under this Agreement shall be made in writing and mailed to the other party at the addresses set forth below or at such other addresses as the parties may provide in writing from time to time. Such notices shall be faxed and mailed, by first-class mail, postage prepaid, to the parties as follows:

To City: Salt Lake City Corporation
c/o Salt Lake City Mayor
City & County Building
451 South State Street, Room 306
Salt Lake City, Utah 84111

Telephone: (801) 535-7704
Fax: (801) 535-6331

with a copy to:

Salt Lake City Attorney's Office
City & County Building
451 South State Street, Room 505A
Salt Lake City, UT 84111
Telephone (801) 535-7788
Fax: (801) 535-7640

If to UTA, at:

General Manager
Utah Transit Authority
3600 South 700 West (84119)
P.O. Box 30810
Salt Lake City, Utah 84130-0810
Telephone: (801) 262-5626
Fax: (801) 287-4614

with a copy to:

General Counsel
Utah Transit Authority
3600 South 700 West (84119)
P.O. Box 30810
Salt Lake City, UT 84130-0810
Telephone: (801) 262-5626
Fax: (801) 287-4520

SECTION 20. Rights Reserved to the City. (a) Without limitation upon the rights which the City might otherwise have, the City hereby expressly reserves the following rights, powers and authorities, except as modified by this Agreement or the Interlocal Agreement:

(i) To exercise its governmental powers now or hereafter to the full extent that such powers may be vested in or granted to the City;

(ii) To grant additional franchises within the City to other persons for the conduct of services under any conditions whatsoever acceptable to the City, notwithstanding the same might later be alleged to be more favorable than the rights granted herein;

(iii) To exercise any other rights, powers, or duties required or authorized to be exercised by the City under the Constitution of the State of Utah, the laws of the State of Utah, or City ordinances; and

(iv) To grant additional franchises through, upon, over, or under the subject Franchise Area, and to utilize the Franchise Area for its own purposes, including the construction, installation, operation, maintenance, repair, replacement and removal of City Utilities, on the conditions set forth in Section 1(d).

SECTION 21. Police Powers. UTA acknowledges the right vested in the City pursuant to general law to exercise its police powers for the protection of the health, safety and welfare of its citizens and their properties. Nothing in this Agreement shall be construed as precluding the City from exercising such powers in connection with the System, except with respect to matters specifically addressed in this Agreement or the Interlocal Agreement, and then only to the extent of the express terms of this Agreement or the Interlocal Agreement.

SECTION 22. Amendment. This Agreement may be modified or amended only by a written instrument executed by the parties and/or all their successors, as applicable.

SECTION 23. Severability. (a) If any provision of this Agreement, or the application of any provision to any person or circumstance is held invalid the remainder of this Agreement shall be given effect without the invalid provision or application.

(b) If any provision of this Agreement, except Section 3 hereof, or the application of any such provision, except Section 3 hereof, to any person or circumstance, is held invalid, the provisions of Section 3 shall apply notwithstanding such invalidity.

(c) If this entire Agreement, or Section 3 hereof, or the application of such entire Agreement or Section 3 to any person or circumstance, is held invalid, judgment of such invalidity shall be deemed a notice to quit to all parties to the action seeking a judgment of invalidity and failure to comply with such notice shall subject such parties to the provisions of Chapter 36, Title 78, U.C.A. (Forcible Entry and Detainer) or its successor provisions.

SECTION 24. Interlocal Co-operation Act Requirements. In satisfaction of the requirements of the Interlocal Act in connection with this Agreement, the parties agree as follows:

(a) This Agreement shall be authorized by resolution of the governing body of each party, pursuant to Section 11-13-202.5 of the Interlocal Act;

(b) A duly executed original counterpart of this Agreement shall be filed with the keeper of records of each party pursuant to Section 11-13-209 of the Interlocal Act.

(c) The Mayor of the City is designated as the administrator for all purposes of the Act, pursuant to Section 11-13-207(1) of the Interlocal Act.

(e) Except as provided in Section 11 hereof, this Agreement and the UTA Use Rights may be terminated only by and upon the express written consent of the parties.

(f) That this Agreement shall be submitted to the attorney authorized to represent the City and UTA, respectively, for review as to proper form and compliance with applicable law, pursuant to Section 11-13-202.5(3) of the Interlocal Agreement.

(g) Except as otherwise specifically provided herein, any real or personal property constituting or relating to Public Facilities shall be acquired and held, and disposed of upon partial or complete termination of this Agreement, by the City, as provided or authorized by applicable City ordinances or State law. Any real or personal property constituting or relating to the System, including all appurtenances thereto, shall be acquired and held, and disposed of upon partial or complete termination of this Agreement, by UTA, as provided or authorized by State law. Any real or personal property which is acquired jointly shall be held jointly, and shall be disposed of as mutually agreed by the parties, and any proceeds shall be shared by the parties in proportion to the portion of the cost contributed by each party, or as otherwise mutually agreed by the parties.

SECTION 25. Further Assurances. The parties hereto shall execute such other documents and take such other actions as may be reasonably necessary or proper to achieve the intent and purposes hereof.

SECTION 26. Governing Law. This Agreement shall be construed, interpreted and applied in accordance with the laws of the State of Utah

SECTION 27. Integration with Interlocal Agreement. The Interlocal Agreement generally governs UTA's activities within the Corridor identified in the Interlocal Agreement (which includes the Franchise Area), with respect to matters such as System planning and design, System construction and maintenance, street crossings, System

operation, and related matters. Except as otherwise provided or authorized herein, the Interlocal Agreement shall govern UTA's Use of the Franchise Area.

SECTION 28. Entire Agreement. This Agreement and the Interlocal Agreement taken together contain the entire agreement between the parties with respect to the subject matter hereof, and no statement, promises, or inducements made by either party or agents or either party that are not contained in this Agreement shall be binding or valid, and this Agreement may not be enlarged, modified or altered except through a written instrument which is signed by all the parties.

SECTION 29. Conflicts of Agreements (a) In the event of any conflict between the provisions of the Interlocal Agreement and this Agreement, or to the extent this Agreement addresses matters not addressed in the Interlocal Agreement, the provisions of this Agreement shall control.

(b) In the event of any conflict between the provisions of this Agreement and the provisions of any later agreements, the later agreements shall control.

(c) In the event of any conflict between the provisions of this Agreement and any applicable State law or City ordinance, this Agreement shall be controlling.

SECTION 30. Failure to Enforce Does Not Constitute Waiver. In the event either party fails, for any reason whatsoever, to enforce any term or condition of this Agreement, such lack of enforcement shall not be deemed a waiver or act as an estoppel of the right to enforce the Agreement.

SECTION 31. No Wavier of Remedies. Nothing in this Agreement shall be interpreted as a waiver by either party of any remedy available at law.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this
____ day of _____, 2007.

SALT LAKE CITY CORPORATION

By _____
MAYOR

ATTEST AND COUNTERSIGN:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM AND LEGALITY:



UTAH TRANSIT AUTHORITY

By _____
Title: _____

By _____
Title: _____

APPROVED AS TO FORM AND LEGALITY:

STATE OF UTAH)
: SS.
County of Salt Lake)

On the _____ day of _____, 2007 personally appeared before me _____, who being by me duly sworn, did say that he is the _____ of SALT LAKE CITY CORPORATION, and said person acknowledged to me that said corporation executed the same.

NOTARY PUBLIC, residing in
Salt Lake County, Utah

My Commission Expires:

STATE OF UTAH)
: SS.
County of Salt Lake)

On the _____ day of _____, 2007, personally appeared before me _____ and _____, who being by me duly sworn, did say that they are the _____ and _____, of UTAH TRANSIT AUTHORITY and that the foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors; and said persons acknowledged to me that said corporation executed the same.

NOTARY PUBLIC, residing in
Salt Lake County, Utah

My Commission Expires:

Exhibit A

Rail Line Components

The "Rail Line" which UTA is authorized by this Agreement and the Ordinance to construct, operate, maintain, repair and replace within the Franchise Area, shall consist of and include all railroad fixtures, trackage and structures including rails, tracks, ties, signals, culverts, switches, grade crossing materials, warning devices, ballast, sub grade, facilities, railroad communication and signal systems, wires, pipes, poles and all other trackage appurtenances all as necessary to construct, operate and maintain the System.

Exhibit B

Franchise Area

The Franchise Area shall mean and include the full width of the City's right-of-way at the following perpendicular rail/street crossings, for a distance of eighteen (18) feet on the east side of the centerline of the tracks):

Active Streets:

1800 North
400 North
300 North
600 West
200 South
800 South
700 South
900 South
1700 South

Closed Streets:

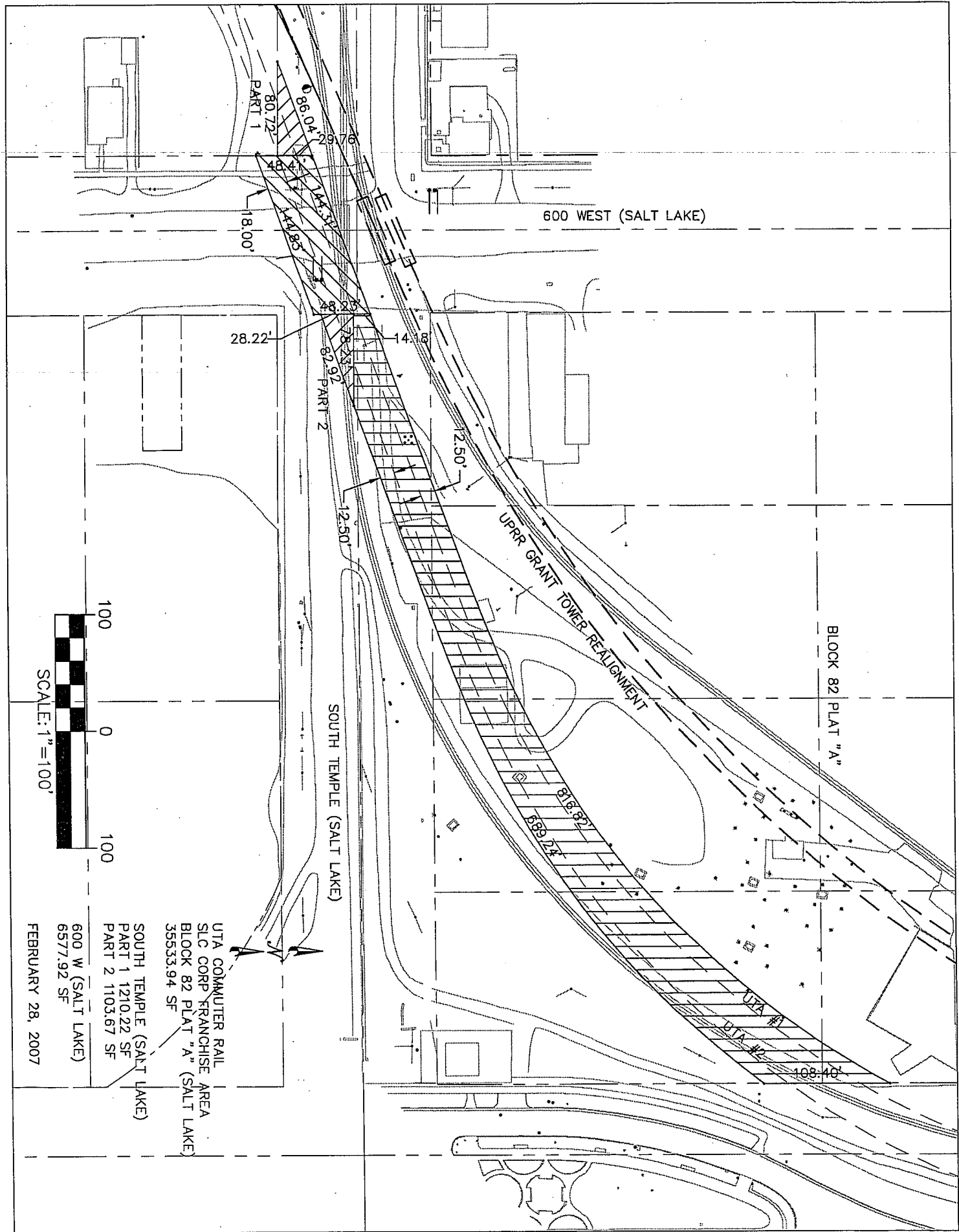
1500 North
500 North
200 North
100 South

Legal descriptions for the perpendicular rail/street crossings are included as Exhibit E. In addition, the Franchise Area shall include portions of 500 West Street and South Temple Street, as defined by the legal descriptions attached as Exhibits F and G, respectively.

Exhibit C

Legal Descriptions of Properties to be Exchanged in Grant Tower Area

[INSERT APPROPRIATE LEGAL DESCRIPTIONS]



600 WEST (SALT LAKE)

BLOCK 82 PLAT "A"

UPRR GRANT TOWER REALIGNMENT

SOUTH TEMPLE (SALT LAKE)



UTA COMMUTER RAIL
 SLC CORP FRANCHISE AREA
 BLOCK 82 PLAT "A" (SALT LAKE)
 35533.94 SF

SOUTH TEMPLE (SALT LAKE)
 PART 1 1210.22 SF
 PART 2 1103.67 SF

600 W (SALT LAKE)
 6577.92 SF

FEBRUARY 28, 2007

Exhibit D

[Here attach franchise fee calculations.]

Street	Width	Total Area	Over the Fence Value (per sq ft)	Area Fee Value	Annual lease payment**
1800 N	66	2,376	\$ 4.00	\$ 9,504	\$ 427.68
400 N	132	4,752	9.50	45,144	2,031.48
300 N	132	4,752	9.50	45,144	2,031.48
100 S	132	4,752	15.00	71,280	3,207.60
600 W	132	4,752	17.50	83,160	3,742.20
200 S	132	4,752	15.00	71,280	3,207.60
800 S	132	4,752	7.50	35,640	1,603.80
900 S	132	4,752	8.00	38,016	1,710.72
1700 S	66	2,376	5.00	11,880	534.60

Closed
Streets

1500 N	66	2,376	\$ 4.00	9,504	\$ 427.68
500 N	132	4,752	9.50	45,144	2,031.48
200 N	132	4,752	9.50	45,144	2,031.48
700 S	132	4,752	7.00	33,264	1,496.88

\$ 24,484.68

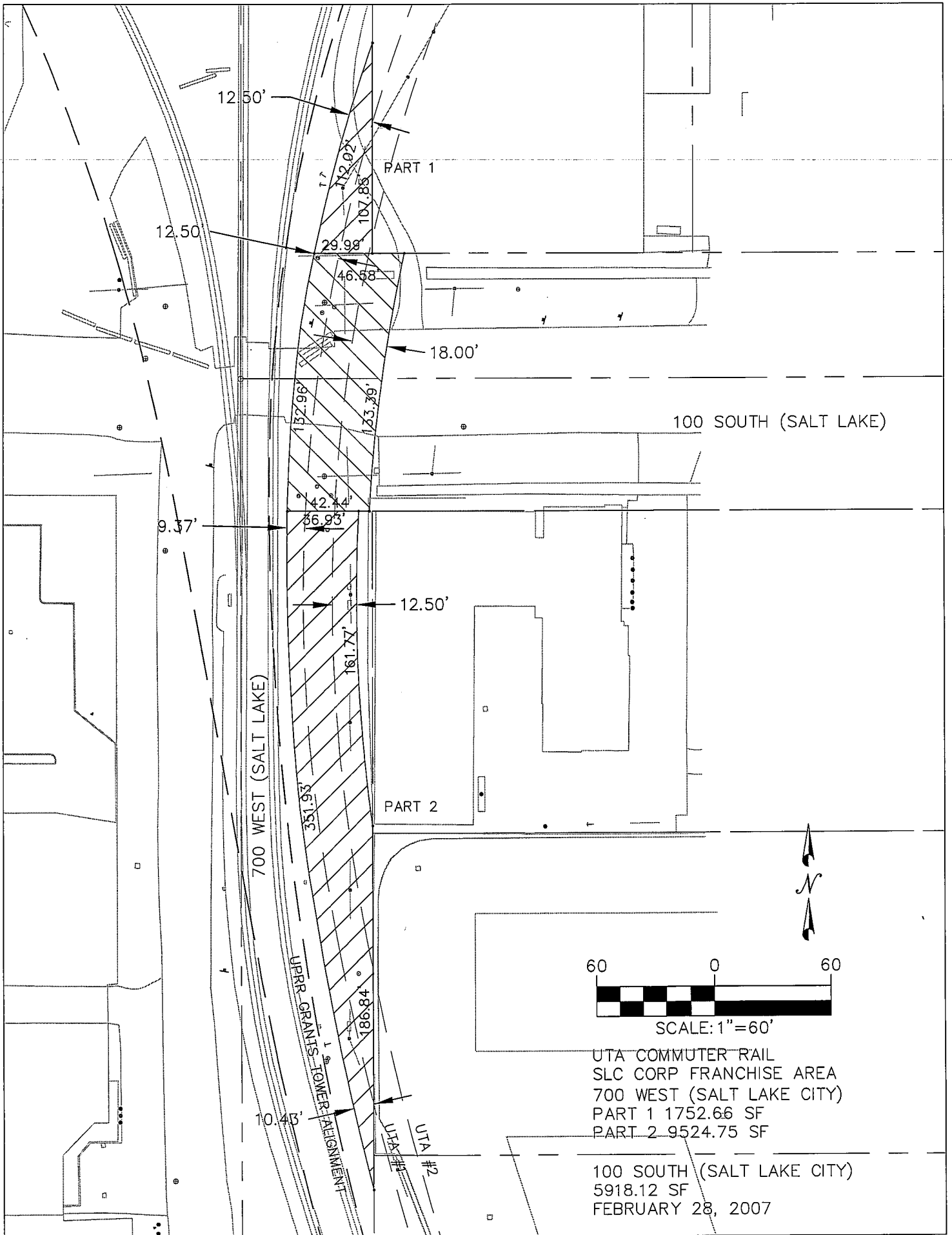
** Adjusted 50% for limited
exclusive use of the right-of-way.

Net Present Value: \$961,348.49 (based on 4.08% CPI and discount rate of 5%)

Exhibit E

Legal Descriptions for Perpendicular Rail/Street Crossings

[INSERT APPROPRIATE LEGAL DESCRIPTIONS]



700 WEST (SALT LAKE)

UTA #1
UTA #2

12.50'

47.84'

18.00'

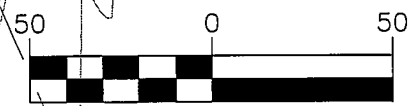
200 SOUTH (SALT LAKE)

51.31'

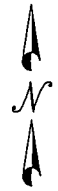
140.51'

12.50'

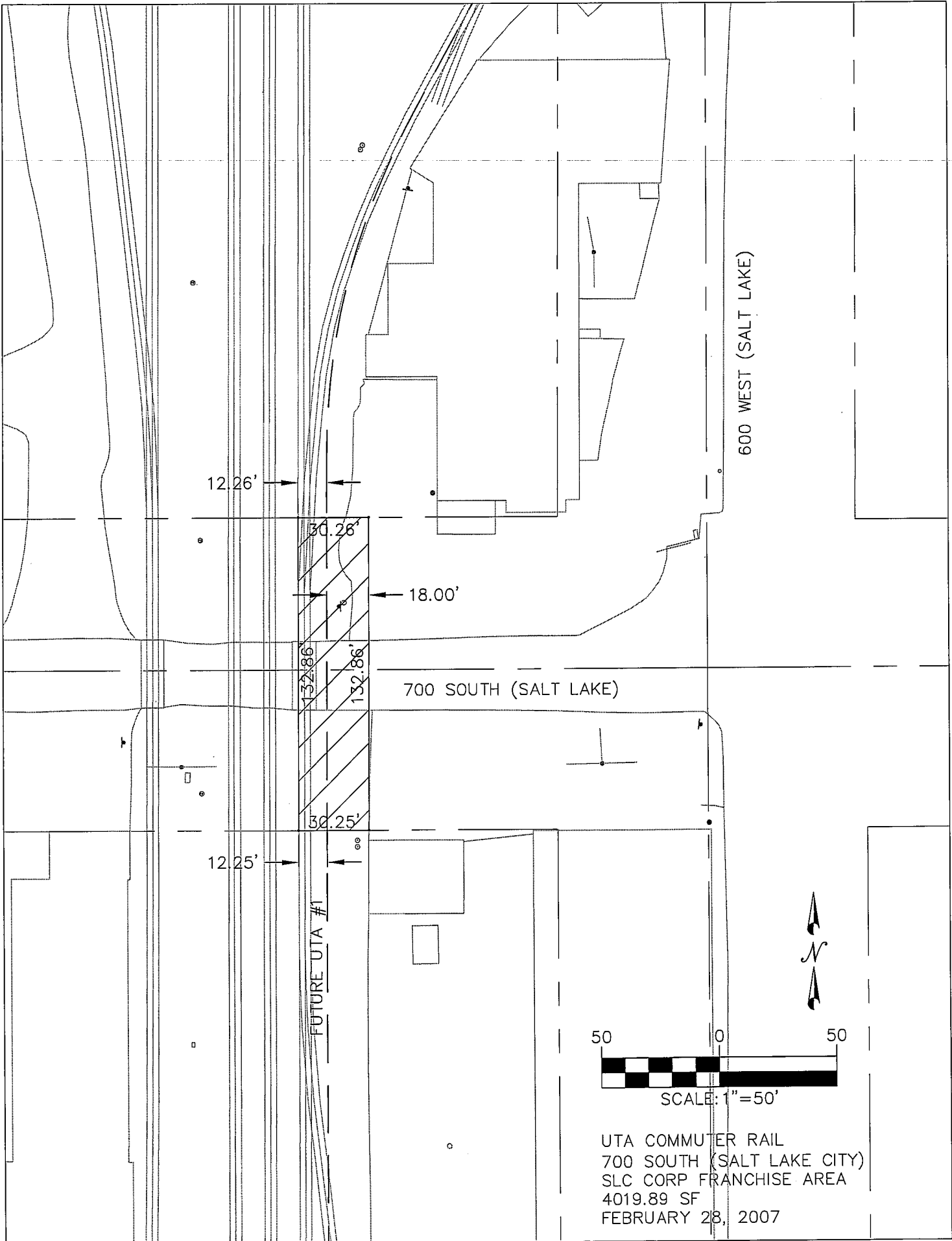
51.96'

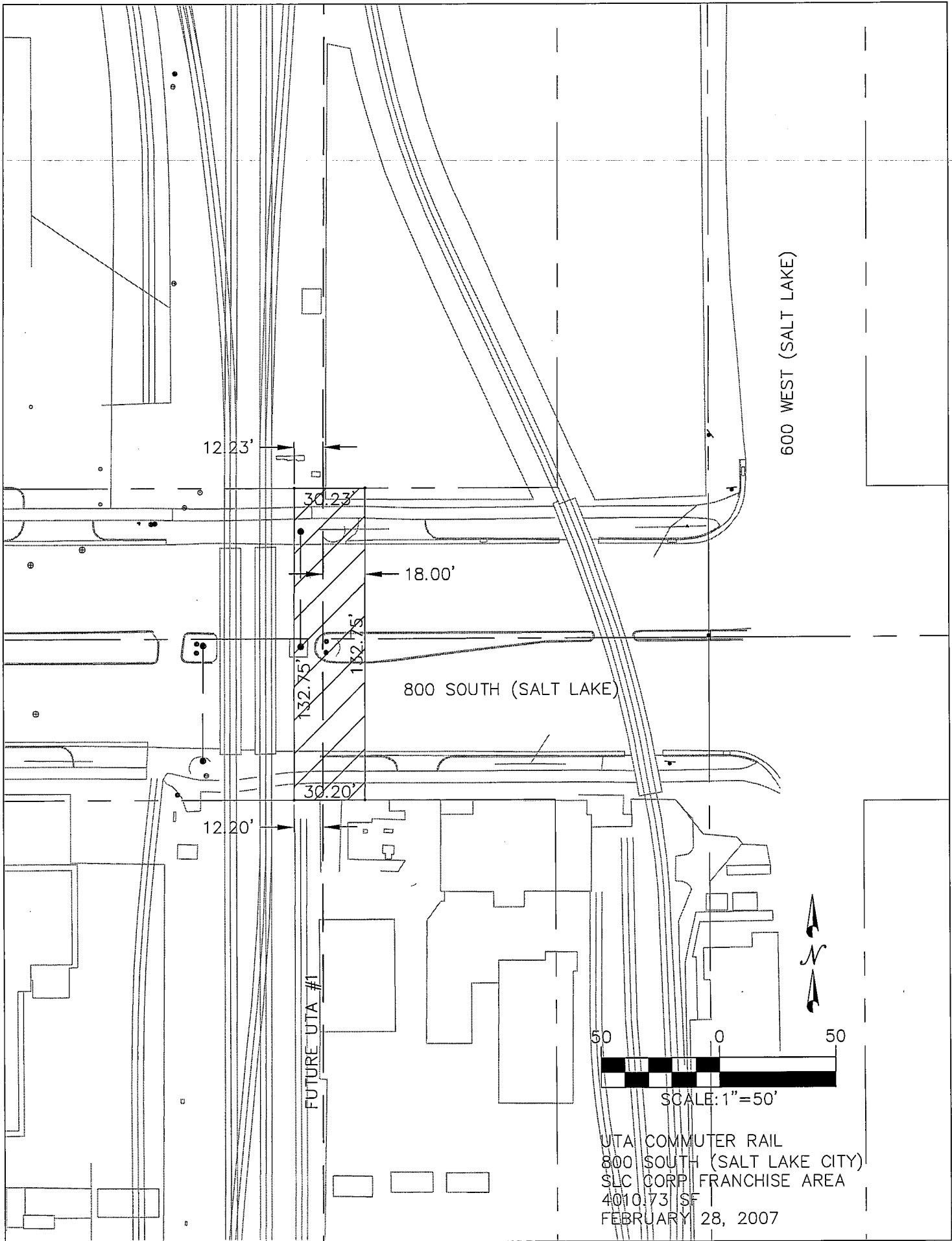


SCALE: 1"=50'



UTA COMMUTER RAIL
200 SOUTH (SALT LAKE CITY)
SLC CORP FRANCHISE AREA
6497.64 SF
FEBRUARY 28, 2007

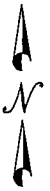
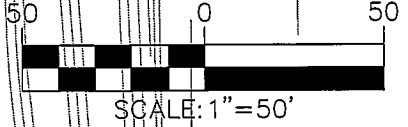




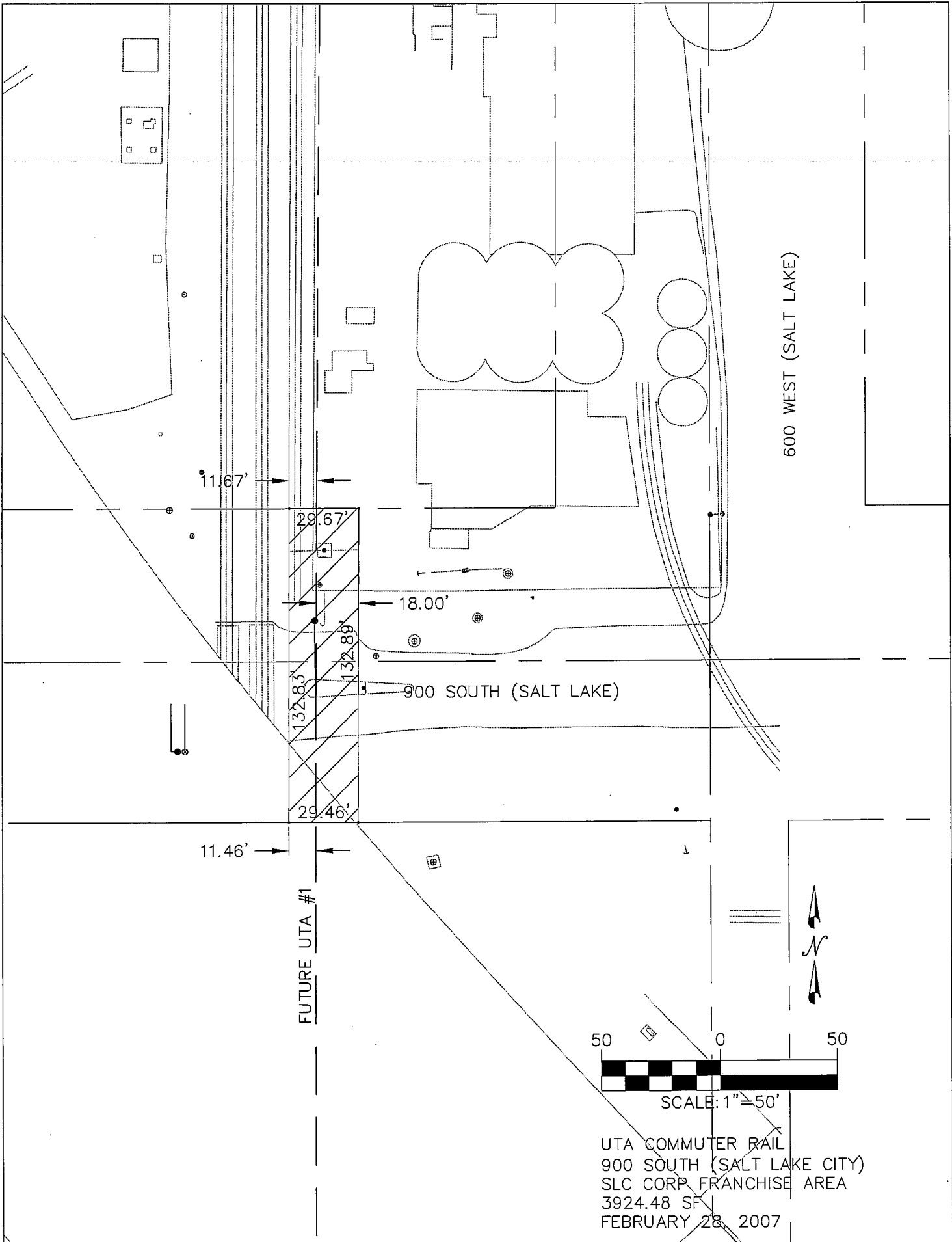
600 WEST (SALT LAKE)

800 SOUTH (SALT LAKE)

FUTURE UTA #1



UTA COMMUTER RAIL
800 SOUTH (SALT LAKE CITY)
SLC CORP. FRANCHISE AREA
4010.73 SF
FEBRUARY 28, 2007



600 WEST (SALT LAKE)

18.00'

900 SOUTH (SALT LAKE)

FUTURE UTA #1

11.67'

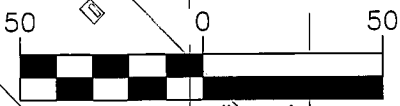
29.67'

132.83'

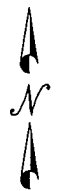
132.89'

29.46'

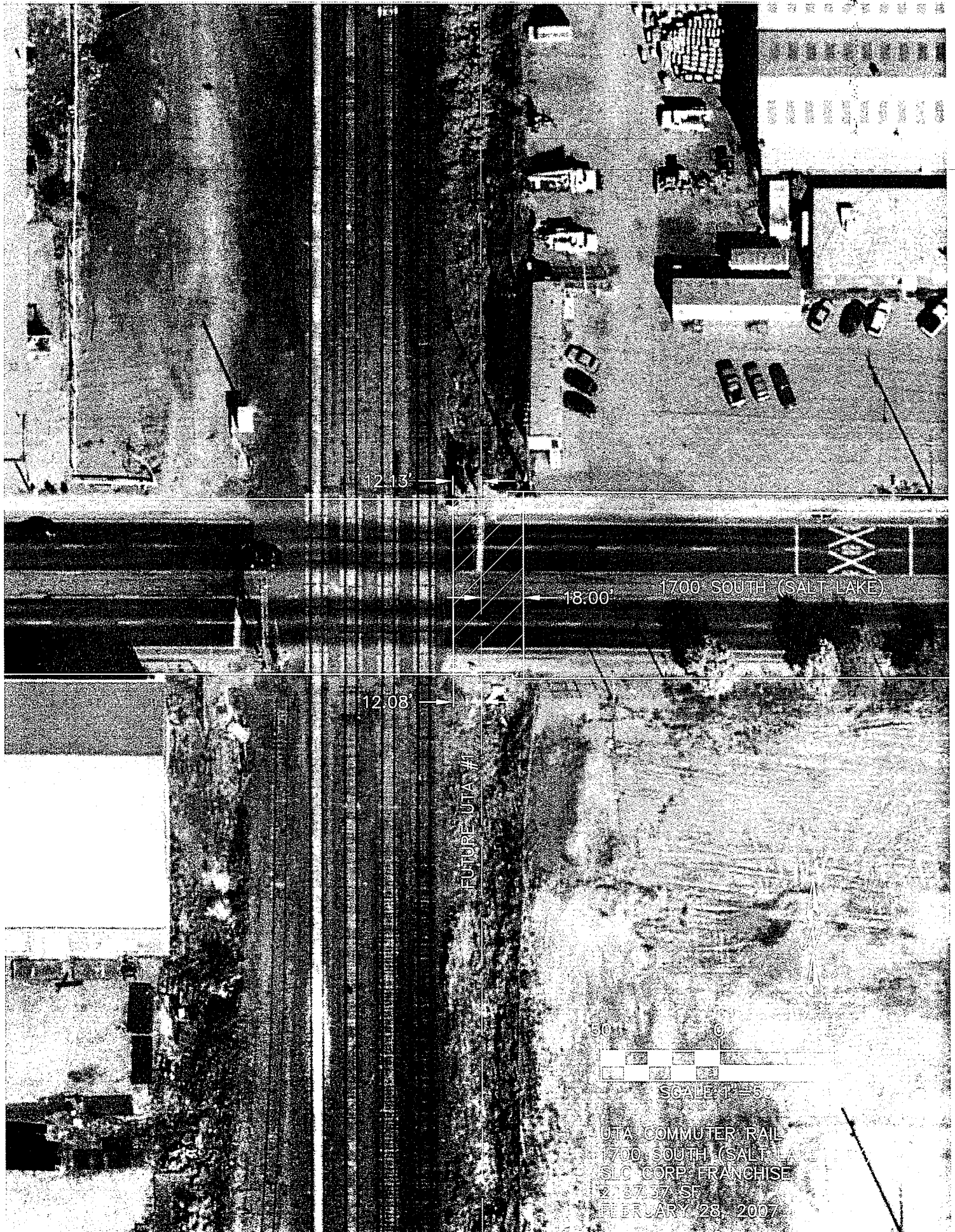
11.46'



SCALE: 1" = 50'



UTA COMMUTER RAIL
900 SOUTH (SALT LAKE CITY)
SLC CORP. FRANCHISE AREA
3924.48 SF
FEBRUARY 28, 2007



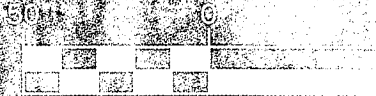
12.13'

18.00'

1700 SOUTH (SALT LAKE)

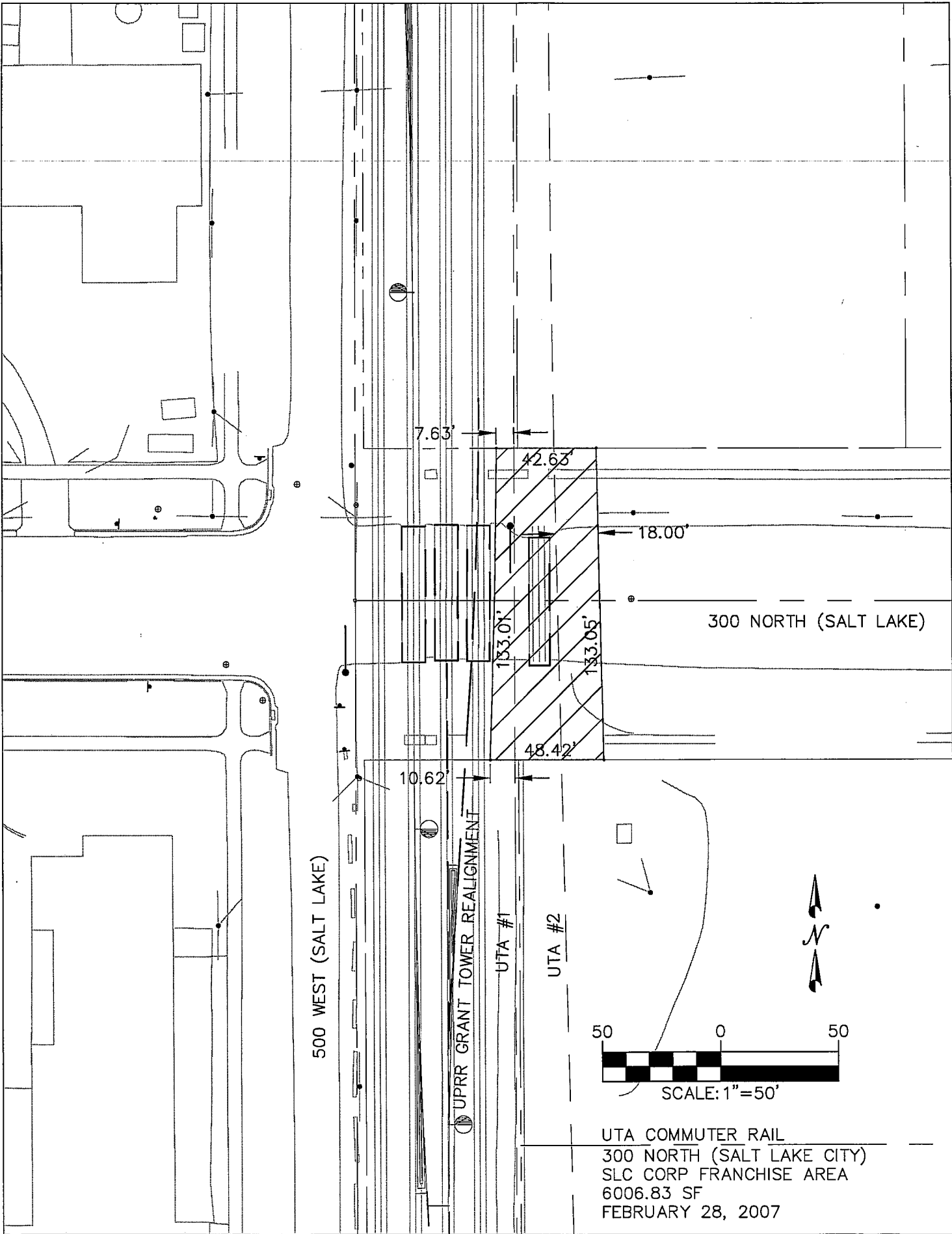
12.08'

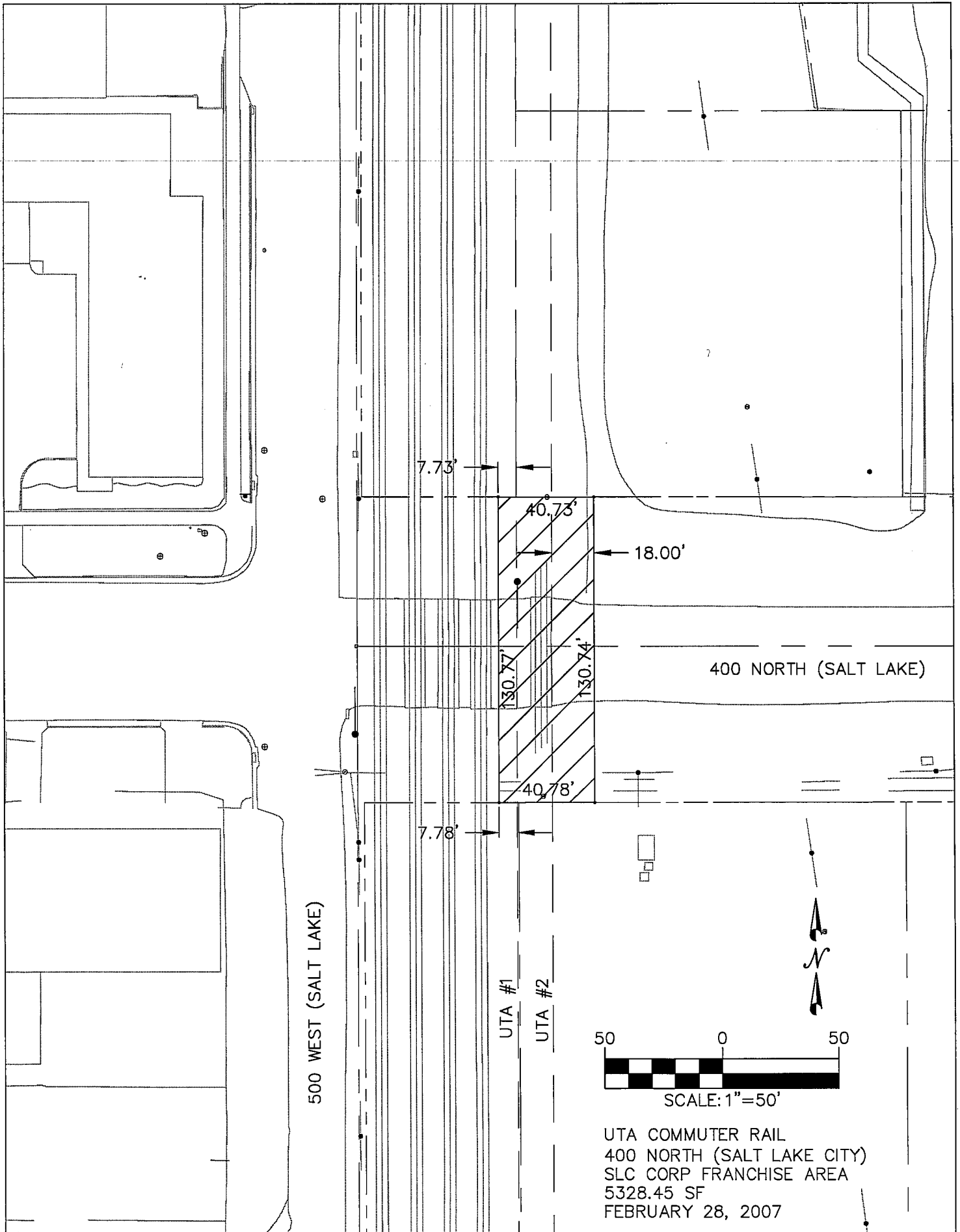
FUTURE UTA #1



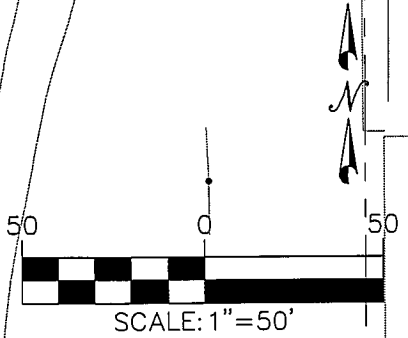
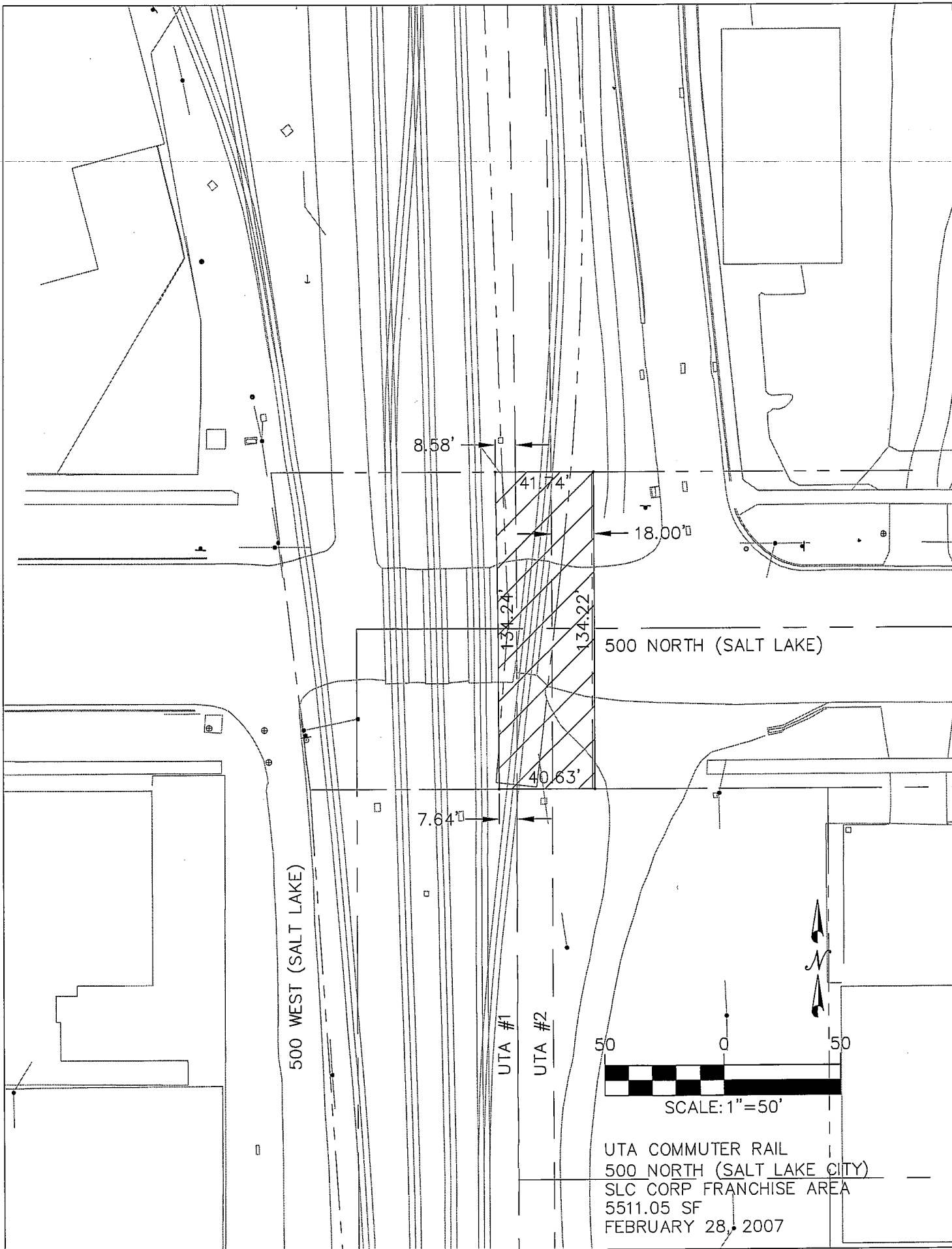
SCALE 1" = 50'

UTA COMMUTER RAIL
1700 SOUTH (SALT LAKE)
SLC CORP. FRANCHISE
128737 SF
FEBRUARY 28, 2007

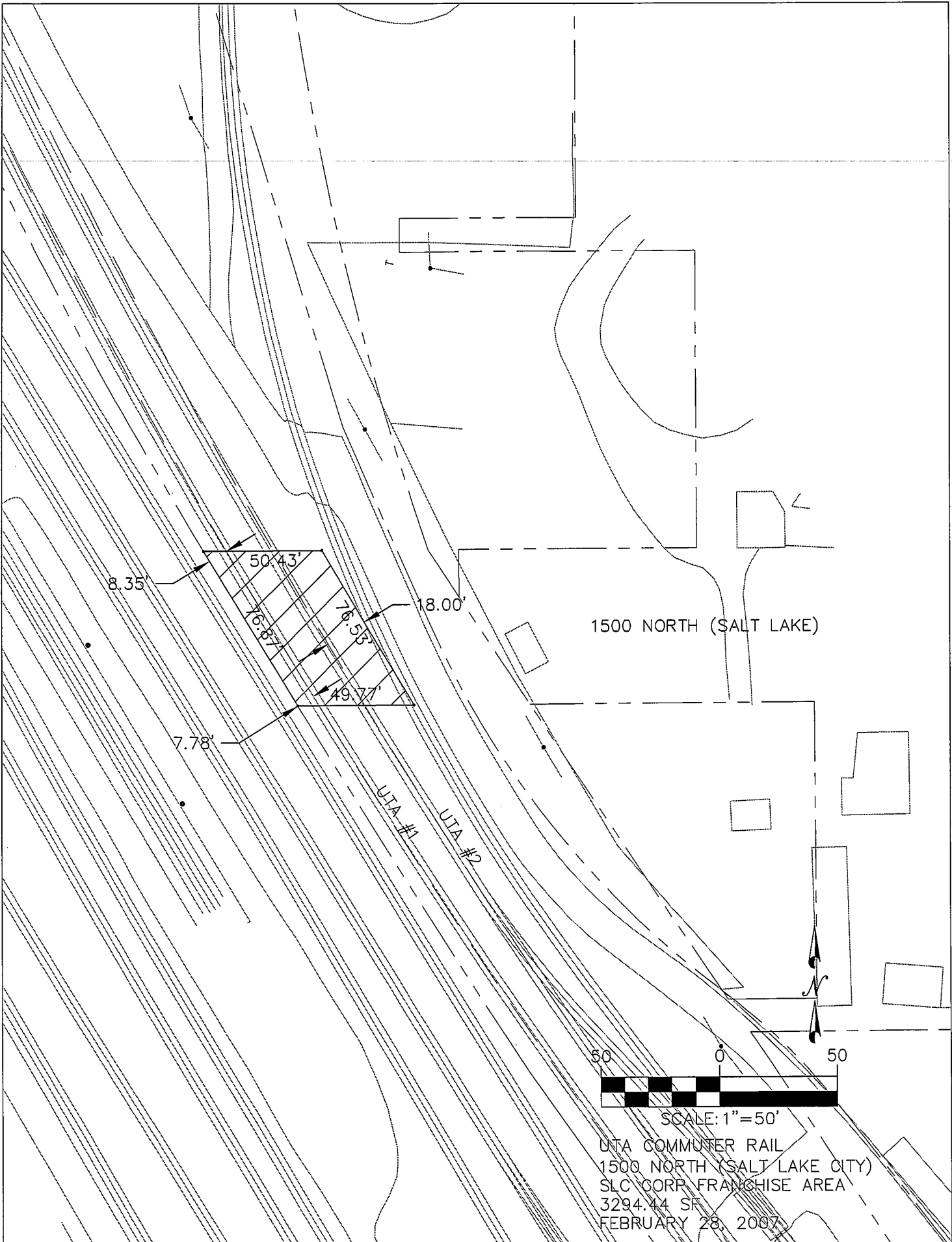




UTA COMMUTER RAIL
400 NORTH (SALT LAKE CITY)
SLC CORP FRANCHISE AREA
5328.45 SF
FEBRUARY 28, 2007

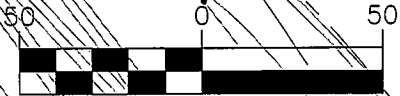


UTA COMMUTER RAIL
500 NORTH (SALT LAKE CITY)
SLC CORP FRANCHISE AREA
5511.05 SF
FEBRUARY 28, 2007



1500 NORTH (SALT LAKE)

UTA-#1
UTA-#2



SCALE: 1" = 50'

UTA COMMUTER RAIL
1500 NORTH (SALT LAKE CITY)
SLC CORP. FRANCHISE AREA
3294.44 SF
FEBRUARY 28, 2007

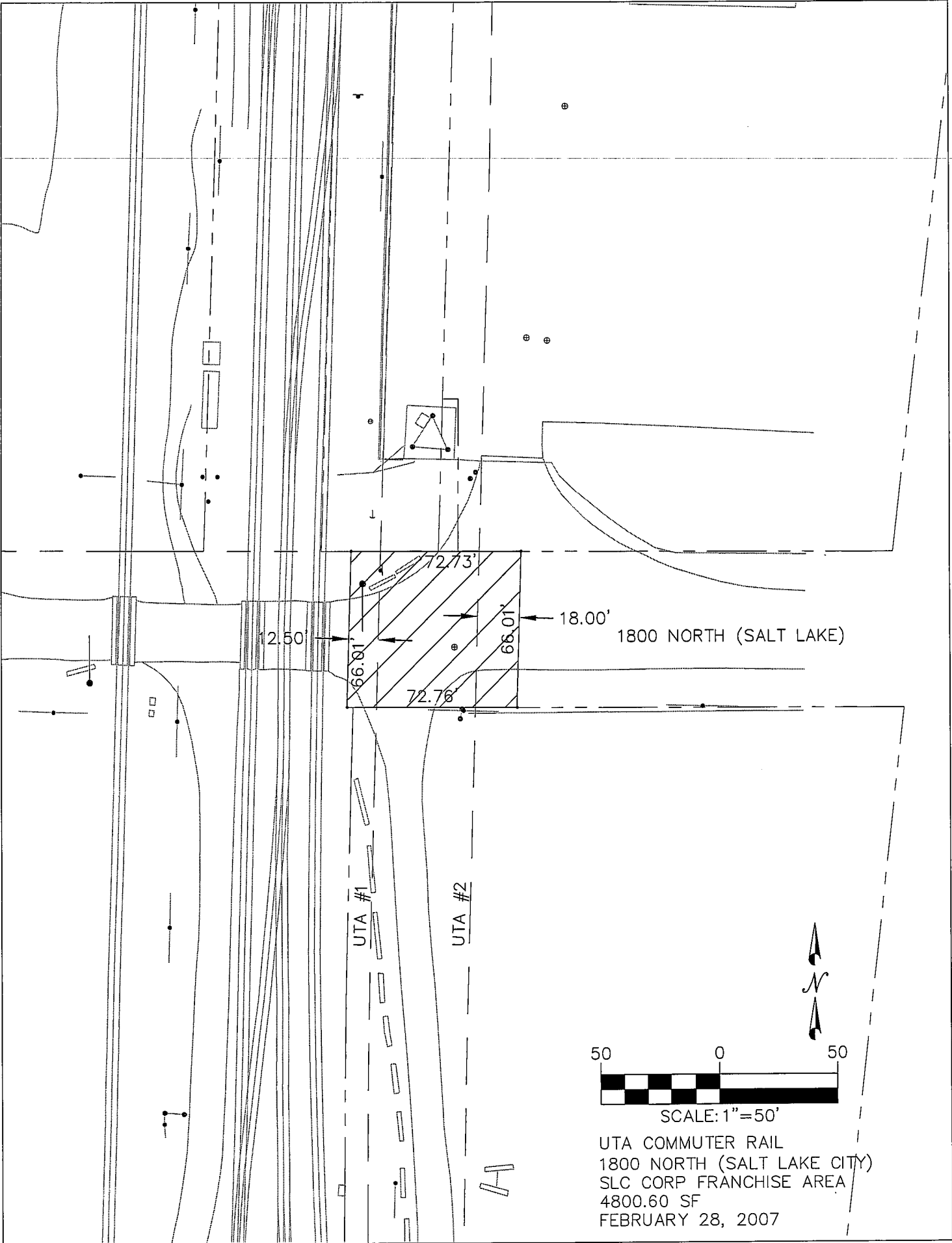
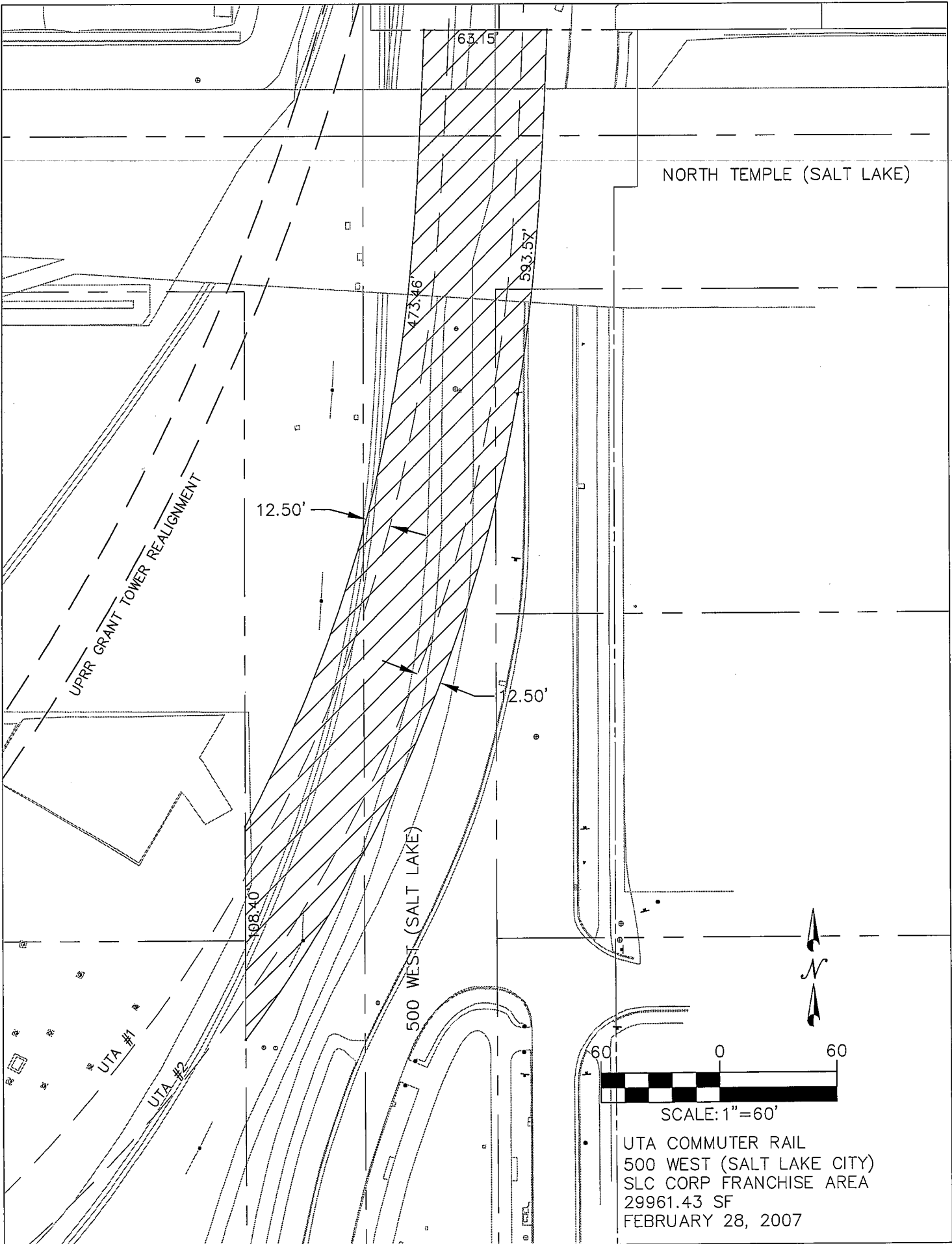


Exhibit F

Legal Description for 500 West Street Franchise Area

[INSERT APPROPRIATE LEGAL DESCRIPTION]

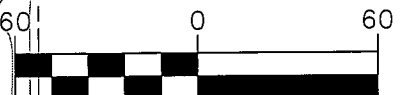


NORTH TEMPLE (SALT LAKE)

UPRR GRANT TOWER REALIGNMENT

UTA #1
UTA #2

500 WEST (SALT LAKE)



SCALE: 1" = 60'

UTA COMMUTER RAIL
500 WEST (SALT LAKE CITY)
SLC CORP FRANCHISE AREA
29961.43 SF
FEBRUARY 28, 2007

Exhibit G

Legal Description for South Temple Street Franchise Area

[INSERT APPROPRIATE LEGAL DESCRIPTION]

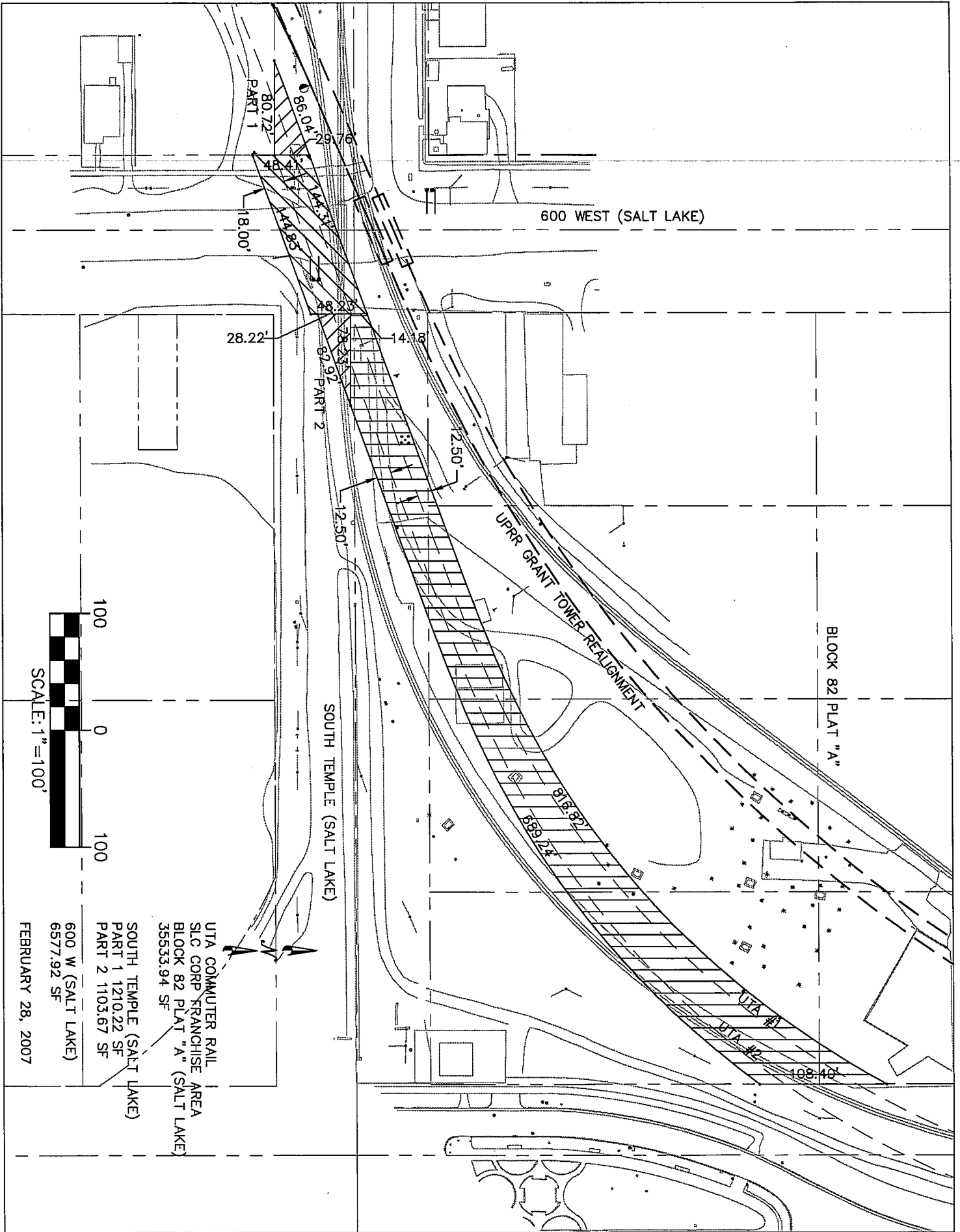


Exhibit H

GENERAL LICENSE AGREEMENT FOR MULTIPLE USE TRAIL

THIS GENERAL LICENSE AGREEMENT FOR MULTIPLE USE TRAIL ("Agreement") is made and entered into as of the _____ day of _____ 2006, by and between UTAH TRANSIT AUTHORITY, a public transit district organized under Title 17A, Chapter 2, Part 10, Utah Code Annotated 1953, as amended (hereinafter "UTA"), and _____, a municipal corporation of the State of Utah (hereinafter "Licensee") that desires to obtain from UTA a license for use of a portion of the below-defined railroad right of way. UTA and Licensee may hereinafter be collectively referred to as "parties," and either may be individually referred to as "party," all as governed by the context in which such words are used.

RECITALS

WHEREAS, UTA is the owner of the Right of Way (as defined below) upon which UTA operates a portion of its transportation system;

WHEREAS, Licensee desires to construct a trail for use by the public over the below-specified portion of the Right of Way according to the terms, conditions and limitations set forth in this Agreement;

WHEREAS, UTA is supportive of alternate transportation modes such as pedestrian and bicycle trails and, subject to the terms and conditions of this Agreement, is willing to grant a license allowing for the construction and operation of the trail;

WHEREAS, the Right of Way is the potential site for a proposed extension of the transportation system in accordance with the Wasatch Front Regional Council's Long Range Transportation Plan.

WHEREAS, the parties acknowledge that the future extension may require relocation or reconfiguration of the Trail and, as the consideration for the license granted herein, Licensee has agreed to perform such work (if necessary) at its own expense (notwithstanding any inconsistent provisions that may have been agreed to between the parties pursuant to a separate agreement).

AGREEMENT

NOW, THEREFORE, on the stated Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereinafter set forth, the mutual benefits to the parties to be derived herefrom, and for other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

ARTICLE 1. DEFINITIONS

In addition to other defined terms set forth above and below, and as used throughout this Agreement, the following capitalized terms shall have the meanings indicated below.

"Emergency Access Manager" means the person or office responsible for controlling access to the Right of Way in case of emergency. The Emergency Access Manager as of the execution of this Agreement is UTA Property Management at either (801) 231-7679 or (801) 706-1365. UTA may change the designated Emergency Access Manager from time to time by delivery of notice in accordance with Article 20 of this Agreement.

"Freight Operator" means the Union Pacific Railroad Company ("UPRR"), which currently uses a portion of the Right of Way to provide freight service to customers along the Right of Way. "Freight Operator" shall also mean any successor or assignee of the UPRR or any other railroad operator using the Right of Way to provide freight service.

"Governmental Authority" or "Governmental Authorities" means one or more federal, state, municipal or local governmental bodies or agencies.

"Hazardous Materials" means any pollutants, toxic substances, hazardous wastes, hazardous substances, oils of any kind or in any form (including petroleum, fuel oil, diesel oil, crude oil or any fraction thereof), and any other substances defined in or pursuant to the Resource Conservation and Recovery Act, the Comprehensive Response, Compensation and Liability Act, the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any other federal, state or local environmental law, regulation, ordinance, rule or bylaw, as such are amended from time to time, whether existing as of the date hereof, previously enforced or subsequently enacted.

"Loss" or "Losses" means any and all losses, damages, claims, demands, actions, causes of action, penalties, costs, expenses, court costs, attorneys' fees, amounts paid in settlement, judgments, prejudgment and post-judgment interest and any other costs incurred as the result of (i) loss of or damage to the property of any party or third person; (ii) injury to or death of any party or third person; or (iii) economic loss to a party.

"Multiple Use Trail" means that portion of the Right of Way for which Licensee is obtaining a license to develop a public trail (in accordance with Exhibit "A") for pedestrian, equestrian, and bike traffic including all hardscaping, landscaping and improvements.

"Right of Way" means _____

"Track" or "Tracks" means any and all tracks, rails, ties, switches, frogs, end of track barricades or bumpers, derail devices, tie plates, spikes, fastenings, drainage structures, grading, ballast, crossings, subgrade stabilization, tunnels, bridges, trestles, culverts, structures, facilities, leads, spurs, turnouts, tails, sidings, signals, crossing protection devices, catenary systems and wires, conduits, railroad communications systems, poles and all other operating and non-operating railroad or railway appurtenances, whether located on or adjacent to the Right of Way.

"UTA Engineer" means the individual specified or designated as such by UTA. As of the date of this Agreement, the UTA Engineer is Crosby Mecham. UTA Engineer also refers to any designees or successors of Mr. Mecham as may from time to time be designated by UTA,

provided that written notice of a change in the UTA Engineer is provided to Licensee as set forth in this Agreement.

"Utility" or "Utilities" means any and all properties, facilities, utilities, crossings, encroachments, lines and other appurtenances of third parties existing from time to time on or about the Right of Way by permissive or prescriptive authority including, but not limited to, pipelines, tube lines, water and gas mains, electrical conduits, wires, fiber optics, communication lines, sewer pipes, overhead wiring and supporting structures and appurtenances and all other structures and facilities

ARTICLE 2. USE OF A PORTION OF RIGHT OF WAY: LICENSE

A. In consideration of the covenants, conditions and agreements herein contained, UTA hereby grants to Licensee, without any warranty whatsoever, a non-exclusive license (hereinafter the "License") to construct, maintain and use, and to allow the public to use, at Licensee's sole cost and expense, the Multiple Use Trail inside the boundaries of the Right of Way. Licensee shall have no property interest whatsoever in the Right of Way, and Licensee is granted only the License referred to herein.

B. The Multiple Use Trail shall be constructed between _____ Street and _____ Street or approximately Milepost Location Numbers _____ and _____, all in conformity with Exhibit "A." The License is for the sole purpose of developing the Multiple Use Trail. The Multiple Use Trail shall be used for public pedestrian and bicyclist use and other uses supplementary thereto, including trail maintenance and police patrolling and law enforcement. UTA expressly reserves the right to prohibit any use of the trail which is incompatible with passenger and freight operations conducted in the Right of Way.

C. The rights herein granted to Licensee shall lapse and become void if the construction of the Multiple Use Trail is not commenced within twelve (12) months of the date of execution of this Agreement.

D. Except for areas located adjacent to at-grade road crossings, or as otherwise shown on the attached Exhibit "A," Licensee shall erect and maintain a vinyl-coated chain link fence (or other type and quality of the fencing as may be approved by the UTA Engineer from time to time) separating the Multiple Use Trail from the remainder of the Right of Way. Licensee shall also erect such signage, physical barriers and other protective devices as shown on Exhibit "A," as well as such additional signage, physical barriers and other protective devices as may be reasonably required from time to time by UTA or the Freight Operator.

E. In addition to other conditions and limitations otherwise provided herein, the License shall not be construed as granting Licensee the right to install or to authorize the installation of any pipes, pipelines, sewer or underground structures, or any telegraph, telephone, fiber optics, communication lines, electric power lines or other similar facilities in, upon, over, under, across or along the Right of Way, unless such facilities or improvements are necessary for the Multiple Use Trail. The inclusion of any such facilities in Exhibit "A" or in plans and specifications approved by the UTA Engineer shall not be deemed a waiver of UTA's right to require owners of such proposed facilities to go through the nonnal application and approval process and to enter

into license agreements with UTA and to pay UTA its standard real estate usage charge for Utility crossings of the Right of Way.

ARTICLE 3. SUBORDINATION OF LICENSE TO EXISTING USES OF RIGHT OF WAY

A. The License granted pursuant to this Agreement shall be subject and subordinate to the prior and continuing right and obligation of UTA to fully use the Right of Way including the right and power of UTA to construct, maintain, repair, renew, use, operate, modify or relocate new or existing Tracks upon, along, above or across any or all parts of the Right of Way and other UTA property, all or any of which may be freely done at any time or times by UTA. The grant of License is made without covenants of title or quiet enjoyment. UTA makes no warranties, either express or implied, regarding the nature, extent or status of its title to the Right of Way or regarding the existence or nonexistence of third party rights which may be superior to the License granted pursuant to this Agreement.

B. Licensee shall, within 60 days after receipt of written notice from UTA, modify or relocate (or, if agreed between the parties, allow UTA to modify or relocate) all or any portion of the Multiple Use Trail as UTA may reasonably designate. Notwithstanding any other agreement entered between the parties the parties hereby agree that Licensee shall be responsible for any necessary relocation costs. All the terms, conditions and stipulations herein expressed with reference to the Multiple Use Trail in the location described herein shall, so far as the Multiple Use Trail remains on UTA property, apply to the Multiple Use Trail as modified or relocated pursuant to this Section.

C. The forgoing grant is also subject to the outstanding superior rights previously conveyed or granted to third parties by UTA, or its predecessors in interest, and the right of UTA to renew and extend the same.

ARTICLE 4. PLANS AND SPECIFICATIONS

In advance of the commencement of any construction, all general and detailed plans and specifications for the Multiple Use Trail shall have been approved in writing by the UTA Engineer. The plans and specifications delivered to the UTA Engineer shall set out the method and manner of handling the work so as to protect UTA's Right of Way and operations, and the operations of the Freight Operator. The UTA Engineer shall have the right to approve the plans and specifications, or withhold approval with respect to the plans and specifications, such approval not to be unreasonably withheld. Licensee shall cause all such work to be in strict conformity with such approved plans and with Exhibit "A," unless advance written waiver of this requirement is obtained from the UTA Engineer. All additional work to be performed by Licensee subsequent to the initial construction shall also be conducted pursuant to plans and specifications to be reviewed and approved by the UTA Engineer pursuant to the terms and conditions of this Article. The parties acknowledge that UTA assumes no responsibility for the design or construction of the Multiple Use Trail. Licensee

shall ensure that the design and construction of the Multiple Use Trail is proper and sufficient, and Licensee shall implement any necessary or appropriate safety features or devices. The review of Licensee's plans and specifications as set forth in this Article shall be solely for the purpose of ensuring, to the maximum extent possible, that the Multiple Use Trail does not interfere with the passenger and freight operations conducted in the Right of Way. The review of the plans and specifications as set forth in this Article shall not be construed to be a waiver of any other legal rights UTA may have under this Agreement or otherwise. No review conducted by UTA shall be construed to be a warranty, guarantee or assurance of the adequacy of the Licensee's work (or that of any contractor of Licensee) or the adequacy of the safety measures employed by Licensee (or those of any contractor of Licensee). The review conducted is for UTA's sole benefit and is for no other person's benefit, including that of Licensee.

ARTICLE 5. CONSTRUCTION AND MAINTENANCE OF MULTIPLE USE TRAIL

A. Licensee, at its sole cost and expense, shall perform all grading and shall install all necessary drainage improvements and facilities required in connection with the safe construction and operation of the Multiple Use Trail within the Right of Way. Licensee shall arrange to modify any overhead and/or underground Utilities or other facilities to meet UTA specifications, as determined solely by UTA. Licensee shall not suffer or permit drainage water to flow or collect upon the Right of Way or other UTA property because of the construction or operation of the Multiple Use Trail. Licensee shall provide adequate passageway for the waters of any runoff, streams, bodies of water and drainage facilities (either natural or artificial, including water from UTA culvert and drainage facilities). Licensee shall ensure that no water is impeded, obstructed, diverted or caused to back up, overflow or damage the Right of Way or other property of UTA or third parties.

B. UTA shall have the right, but not the duty, to observe and inspect any and all construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal of the Multiple Use Trail and other work concerning or related to the Multiple Use Trail, and to require safety or other precautions and standards to be met or used during any such work. Licensee and its contractors shall comply with the rules, regulations and instructions of UTA and its representatives with respect to work performed in conjunction with the Multiple Use Trail including, without limitation, those related to the protection of UTA facilities at and in the vicinity of the Multiple Use Trail. The right to inspect work as set forth in this provision shall be solely for the purpose of ensuring, to the maximum extent possible, that the Multiple Use Trail does not interfere with the passenger and freight operations conducted in the Right of Way. The exercise of such right shall not be construed to be a waiver of any other legal rights UTA may have under this Agreement or otherwise. No inspection conducted by UTA shall be construed to be a warranty, guarantee or assurance of the adequacy of the Licensee's work (or that of any contractor of Licensee) or the adequacy of the safety measures employed by Licensee (or those of any contractor of Licensee). The inspection conducted is for UTA's sole benefit and is for no other person's benefit, including that of Licensee.

C. Licensee shall procure any needed property rights, easements, rights of way, franchises, permits or other permission for the construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal of the Multiple Use Trail including without limitation those necessary to traverse over and across any public street, road or highway. Licensee assumes all costs and expense related to the acquisition of such rights and shall pay any fees or costs imposed by any Governmental Authority or other entity as the result of the Multiple Use Trail.

D. In the construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal of the Multiple Use Trail, Licensee shall take all suitable precautions to prevent any interference with the operation of any Tracks or Utilities including, without limitation, signals, grade crossings, communication lines and catenary systems and wires. If, at any time, the construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal of the Multiple Use Trail results in any interference with the operation of the Tracks or any Utility or other facility as now existing or which may hereafter be constructed, Licensee shall, at its sole cost and expense, immediately take such action as may be necessary to eliminate such interference. In the event that the construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal of the Multiple Use Trail damages the Tracks or any Utility or other facility, Licensee shall immediately restore or repair such Track, Utility or other facility at Licensee's sole cost and expense. UTA, at its sole option, shall also have the right, without notice to Licensee, to cause the restoration or repair any such Tracks, Utilities or other facilities and seek reimbursement of all reasonable costs incurred in conjunction therewith.

E. The Multiple Use Trail shall be constructed, operated and maintained by Licensee in such a manner as not to be or constitute a hazard. In the construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal of the Multiple Use Trail, Licensee, at its sole cost and expense, shall comply with the requirements of all laws, rules, regulations, ordinances or orders of any applicable Governmental Authority. Licensee shall not cause or permit the importation of any Hazardous Materials onto the Right of Way.

F. Licensee shall replace and maintain any soil disturbed during or because of work performed in conjunction with the Multiple Use Trail being sure the replaced soil is thoroughly compacted and the grade even with the adjacent surface of the ground.

G. Licensee shall bear the cost of any modifications to UTA's Tracks, other structures, communication facilities, catenary systems and wires, and other facilities or improvements required by the construction, use and/or existence of the Multiple Use Trail.

H. All remaining and new landscaping within the Multiple Use Trail, and pavements, fencing and other improvements installed with respect to the Multiple Use Trail shall be maintained by Licensee in a good and workmanlike manner and in a manner consistent with Licensee's other public trails or parkways. All maintenance shall be performed consistent with the conditions or standards as may be required by the laws, rules, regulations, ordinances or orders of applicable Governmental Authorities, and so as to ensure the safety of UTA property, adjacent properties, the Multiple Use Trail and the public invitees thereto. All bushes, trees, plants, and the like with respect to the Multiple Use Trail shall be maintained by Licensee so as not to cross the vertical plane created by the fence separating the Multiple Use Trail from other areas of the Right of Way.

Any landscaping, bushes, trees, plants, and the like with respect to the Multiple Use Trail shall also be maintained by Licensee in a manner such that there is no interference with clearances, including clearances for line-of-sight and other visibility, for freight and passenger operations or with rail safety requirements, all as determined by UTA in its sole discretion. Licensee shall remove or modify any landscaping or other vegetation not complying with this provision within five (5) calendar days of receiving written notice of such noncompliance. All obligations of Licensee under this Section 5(H) shall be fulfilled at Licensee's sole expense.

I. As between the parties, Licensee shall be solely responsible for all patrolling, law enforcement, security and other protective measures as may be necessary for the safe operation of the Multiple Use Trail. Licensee shall cause its police force to respond to incidents occurring on the Multiple Use Trail in a manner consistent with other locations within Licensee's jurisdiction.

ARTICLE 6. ACCESS TO RIGHT OF WAY FOR CONSTRUCTION, MAINTENANCE AND OTHER WORK

A. Except in the event of an emergency (as provided in Section B below), Licensee shall request permission from UTA at least ten days (or such shorter period as may be approved by UTA) prior to performing any construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal in or otherwise materially affecting the Right of Way. Licensee's request to access the Right of Way shall be specific as to the time, date and activities for which Licensee seeks permission. The request shall also include a summary of the method and manner in which the construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal will be performed. As part of the application process, UTA may require Licensee (and its contractors or other agents seeking access to the Right of Way) to attend any track access coordination meetings, safety training or other instruction as may be deemed necessary by UTA. Once granted, UTA's permission to enter the Right of Way shall be formalized in writing and delivered to Licensee. After permission has been granted, Licensee shall comply with all conditions, instructions and requirements of such permit and with all instructions or directions given by UTA including, if required, daily telephone notification to the applicable rail dispatch center prior to each entry into the Right of Way. All contact with UTA shall be coordinated through the person designated by UTA from time to time as set forth in Article 20 of this Agreement. Provided that Licensee complies with the provisions of this Section, UTA agrees not to unreasonably withhold, condition, or delay its approval of Licensee's request.

B. Licensee shall have the right to enter the Right of Way in the event of an emergency to make repairs necessary to protect against imminent and serious injury or damage to persons or property. Licensee shall take all precautions necessary to ensure that such emergency entry does not compromise the safety of any operations conducted in the Right of Way by UTA or Freight Operator. Licensee must notify the Emergency Access Manager of the emergency access and the work being performed prior to entering the Right of Way.

ARTICLE 7. PROTECTING RIGHT OF WAY DURING CONSTRUCTION AND OTHER WORK

During any construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal of or regarding the Multiple Use Trail, UTA and/or the Freight Operator may, in the event they deem necessary, arrange for training, flagging, lighting, flashing

signal barricades or other protection as required by UTA, the Federal Railroad Administration or other Governmental Authorities. Any such protection furnished by UTA and/or the Freight Operator shall be at Licensee's sole cost and expense. UTA and/or Freight Operator may employ and furnish, at the expense of Licensee, such flagmen and watchmen as may be reasonably necessary to protect passenger or freight operations and traffic during the progress of the work contemplated by this Agreement and during any work related to the Multiple Use Trail.

ARTICLE 8. IF WORK IS TO BE PERFORMED BY CONTRACTOR

If a contractor is to do any construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal work regarding the Multiple Use Trail, then Licensee shall require such contractor to execute UTA's Agreement With Contractor Form. Licensee acknowledges receipt of a copy of the form and understands its terms, provisions and requirements. Licensee shall inform its contractor or contractors of the requirement to execute this form and deliver the same to UTA prior to entry upon or the performance of any work inside the boundaries of the Right of Way or other UTA property. Under no circumstances shall Licensee's contractor be allowed on the Right of Way without first executing and delivering to UTA the Agreement With Contractor Form and providing the required proof of insurance.

ARTICLE 9. LICENSE FEE

UTA customarily assesses standard administrative fees reflecting the clerical, administrative and handling expenses incurred in connection with the processing of this Agreement and standard licensing fees for the use of its real estate. These fees have been waived.

ARTICLE 10. RESTORATION OF UTA'S PROPERTY

A. In the event UTA authorizes Licensee to move or disturb any property of UTA (or that of any third party having permissive or prescriptive authority to be located in the Right of Way) in connection with the construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal of or regarding the Multiple Use Trail, Licensee shall, as soon as possible and at Licensee's sole cost and expense, restore such property to the identical condition as the same was in before such property was moved or disturbed.

B. Upon occasion of any damage or impairment to the Right of Way or other UTA property as the result of the actions of Licensee or any agent of Licensee, UTA may, in its sole discretion, proceed with repair of such damage or impairment with notice to Licensee. Licensee shall bear all reasonable costs and expenses incurred by UTA to repair such damage or impairment.

ARTICLE 11. SAFETY

In addition to the provisions set forth herein, UTA shall have the right in its sole discretion to issue, and Licensee shall comply with, additional reasonable rules and regulations related to safety.

A. Except as may be immediately required for (and only at the actual time of) performance of any work contemplated under this Agreement, Licensee shall not place, permit to be placed, erect, pile, store, stack, park, maintain or permit any line, building, platform, fence, gate, vehicle, car, pole or other structure, obstruction or material of any kind on the Right of Way, and Licensee shall not permit any of its contractors, subcontractors, agents or the public to do any of the above. Licensee shall keep the Multiple Use Trail and the immediately surrounding area clean and neat and free from combustible materials. Any equipment or material located on the Right of Way during construction shall only be allowed if in full compliance with all clearance standards and safety requirements of UTA and applicable Governmental Authorities.

B. Various Utilities and other crossings or encroachments exist on, over and under the surface of the Right of Way. Licensee shall properly investigate and determine the location of all Utilities and similar encroachments and shall not disturb or damage any Utilities or similar encroachments unless otherwise permitted by UTA and the relevant owner(s). In addition to the required investigation, Licensee shall have all Utilities in the area of the Multiple Use Trail blue-staked and clearly marked prior to any construction regarding the Multiple Use Trail. Licensee shall make arrangements for protection of all Utilities and other encroachments and shall commence no work on the Right of Way until all such protection has been accomplished.

C. Upon construction of the Multiple Use Trail, Licensee, at its sole cost and expense, will install markers identifying the location of Utilities constructed under the surface of the Multiple Use Trail. Licensee shall also install, at its sole cost and expense, such additional markers, signs, barriers or other improvements, of whatever character or nature, which UTA or the Freight Operator in their sole judgment may from time to time deem necessary or advisable in connection with the construction or operation of the Multiple Use Trail. Licensee shall install or erect any marker, sign or other improvement as may be required under this Section 11(C) within 30 days of receiving written notice to such effect from UTA.

D. Licensee shall comply with, and shall require all contractors and all tiers of subcontractors to comply with, all applicable requirements regarding the safety of personnel and conservation of property in the Right of Way. The Licensee and all contractors and all tiers of subcontractors shall adhere to the UTA Construction Safety Manual as modified from time to time. In addition to other provisions set forth in the UTA Construction Safety Manual, Licensee and its contractors and subcontractors shall adhere to provisions regarding: (i) to the extent applicable, the procedures regarding access to the Right of Way and work to be performed proximate to the 750 Volt Overhead Contact System and underground return circuits; (ii) requirements that construction-orange vests or similar clothing be worn by all personnel performing construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal work within the Right of Way, including retro-reflective striping complying with appropriate ANSI or OSHA requirements for nighttime work; and (iii) OSHA and EPA requirements regarding the handling of any Hazardous Materials.

ARTICLE 12. INDEMNITY

A. As additional consideration for this Agreement, Licensee agrees to protect, defend, release, indemnify and hold harmless UTA, and any affiliates, successors, contractors, officers, directors, agents and employees of UTA (the "UTA Indemnitees") from and against any and all Losses proximately caused by: (a) the prosecution of any construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal with respect to the Multiple Use Trail in or materially affecting the Right of Way by Licensee or any employees, principals, contractors or agents of Licensee; (b) negligence in the operation or use of the Multiple Use Trail by Licensee or any employees, principals, contractors or agents of Licensee; or (c) Licensee's breach of any provision of this Agreement.

B. Licensee acknowledges that the Right of Way is subject to prospective purchaser agreements and covenants not to sue that UTA has entered with the Utah Department of Environmental Quality and the United States Environmental Protection Agency. Pursuant to such agreements, UTA is required to characterize any excavated soil that appears to contain (or has the potential to contain) Hazardous Materials and to handle and dispose of such soil in compliance with applicable state and federal laws. Under these agreements, UTA is not required to excavate any soil except as required for its rail construction activities within its Right of Way. Accordingly, any excavation contemplated in this Agreement exposes UTA to potential environmental liability that would not otherwise be present. As consideration for the rights granted to Licensee hereunder, Licensee agrees to assume all potential liability and responsibility for, and to indemnify and hold UTA harmless with respect to, and Losses related to the characterization and removal of any Hazardous Materials discovered during the performance of any construction, installation, maintenance, repair, renewal, modification, reconstruction, relocation and/or removal pursuant to this Agreement. Licensee agrees to perform any such characterization and removal in full compliance with all applicable state and federal environmental laws.

C. Except to the extent that UTA's negligence was a contributing factor to losses incurred by Licensee, Licensee hereby releases UTA from, and agrees not to seek recourse against UTA with respect to, any claims, damages, fees, expenses or other losses proximately caused by third parties including, without limitation, third parties having licenses or other interests in the Right of Way.

D. The provisions of this Article shall survive the termination of this Agreement.

ARTICLE 13. INSURANCE

Licensee shall, at its sole cost and expense, obtain (and cause any contractors it employs to obtain) the insurance described in Exhibit "B" (Exhibit "B" is attached hereto and hereby incorporated into and made a part of this Agreement by reference). Licensee will also provide (and cause any contractors it employs to provide) to UTA a Certificate of Insurance, identifying UTA Contract Number _____, issued by its insurance carrier confirming the existence of such insurance.

ARTICLE 14. CLAIMS AND LIENS FOR LABOR AND MATERIALS; TAXES

A. Licensee shall fully pay for all materials joined or affixed to the Right of Way in connection with the Multiple Use Trail, and for all labor performed with respect to the Multiple Use Trail. Licensee shall not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Right of Way for any work done or materials furnished thereon at the instance or request or on behalf of Licensee.

B. Licensee shall promptly pay or discharge all taxes, charges and assessments assessed or levied upon, in respect to, or on account of the Multiple Use Trail to prevent the same from becoming a charge or lien upon the Right of Way and so that any taxes, charges and assessments levied upon or with respect to such property shall not be increased because of the Multiple Use Trail or any improvements, appliances, or fixtures connected therewith.

ARTICLE 15. TERMINATION

A. UTA may forthwith terminate this Agreement and all rights of Licensee and all others hereunder if: (1) Licensee affirmatively abandons the Multiple Use Trail or ceases to use the Multiple Use Trail in an active and substantial way for any continuous period of twenty-four months; or (2) Licensee continues in default in the performance of any covenant, term or condition contained in this Agreement for a period of 45 days after written notice from UTA to Licensee specifying such default unless Licensee is diligently proceeding to cure any noticed default and such default requires additional time to effect; provided that if a default by Licensee is deemed by UTA to be dangerous or hazardous, UTA may immediately suspend its performance under this Agreement during the 45-day default cure period and terminate this Agreement at the end of such period if there is no cure.

B. Termination of this Agreement for any reason shall not affect any of the rights or obligations of the parties hereto which may have accrued hereunder, or liabilities, accrued or otherwise, which may have arisen hereunder prior thereto.

ARTICLE 16. SURRENDER UPON TERMINATION

Upon termination of this Agreement howsoever, Licensee shall, at Licensee's sole cost and expense, remove the Multiple Use Trail from the Right of Way and shall restore, to the satisfaction of UTA, all portions of the Right of Way subject to the License to at least as good a condition as such were in at the time that Licensee first entered the Right of Way. If Licensee fails to do the foregoing within a reasonable time, UTA may, at its option, perform such removal and restoration work at the expense of Licensee. Licensee shall reimburse UTA for the costs incurred in any restoration or removal work performed under this Article within 30 days after receipt of the bill therefore. In the event UTA removes the Multiple Use Trail pursuant to this Article, UTA shall in no manner be liable to the Licensee for any damage sustained by Licensee for or on account thereof, and such removal and restoration shall in no manner prejudice or impair any other right of action, including the recovery of damages, that UTA may have against the Licensee. The provisions of this Article shall survive the termination of this Agreement.

ARTICLE 17. AGREEMENT NOT TO BE ASSIGNED

Licensee shall not assign this Agreement, in whole or in part, or any rights herein granted, without the written consent of UTA, and it is agreed that any transfer or assignment or attempted transfer or assignment of this Agreement or any of the rights herein granted, whether voluntary,

by operation of law, or otherwise, without such consent in writing, shall be absolutely void and, at the option of UTA, shall terminate this Agreement.

ARTICLE 18. SUCCESSORS AND ASSIGNS

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

ARTICLE 19. SEVERABILITY

This Agreement is executed by the parties under current interpretation of any and all applicable federal, state, county, municipal, or other local statutes, ordinances, or laws. Furthermore, each and every separate division hereof shall have independent and severable status from each other division, or combination thereof, for the determination of legality, so that if any separate division herein is determined to be unconstitutional, illegal, violative of trade or commerce, in contravention of public policy, void, invalid or unenforceable for any reason, that separate division shall be treated as a nullity but such holding or determination shall have no effect upon the validity or enforceability of each and every other division, or other combination thereof.

ARTICLE 20. NOTICES

Except where other forms of notice are specifically provided under the provisions of this Agreement, all notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or sent by overnight carrier to the addresses set forth herein. Addresses for notice may be changed by giving ten (10) days written notice of the change in the manner set forth herein.

In the case of a notice or communication to UTA:

Attention: Utah Transit Authority
Property Administrator
P.O. Box 30810
Salt Lake City, Utah 84130-0810

With Copy to: Utah Transit Authority
General Counsel's Office
P.O. Box 30810
Salt Lake City, Utah 84130-0810.

In the case of a notice or communication to Licensee:

Attention: _____

With Copy to:

Or addressed in such other way with respect to any party as that party may, from time to time, designate in writing dispatched as provided in this Article. All notices, demands, requests, or other communications under this Agreement shall be deemed properly served and to have been duly given: (i) on the date of delivery, if delivered personally on the party to whom notice is given; or (ii) on receipt, if mailed to the party to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid and properly addressed.

ARTICLE 21. NO IMPLIED WAIVER.

The waiver by UTA of Licensee's breach of any condition, covenant or agreement herein contained shall not impair any future ability of UTA to avail itself of any remedy or right set forth in this Agreement. Neither the right of supervision by UTA, nor the exercise or failure to exercise such right, nor the approval or failure to disapprove, nor the election by UTA to repair or reconstruct all or any part of the work contemplated by this Agreement shall be deemed a waiver of any of the obligations of Licensee contained or set forth in this Agreement.

ARTICLE 22. ENTIRE AGREEMENT – COUNTERPARTS

tation

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

UTAH TRANSIT AUTHORITY

Reviewed and Approved as to Form for UTA

UTA Engineering

By: _____

UTA Legal

By: _____

LICENSEE

By: _____

EXHIBIT "A"
DESIGN PLANS

[Insert engineering drawings showing the proposed crossing including proposed construction methods, shoring and cribbing requirements and milepost location]

EXHIBIT "B"
INSURANCE REQUIREMENTS

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

- A. Commercial general liability policy providing coverage for death, personal injury and property damage with a combined single limit of at least \$2 million each occurrence or claim and an aggregate limit of at least \$4 million. The policy shall contain broad form contractual liability insurance covering the indemnity obligations assumed by Licensee in the Agreement. Exclusions for railroads (except where the Multiple Use Trail is in all places more than 50 feet from any railroad tracks, bridges, trestles, roadbeds, terminals, underpasses or crossings), and explosion, collapse and underground hazard shall be removed. Coverage provided on a "claims made" form shall provide for at least a two-year extended reporting and discovery period if (a) the coverage changes from a claims made form to an occurrence form, (b) there is a lapse/cancellation of coverage, or (c) the succeeding claims made policy retroactive date is different for the expiring policy.
- B. Automobile liability insurance providing bodily injury, property damage and uninsured vehicles coverage with a combined single limit of at least \$2 million each occurrence or claim. This insurance shall cover all motor vehicles including hired and non-owned, and mobile equipment if excluded from coverage under the commercial general liability insurance.
- C. Worker's compensation and employer's liability insurance covering Licensee's statutory liability under the laws of the State of Utah. If Licensee is self-insured, evidence of State approval must be provided.

Licensee and their insurers shall endorse the required insurance policy(ies) to waive their right of subrogation against UTA. Licensee's insurance shall be primary with respect to any insurance carried by UTA. Licensee's policy(ies) shall contain a provision that the insurance company will furnish UTA 30 days' advance written notice of any cancellation or lapse, or the effective date of any reduction in the amount or scope of coverage.

The required insurance policy(ies) shall be written by a reputable insurance company with a current AM Best's Insurance Guide Rate of A better, or as may otherwise be acceptable to UTA. Such insurance company, shall be authorized to transact business in the State of Utah.

The fact that insurance is obtained by Licensee shall not be deemed to release or diminish the liability of Licensee including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by UTA shall not be limited by the amount of the required insurance coverage.