

**PROJECT AGREEMENT
GRADE CROSSING PROTECTIVE FUND**

Docket Nos.: TR-060968, TR-0060969, TR-060970 and TR-060971
Commission Approval Date: July 26, 2006

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A. PARTIES OF THE AGREEMENT

This project grant agreement (agreement) is entered into between the Washington Utilities and Transportation Commission (WUTC), P.O. Box 47250, Olympia, Washington 98504-7250 and the Central Washington Railroad, 111 S. 33rd Street, Suite 200, Yakima, Washington 98901, and shall be binding upon the agents and all persons acting by or through the parties.

B. PURPOSE OF THE AGREEMENT

This agreement sets out the terms and conditions by which grants are made from the Grade Crossing Protective Fund. These grants are administered by the WUTC to the grantee for Docket Nos. TR-060968, TR-0060969, TR-060970 and TR-060971, identified above.

C. DESCRIPTION OF PROJECT

TR-060968 involves railroad warning devices at the North 16th Avenue grade crossing which currently consists of eight-inch cantilever-mounted flashing lights. The project involves replacing the equipment with LED twelve-inch signal lights and replacing the system batteries.

TR-060969 involves railroad warning devices at the Stover Road grade crossing which currently consists of eight-inch cantilever-mounted flashing lights. The project involves replacing the existing equipment with LED twelve-inch signal lights.

TR-060970 involves railroad warning devices at the Rothrock Road grade crossing which currently consists of twelve-inch shoulder-mounted flashing lights with gates. The project involves replacing an obsolete motion sensor unit.

TR-060971 involves railroad warning devices at the Dekker Road grade crossing which currently consists of twelve-inch cantilever-mounted flashing lights. The project involves replacing an obsolete motion sensor unit.

D. PERIOD OF PERFORMANCE

The project reimbursement period shall begin on July 26, 2006 and end December 31, 2006. No expenditure made before or after this period is eligible for reimbursement unless incorporated by written amendment into this agreement.

E. PROJECT FUNDING

Total grant funding awarded by the WUTC for these projects shall not exceed \$47,380. The WUTC will make advance payments totalling \$46,640 for purchase of materials as listed in the grant petitions. Central Washington Railroad will provide acceptable written proof that materials have been ordered before any advance

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payments will be made. Any advance payment money not expended for purchase of the specific materials listed for those projects, as evidenced by vendor invoices and proof of payment, shall be promptly returned to the WUTC. The grantee shall be responsible for all labor costs associated with TR-060968 and TR-060969. The WUTC will reimburse the grantee for contracted labor costs associated with TR-060970 and TR-060971 up to a total of \$740 upon completion of the projects and proof of payment.

F. RIGHTS AND OBLIGATIONS

All rights and obligations of the parties to this agreement are subject to this agreement and its attachments, including the grantee's application, commission orders, and the general provisions, all of which are attached and incorporated into this agreement.

Except as provided, no alteration of any of the terms or conditions of this agreement will be effective unless provided in writing. All alterations must be signed by both parties.

The grantee has read, fully understands and agrees to be bound by all terms and conditions in these documents.

G. COMPLIANCE WITH APPLICABLE STATUTES, RULES, AND WUTC POLICIES

This agreement is governed by, and the grantee shall comply with, all applicable state and federal laws and regulations, including RCW 81.53.281, the published agency rules in 480-62 WAC, and the commission's order in this matter which are incorporated by this reference as if fully set forth.

H. PROJECT GRANT AGREEMENT REPRESENTATIVE

All written communications sent to the grantee under this agreement will be addressed and delivered to:

Central Washington Railroad
Tim Marshall
111 S. 33rd Street, Suite 200
Yakima, WA 98901

Utilities and Transportation Commission
Kathy Hunter
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

These addresses shall be effective until receipt by one party from the other of a written notice of any change.

I. ENTIRE AGREEMENT

This agreement, along with all attachments, constitutes the entire agreement of the parties. No other understandings, oral or otherwise, regarding this agreement shall exist or bind any of the parties.

J. EFFECTIVE DATE

This agreement shall be effective upon signing by all parties.

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State of Washington
Utilities and Transportation Commission

By: _____
(Executive Secretary)

Date: _____

Central Washington Railroad

By: [Signature]
Title: General Manager

Date: 7/26/06

Approved as to form:

By: [Signature]
Assistant Attorney General