

**PROJECT AGREEMENT
GRADE CROSSING PROTECTIVE FUND**

Docket #: TR-061920

Commission Approval Date: April 17, 2007

STATE OF WASHINGTON
UTIL. AND TRANSPORTATION
COMMISSION

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RECORDS MANAGEMENT

A. PARTIES OF THE AGREEMENT

This project grant agreement (agreement) is entered into between the Washington Utilities and Transportation Commission (UTC), P.O. Box 47250, Olympia, Washington 98504-7250 and Cascade and Columbia River Railroad (grantee), 901 Omak Avenue, Omak, WA 98841 and shall be binding upon the agents and all persons acting by or through the parties.

B. PURPOSE OF AGREEMENT

This agreement sets out the terms and conditions by which a grant is made from the Grade Crossing Protective Fund. The grant is administered by the UTC to the grantee for Docket No. TR-061920, identified above.

C. DESCRIPTION OF PROJECT

TR-061920 involves a crossing improvement project on A Street in the City of Chelan Falls. The grantee will install active warning devices which include a PMD II motion detector, shoulder mounted lights and gates and instrument housing. The installation will include a mix of surplus and purchased equipment.

D. PERIOD OF PERFORMANCE

The project reimbursement period shall begin on April 9, 2007, and end June 30, 2007. 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 UTC for this project shall not exceed \$20,000. The UTC shall not pay any amount beyond that approved for funding of the project.

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 order, 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, commission's 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:

Cascade & Columbia River Railroad
Buck Workman, VP and GM
901 Omak Avenue
Omak, WA 98841

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

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

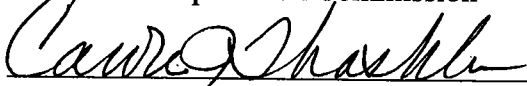
I. ENTIRE AGREEMENT

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 for Docket No. TR-061920 shall be effective upon signing by all parties.

State of Washington
Utilities and Transportation Commission

By: 
[Executive Secretary]

Date: 4-16-07

Cascade and Columbia River Railroad

By: Buck Workman

Date: 4-24-07

Title: VP + GM Cascade + Columbia River RR.

Approved as to form:

By: /s/
Assistant Attorney General