

**PROJECT AGREEMENT
GRADE CROSSING PROTECTIVE FUND**

Docket No.: TR-072331

Commission Approval Date: December 17, 2007

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 Eastern Washington Gateway Railroad Company, 406 1st Street, Suite A, Cheney, Washington, 99004, 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 UTC to the grantee for Docket No. TR-072331, identified above.

C. DESCRIPTION OF PROJECT

TR-072331 involves upgrading warning devices at the crossing identified as USDOT 066100N. The crossing is located at Main Street and Eastern Washington Gateway Railroad Company tracks in the city of Hartline in Grant County, Washington.

D. PERIOD OF PERFORMANCE

The project reimbursement period shall begin on December 17, 2007, and end June 30, 2008. 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 these projects shall not exceed \$17,786. The total approximate cost of the project is \$17,786. The grantee shall be responsible for all costs over \$17,786.

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 UTC
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:

Eastern Washington Gateway
Railroad Company
John K. Howell, President
406 1st Street, Suite A
Cheney, WA 99004

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.

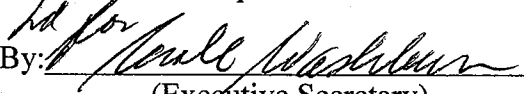
I. ENTIRE AGREEMENT

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

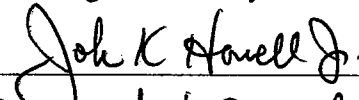
This agreement shall be effective upon signing by all parties.

State of Washington
Utilities and Transportation Commission

By: 
(Executive Secretary)

Date: 12-14-07

Eastern Washington Gateway Railroad Company

By: 
Title: President & General Manager

Date: 12/21/07

Approved as to form:

By: /s/
Assistant Attorney General