

## INDUSTRY TRACK AGREEMENT

**THIS AGREEMENT** ("Agreement") is made \_\_\_\_\_, 20\_\_\_\_ ("Effective Date"), between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation ("Railroad"), and **THE CITY OF LOS ANGELES, a California municipal corporation, acting by and through its DEPARTMENT OF WATER & POWER** to be addressed at 221 North Figueroa Street, Suite 1600, Los Angeles, California 90012("Industry").

### RECITALS:

1. Under prior agreement(s), Railroad and Industry, or their predecessors, agreed to the construction of Industry Track Nos. 731, 733, 734, at or near Sylmar, Los Angeles County, California (Circ 7: VS016, Yard 66, Mile Post: 24.64, Valley (SCAX) Subdivision), generally shown on the drawing dated April 14, 2022, attached hereto as **Exhibit A** (the "Track").

2. Industry professes that it is the lawful owner of the industry owned portion of the Track and desires rail service from Railroad over the Track.

3. Railroad is willing to provide such rail service, on the terms and conditions of this Agreement.

### AGREEMENT:

#### Article 1. TRACK IDENTIFICATION

A. As used in this Agreement with respect to any particular track comprising all or part of the Track:

**"Point of Switch"**: the beginning of the track.

**"Clearance Point"**: the initial 13-foot clearance point on the track, which is the point on the centerline of the track that is thirteen (13) feet distant, measured at right angles, from the centerline of the adjacent track.

**"Railroad Property Line"**: the point on the track that intersects the property line or right-of-way boundary line of Railroad.

**"Derail Device"**: a track safety device in the rail designed to guide a railcar off the track at a selected spot as a means of protection against collisions or accidents.

B. For the purpose of this Agreement, the following segments of the Track shall be identified as follows:

<b>Track</b>	<b>Segment Beginning</b>	<b>Segment Ending</b>
VS016-66-732	Point of Switch with VS016-66-116 (0+00)	Point of Switch with VS016-66-731 (2+10 ±)
VS016-66-731	Point of Switch with VS016-66-732 (0+00)	End of Track (52+00 ±)
VS016-66-733	Point of Switch with VS016-66-731 (0+00)	End of track (3+90 ±)
VS016-66-734	Point of Switch with VS016-66-731 (0+00)	End of track (5+26 ±)

C. The parties acknowledge that the Track from time to time may be assigned different identifying descriptions, including without limitation the Railroad station name, subdivision, yard and track numbers (if applicable), and Milepost numbers, which shall not affect the applicability of this Agreement. All references in this Agreement to the Track apply to the Track as constructed, even if it differs from its depiction on **Exhibit A**. References in this Agreement to the Track also apply to rearrangements, reconstructions, extensions, or additions to the Track. However, Industry must in all events obtain Railroad's prior written approval of the plans for any proposed Track changes.

D. Railroad has the right at any time, but not the obligation, to rearrange or reconstruct the Track or modify its elevation in order to develop or modify Railroad property or tracks. If Railroad chooses to exercise this option, Railroad shall bear all costs of any such change in the Track by Railroad, except that Industry shall bear the cost if the change is due to governmental requirements, safety needs, or any other cause beyond Railroad's reasonable control.

**Article 2. OWNERSHIP OF THE TRACK**

A. The Track is owned as follows

1. Railroad owns (the "Railroad Track Portion"):

<b>Track</b>	<b>Segment Beginning</b>	<b>Segment Ending</b>
VS016-66-732	Point of Switch with VS016-66-116 (0+00)	Clearance Point with VS016-66-116 (1+55 ±)

2. Industry shall own ("Industry Track Portion"):

<b>Track</b>	<b>Segment Beginning</b>	<b>Segment Ending</b>
VS016-66-731	Point of Switch with VS016-66-732 (0+00)	End of Track (52+00 ±)
VS016-66-733	Point of Switch with VS016-66-731 (0+00)	End of track (3+90 ±)
VS016-66-734	Point of Switch with VS016-66-731 (0+00)	End of track (5+26 ±)

**Article 3. USE AND OPERATION OF THE TRACK**

A. Railroad agrees to operate the Track, and to provide rail service to Industry over the Track under applicable tariffs or rail transportation contracts. Railroad is not obligated to operate the Track or provide rail service to Industry when, as determined by Railroad in its sole and absolute discretion, the safe and/or efficient operation of the Track is or may be hindered by Industry's breach of this Agreement or by any cause beyond Railroad's reasonable control, including, without limitation, inclement weather, natural disaster, governmental action, terrorist attack, or labor dispute.

B. Railroad hereby grants to Industry the non-exclusive right to use Railroad's property underlying that portion of the Track owned by Industry, if any, as described in Article – "OWNERSHIP OF THE TRACK," being nine (9) feet on each side of such Track, for the purpose of constructing, maintaining, repairing, and reconstructing the Industry Track Portion and for storing and loading/unloading of railcars.

C. Railroad grants Industry the right of ingress and egress to the Track over Railroad's property in the most practical means for the sole, specific purpose of Industry's fulfilling its obligations under this Agreement. Industry shall not have any right to enter Railroad's property for the purpose of loading, unloading, or moving railcars unless that right is specified elsewhere in this Agreement.

D. Railroad has the right to use the Track for Railroad's own purposes, including normal switching operations, setting out of bad order cars, and the temporary placement of vehicles and maintenance of way equipment, except to the extent Railroad's use would unreasonably interfere with rail service to Industry.

E. Industry shall manage the inventory of inbound and outbound railcars on the Track so as not to adversely impact Railroad operations, and shall cooperate with Railroad operational requirements. If Industry's failure to manage its inventory of railcars on the Track adversely impacts Railroad's operations, in addition to any other rights and remedies it may have, Railroad shall have the right to terminate this Agreement immediately upon notice to Industry.

F. This Agreement sets forth the terms and conditions pertinent to the Track in connection with service provided by Railroad at this location. It does not obligate Railroad to provide such service. Railroad's service to, from, and at this location is governed by the terms of the applicable rail transportation agreement, circular, tariff, or other authority.

G. If at any time in the course of providing service to Industry, Railroad operates on track at this location other than Track as defined in this Agreement, all terms and conditions of this Agreement shall be deemed to apply to such operation and any track so utilized. Notwithstanding the foregoing, such operation shall be solely at Railroad's discretion and nothing in this Agreement shall be deemed to require Railroad to provide any service outside of the Track.

H. Railroad agrees that Industry may use the Track for the shipping, receiving, handling, and storage of railcars containing hazardous commodities. If Industry uses the Track for the purpose of shipping, receiving, or storing railcars containing hazardous materials, as defined by the Department of Transportation (the "DOT"), Industry shall comply with and abide by all DOT regulations as set forth in 49 Code of Federal Regulations, Parts 100-199, inclusive, as amended from time to time, and provisions contained in applicable Circulars of the Bureau of Explosives, Association of American Railroads, including any and all amendments and supplements thereto. The term "Laws" as defined in this Agreement shall include, but not be limited to, regulations referenced in this article.

1. Any commodities identified as "poison-by-inhalation" or "toxic-by-inhalation" ("TIH") by DOT must be received and unloaded by Industry upon arrival (i.e., spot on arrival), and may not in any event be stored or held on any part of the Railroad Track Portion or other Railroad-owned property except property Industry leases in part for purposes of storing such commodities or holding them for re-sale to Industry customers. Railcars containing TIH will be placed on the track in order of arrival and empties will be pulled in order of placement on the track.

2. TIH railcars that cannot be delivered will be assessed a daily charge as outlined in UP-6004 series tariff publications or any successor publications.

3. Outbound railcars containing TIH commodities will not be held in rail yards or other rail facilities awaiting billing. Billing must be provided before TIH cars will be pulled from the Track. A representative must be physically present any time a railcar containing TIH is being delivered to (spotted) or pulled from the Track.

4. Any Track leased to Industry under this Agreement shall not be considered "railroad premises" for hazardous storage tariff purposes under Tariff UP 6004 or any replacement or successor provision in effect from time to time. As to any such leased Track, Industry shall abide by the terms of this Agreement, including without limitation the provisions set forth under Article - "COMPLIANCE WITH LAWS" and any and all applicable tariffs, provisions of rail transportation contracts, or other rules or regulations pertaining to demurrage or car storage.

#### **Article 4. NON-USE ACCESS FEE**

A. If Industry fails to do business in a Substantial Manner (as defined in this Sub-Article C), Industry shall pay Railroad an annual non-use access fee of Five Thousand and no/100ths Dollars (\$5,000.00) (the "Non-Use Access Fee"). Railroad has the right to adjust the Non-Use Access Fee in advance.

B. Industry shall pay the Non-Use Access Fee in arrears when it is first determined that Industry failed to do business in a Substantial Manner and then shall pay the Non-Use Access Fee annually in advance until Industry does business in a Substantial Manner. Railroad shall refund any Non-Use Access Fee paid in advance for an annual period in which Industry does business in a Substantial Manner; provided, however, that within sixty (60) days after the end of such annual period Industry shall provide Railroad a list of cars operated over the Track as described in this Sub-Article C to evidence its doing business in a Substantial Manner.

C. "Substantial Manner" means that in each annual period beginning with the Effective Date, Industry ships or receives at least twenty-five (25) cars over the Track that yield road haul revenue to Railroad. Railroad has the right to adjust the required minimum number of cars in advance, upon notice to Industry.

#### **Article 5. TERM; TERMINATION**

A. The term of this Agreement begins on the Effective Date and, until terminated as provided below in this Article, extends for one (1) year with automatic month-to-month extensions.

B. Each party has the right to terminate this Agreement without cause by giving the other party not less than ninety (90) days notice of termination.

C. Railroad may terminate this Agreement at any time upon thirty (30) days notice to Industry if continued operation of the Track (including but not limited to the switch connection itself) becomes impracticable due to abandonment or embargo of rail lines, or if the continued presence of the Track would interfere with Railroad operations (including but not limited to, line changes, construction of new lines, or Railroad installation of facilities). In the event Railroad terminates this Agreement pursuant to this subparagraph, Railroad shall attempt to provide Industry a substitute switch connection if such a switch connection would be reasonably practicable, could be made safely, and would furnish sufficient business to justify the cost of construction and maintenance.

D. Notwithstanding any provision herein to the contrary, if at any time Industry continues in default in the performance of any covenant or promise in this Agreement for a period of thirty (30) days after notice from Railroad to Industry specifying such default, Railroad may, at its option, forthwith terminate this Agreement; provided, however, that if a default by Industry is deemed by Railroad to be unusually dangerous or hazardous, Railroad may immediately suspend its performance under this Agreement during the thirty-day (30) default cure period. Such termination shall be effective on the thirty-first (31<sup>st</sup>) day after Railroad's notice of default is deemed received as provided in Article – "NOTICES," if default still exists, and no further notice of termination shall be required.

E. Notwithstanding any provision herein to the contrary, after the initial term Railroad shall have the following rights: (a) to terminate this Agreement at any time upon ninety (90) days notice to Industry, and (b) to deem this Agreement terminated, without notice to Industry, if at any time Industry ceases its possession of and sells or leases the Industry Track Portion or Industry's facility that is served by the Track.

F. Termination of this Agreement will not affect any of the rights, obligations, or liabilities of the parties that have accrued before termination.

G. Upon termination of this Agreement for any reason, Industry shall vacate and surrender the quiet and peaceable possession of the right-of-way or other property owned by Railroad upon which the Track is located, if any. Railroad shall have the right to remove the portion of the Track it owns. Not later than the last day of the term of this Agreement, Industry, at its sole cost and expense, shall (a) remove from Railroad's right-of-way or other property all portions of the Track owned by Industry, obstructions, contamination caused by or arising from the use of the Track for Industry's purposes, and other property not belonging to Railroad or authorized by Railroad located thereon and (b) restore Railroad's right-of-way or other property to as good a condition as it was in before the Effective Date. If Industry fails to perform such removal and restoration to the satisfaction of Railroad, Railroad may perform the work at Industry's expense but in any event and subject to the terms of this Agreement, Railroad shall not be responsible for any liability, claims, loss, expenses, or damages incurred as a result of any act of Industry, including without limitation Industry's contamination and/or failure to vacate, surrender, remove, or restore the Track or any real or personal property adjacent to, underneath or next to the Track. Any portion(s) of the Track owned by Industry and not removed as provided herein may, at Railroad's election, be deemed abandoned and become the property of Railroad or Railroad, at Industry's sole cost and expense, may remove such portion(s) of the Track from Railroad's property and dispose of same and restore Railroad's property. If Railroad performs such track removal, disposal, and/or restoration, Industry shall reimburse Railroad within thirty (30) days of its receipt of billing from Railroad for all costs and expenses incurred by Railroad (less any resulting salvage value) in connection therewith.

H. Notwithstanding the immediately preceding paragraph, upon notice to Industry, Railroad shall have the option to purchase at salvage value, prior to their removal, any or all portions of the Track and structures owned by Industry located on Railroad's right-of-way or other property. For purposes of

this Agreement, “salvage value” shall mean the then fair market value of the components of the Track and structures if they were removed and sold, net of costs of removal and sale.

**Article 6. PERMITS AND PROPERTY**

Industry warrants that it and/or its predecessor(s), at no expense to Railroad, have obtained and shall maintain in force, all governmental permits and approvals and all property rights now or in the future necessary for the construction, maintenance, and operation of all portions of the Track located off Railroad's property, if any.

**Article 7. MAINTENANCE BY RAILROAD**

A. Railroad, at Railroad's expense, shall inspect and maintain the Railroad Track Portion, if any, (including, without limitation, rail, ties, ballast and other track material, and all track appurtenances).

B. Railroad, at Railroad's expense, shall maintain any wayside signal system (including, without limitation, leaving signals, switch circuit controllers, power switches and derails, and Positive Train Control System components) that (a) is located within Railroad's right of way or within a Control Point controlled and dispatched remotely by Railroad or (b) is located on Industry property and comprises part of Railroad's signal circuits. For purposes of the foregoing, a “Control Point” is a location where the signals and/or switches of a traffic control system are operated and/or controlled from a distant location.

C. Railroad shall maintain any road crossing warning device that protects any of the Railroad Track Portion at Railroad expense if such device protects only Railroad-owned Track, and at Industry expense on a pro rata basis to the extent such device also protects any track owned by Industry. In no event shall Railroad be responsible for maintaining road crossing warning devices that do not protect any of the Railroad Track Portion.

D. Industry grants Railroad the right of ingress and egress over Industry's property as reasonably necessary to allow Railroad to perform maintenance under this Article. Industry shall not interfere with Railroad's maintenance activities hereunder, nor with Railroad signal operation.

**Article 8. MAINTENANCE BY INDUSTRY**

A. Industry, at Industry's expense, shall inspect and maintain the Industry Track Portion (including, without limitation, rail, ties, ballast and other track material, crossing surface and signals at any intersection of the track with a public road, and all track appurtenances except for those signal systems to be maintained by Railroad as provided in Article – “MAINTENANCE BY RAILROAD”). This obligation shall include, without limitation, maintenance required as a result of normal wear and tear, repairs, and track reconstruction as necessary. All track maintained by Industry hereunder shall be maintained to at least Federal Railroad Administration Class 1 track standards pursuant to 49 C.F.R. Part 213 or such replacement standards as in effect from time to time.

B. Industry shall maintain in a safe condition the property under and adjacent to the Industry Track Portion and Industry property upon which Railroad's employees or contractors may enter pursuant to this Agreement, including, without limitation, removal of snow, ice, vegetation, and other substances and/or materials that might create a hazardous or unsafe condition, elimination of any tripping or slipping hazards, and maintenance of proper drainage and grading to permit safe operation over the Track.

C. Maintenance, repairs, and any track reconstruction performed by Industry must conform to Railroad's standards.

**Article 9.      SAFETY; COMPLIANCE WITH LAWS**

A.      Clearances/Impairments. Except as otherwise provided elsewhere in this Agreement, Industry must not construct, maintain, place, or allow the construction or placement of, any structure or object (including, without limitation, platforms, fences, vehicles, equipment, and when open or closed, gates, doors, and windows) closer to the Track than the standard clearance requirements of Railroad without Railroad's prior written consent as evidenced by an amendment or supplement to this Agreement. The standard clearances of Railroad (“Standard Clearances”) are (a) horizontally, nine (9) feet from the centerline of the Track, and increased one and one-half inches (1-1/2”) for each degree of curvature of the Track, and (b) vertically, twenty-three feet four inches (23’4”) above the top of the rail of the Track. Railroad hereby consents to Industry’s impairment of the Standard Clearances by use of a portable loading/unloading device, provided that (a) the device when not in use is moved to a safe distance beyond the Standard Clearances, (b) all fallen debris from the operation of the device within the Standard Clearances shall be immediately cleaned up and properly disposed of, (c) the device is maintained in a safe operable condition, and (d) Industry shall be solely responsible for all damages or injuries arising from the use of any such device, including without limitation from fallen debris, in accordance with Article – “LIABILITY” of this Agreement. Any moveable equipment, including, but not limited to, dock plates and loading or unloading spouts or equipment, that impairs the Standard Clearances requirements may be used only when the rail car is stationary, and when not in use must be securely stored or fastened so as not to violate Standard Clearances requirements.

B.      Facilities. Except as otherwise provided elsewhere in this Agreement, Industry must not construct, maintain, or place or allow the construction, maintenance, or placement of, any installations (including, without limitation, pits, load out facilities, buildings, road crossings, beams, pipes, or wires) over or under the Track without Railroad’s prior written consent as evidenced by an amendment or supplement to this Agreement.

C.      Protection of Railroad Employees/Contractors.

1.      Industry shall ensure that Railroad employees and contractors on or near Industry’s property pursuant to this Agreement are not exposed to any unsafe, hazardous, or harmful conditions on or emanating from Industry’s property, including, without limitation, exposure, release, or emission of dust or chemicals. If Industry becomes aware of the presence of any such condition and is unable to immediately eliminate the condition, then Industry shall immediately notify Railroad’s Response Management Communication Center (“RMCC”) of the condition by telephone to **1-888-877-7267**. Providing the notification will not relieve Industry of its obligations and liabilities for the condition.

2.      Industry shall provide and maintain a clear and safe walkway for Railroad employees and contractors along both sides of the Industry Track Portion.

D.      Industry to Train and Oversee Employees/Contractors. Industry shall train and oversee its employees, contractors, and agents as to proper and safe working practices to follow when performing any work in connection with this Agreement, including, without limitation, any work associated with Railroad serving Industry over the Track.

E.      Intraplant Switching. Industry must not perform any intraplant switching, unless elsewhere specifically authorized in this Agreement. Intraplant switching means any movement of rail cars on the Track by Industry.

F. Fire Precautions and Vegetation Control. Industry must not allow any fire hazards to exist on Industry's property that might endanger the Track or operations on the Track. Without limitation of the preceding sentence, Industry must not place, or allow to be placed, any flammable material within ten (10) feet of centerline of the Track. Industry shall remove or otherwise control vegetation adjacent to the Track in accordance with applicable local, state, and federal standards and so that it does not constitute a fire hazard or impair sight lines from the train.

G. Telecommunications and Fiber Optic Cable Systems. Telecommunications and fiber optic cable systems may be buried on Railroad's property. Prior to undertaking work on Railroad's property, Industry shall telephone Railroad during normal business hours (7:00 a.m. to 9:00 p.m., Central Time, Monday through Friday, except holidays) at **1-800-336-9193** (also a 24-hour, 7-day number for emergency calls) to determine if telecommunications or fiber optic cable are buried anywhere on Railroad's property to be used by Industry. If it is, Industry will telephone the telecommunication company(ies) involved, arrange for a cable locator, and make arrangements for relocation or other protection of the cable and will commence no work on Railroad's property until all such protection or relocation has been accomplished.

H. Notice and Flagging.

1. Prior to entering Railroad's right-of-way or other property for the purpose of performing any construction, reconstruction, maintenance, or repair of the Track as set forth in this Agreement, and/or constructing additional track segments connecting to the Track, Industry and/or its contractors shall first advise Railroad's local engineering field manager at least ten (10) working days in advance of such work so that Railroad can determine if flagging and/or other protection is needed. If Railroad deems that flagging and/or other protection is needed, no work of any kind shall be performed, and no person, equipment, machinery, tool, material, vehicle, or thing shall be located, operated, placed, or stored within 25 feet of the Track or any other track of Railroad at any time, for any reason, unless and until a Railroad flagman is provided to watch for trains. In case of a need to perform emergency repair of the Track, Industry shall telephone Railroad's RMCC at **1-888-877-7267**, and the parties shall cooperate reasonably to address the emergency appropriately.

2. If flagging or other special protective or safety measures are performed by Railroad, such services will be provided at Industry's expense with the understanding that if Railroad provides any flagging or other services, Industry shall not be relieved of any of its responsibilities or liabilities under this Agreement, including without limitation liabilities arising out of or connected to Industry notifications under this Agreement.

3. Industry shall promptly pay to Railroad all charges connected with such services within thirty (30) days after presentation of a bill. The rate of pay per hour for each flagman will be the prevailing hourly rate in effect for an eight-hour day for the class of flagman used during regularly assigned hours and overtime in accordance with union collective bargaining agreements and schedules in effect at the time the work is performed. In addition to the cost of such labor, a composite charge for vacation, holiday, health and welfare, supplemental sickness, Railroad Retirement and Unemployment Compensation, supplemental pension, Employer's Liability and Property Damage, and Administration will be included, computed on actual payroll. The composite charge will be the prevailing composite charge in effect on the day that the flagging is provided. One and one-half times the current hourly rate is paid for overtime, Saturdays, and Sundays; two and one-half times current hourly rate is paid for holidays. Wage rates are subject to change at any time, by law or by agreement between Railroad and its employees, and may be retroactive as a result of negotiations or a ruling of an authorized governmental agency.



Additional charges on labor are also subject to change. If the wage rate or additional charges are changed, Industry shall pay on the basis of the new rates and charges. Reimbursement to Railroad will be required covering the full eight-hour day during which any flagman is furnished, unless the flagman can be assigned to other Railroad work during a portion of such day, in which event reimbursement will not be required for the portion of the day during which the flagman is engaged in other Railroad work. Reimbursement will also be required for any day not actually worked by said flagman following the flagman assignment to work on the project for which Railroad is required to pay the flagman and which could not reasonably be avoided by Railroad by assignment of such flagman to other work, even though Industry and/or Industry's contractors may not be working during such time. When it becomes necessary for Railroad to bulletin and assign an employee to a flagging position in compliance with union collective bargaining agreements, Industry or Industry's contractors must provide Railroad a minimum of five (5) days notice prior to the cessation of the need for a flagman. If five (5) days notice of cessation is not given, Industry will still be required to pay flagging charges for the five (5) day notice period required by union agreement to be given to the employee, even though flagging is not required for that period. An additional ten (10) days notice must then be given to Railroad if flagging services are needed again after such five (5) day cessation notice has been given to Railroad.

4. Industry shall be permitted to hire a private contractor to perform flagging or other special protective or safety measures (such private contractor being commonly known in the railroad industry as a contractor-in-charge ("CIC")) in lieu of Railroad providing such services or in concert with Railroad providing such services, subject to prior written approval by Railroad, which approval shall be in Railroad's sole and absolute discretion. If Railroad agrees to permit Industry to utilize a CIC pursuant to the preceding sentence, Industry shall obtain Railroad's prior approval in writing for each of the following items, as determined in all respects in Railroad's sole and absolute discretion: (i) the identity of the third-party performing the role of CIC; (ii) the scope of the services to be performed for the project by the approved CIC; and (iii) any other terms and conditions governing such services to be provided by the CIC. If flagging or other special protective or safety measures are performed by an approved CIC, Industry shall be solely responsible for (and shall timely pay such CIC for) its services. Railroad reserves the right to rescind any approval pursuant to this paragraph, in whole or in part, at any time, as determined in Railroad's sole and absolute discretion.

#### I. Compliance with Laws.

1. Industry shall comply with all applicable ordinances, regulations, statutes, rules, decisions, and orders (including, but not limited to, those relating to safety, zoning, rail operations, air and water quality, noise, hazardous substances, hazardous materials, and hazardous wastes) issued by any court or federal, state, or local governmental entity, including, without limitation, the federal Department of Transportation, the Federal Railroad Administration, and the federal Environmental Protection Agency ("Laws"). Industry shall be solely responsible for securing and maintaining, at its expense, any necessary permits, licenses, and approvals required by any Laws for Industry's operations.

2. If at any time Industry is not in full compliance with any Laws, Railroad, after notifying Industry of its noncompliance and Industry's failure to correct such noncompliance within a timeframe that is satisfactory to regulatory and/or other legal authorities, may choose at its sole discretion and without assuming any legal, common law, or statutory obligation, to take whatever action is necessary to bring the Track and any Railroad property affected by such noncompliance into compliance with such Laws; provided, however, that if Industry's failure to comply with the Laws interferes with, obstructs, or endangers Railroad mainline or yard

operations in any way, Railroad may initiate compliance action immediately. Industry shall reimburse Railroad for all costs (including without limitation consulting, engineering, clean-up, disposal, legal costs and attorneys' fees, fines, and penalties) incurred by Railroad in complying with, abating a violation of, or defending any claim of violation of such Laws.

J. Minimum Standards; Industry Responsibility. The provisions in this Agreement relating to safety are minimum standards only, and do not relieve Industry of the obligation to comply with Laws or to conduct its operations and maintain its property in a safe manner and free from hazards to human beings and the environment. Industry in all events is solely responsible for the safety of its operations, its employees, and its property, and no consent, approval, review, waiver, investigation, observation, knowledge, or advice of or by Railroad, including any action undertaken with the authority set forth in this Agreement, will relieve Industry of such responsibility.

**Article 10. LIABILITY**

**A. FOR PURPOSES OF THIS ARTICLE, THE FOLLOWING DEFINITIONS SHALL APPLY:**

**"RAILROAD": RAILROAD AND ITS OFFICERS, AGENTS, AND EMPLOYEES.**

**"INDUSTRY": INDUSTRY AND ITS OFFICERS, AGENTS, AND EMPLOYEES.**

**"PARTY": RAILROAD OR INDUSTRY.**

**"LOSS": LOSS OF OR DAMAGE TO THE PROPERTY OF ANY THIRD PERSON OR PARTY (INCLUDING ENVIRONMENTAL CLAIMS), INJURY OR DEATH OF ANY THIRD PERSON OR PARTY, AND/OR ANY REGULATORY CHARGE, FINE OR PENALTY. "LOSS" SHALL ALSO INCLUDE, WITHOUT LIMITATION, THE FOLLOWING EXPENSES INCURRED BY A PARTY: COSTS, EXPENSES, THE COST OF DEFENDING LITIGATION OR A REGULATORY PROCEEDING, ATTORNEYS' FEES, EXPERT WITNESS FEES, COURT COSTS, ARBITRATION OR MEDIATION COSTS, MEDIATOR AND/OR ARBITRATOR FEES, AMOUNTS PAID IN SETTLEMENT, THE AMOUNT OF A JUDGMENT, PRE-JUDGMENT AND POST-JUDGMENT INTEREST, AND COSTS OF RESPONSE (INCLUDING ANALYTICAL, REMEDIATION, AND GOVERNMENTAL OVERSIGHT COSTS) ARISING OUT OF ANY INCIDENT INVOLVING THE RELEASE OF HAZARDOUS SUBSTANCES, HAZARDOUS MATERIALS, OR HAZARDOUS WASTES.**

**B. EXCEPT AS OTHERWISE SPECIFIED IN THIS AGREEMENT, ALL LOSS RELATED TO THE CONSTRUCTION, OPERATION, MAINTENANCE, USE, PRESENCE, OR REMOVAL OF THE TRACK SHALL BE ALLOCATED AS FOLLOWS:**

**1. EXCEPT AS PROVIDED IN SUB-ARTICLE B.4 OF THIS ARTICLE – "LIABILITY" BELOW, RAILROAD SHALL DEFEND AND INDEMNIFY INDUSTRY AND HOLD IT HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS FOR LOSS ARISING OUT OF OR CONNECTED TO THE NEGLIGENT ACTS OR OMISSIONS OF RAILROAD.**

**2. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, INDUSTRY SHALL DEFEND AND INDEMNIFY RAILROAD AND HOLD IT HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS FOR LOSS**

**ARISING OUT OF OR CONNECTED TO THE NEGLIGENT ACTS OR OMISSIONS OF INDUSTRY.**

**3. EXCEPT AS PROVIDED IN SUB-ARTICLE B.4 OF THIS ARTICLE – “LIABILITY” BELOW, RAILROAD AND INDUSTRY SHALL EACH PAY THEIR PROPORTIONATE SHARE OF ANY AND ALL CLAIMS FOR LOSS ARISING OUT OF OR CONNECTED TO THE JOINT OR CONCURRING NEGLIGENCE OF RAILROAD AND INDUSTRY, SUCH PROPORTIONATE SHARE TO BE DETERMINED BY THE COMPARATIVE FAULT OF EACH PARTY; PROVIDED, HOWEVER, THAT NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS IMPAIRING THE RIGHT OF EITHER PARTY TO SEEK CONTRIBUTION OR INDEMNIFICATION FROM A THIRD PERSON.**

**4. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, INDUSTRY SHALL DEFEND AND INDEMNIFY RAILROAD AND HOLD IT HARMLESS FROM AND AGAINST ANY LOSS ARISING OUT OF OR CONNECTED TO THE FOLLOWING (REGARDLESS OF THE EXTENT OF RAILROAD’S OR A THIRD PARTY’S FAULT OR LIABILITY):**

**a. ANY IMPAIRMENT OF CLEARANCES OR INTRAPLANT SWITCHING BY INDUSTRY, REGARDLESS OF WHETHER IT IS A BREACH OF THIS AGREEMENT OR HAS BEEN CONSENTED TO OR WAIVED BY RAILROAD;**

**b. ANY PRIVATE OR PUBLIC ROAD CROSSING OVER ANY INDUSTRY TRACK PORTION OR ANY LEASED TRACK REGARDLESS OF WHETHER IT IS A BREACH OF THIS AGREEMENT OR HAS BEEN CONSENTED TO OR WAIVED BY RAILROAD;**

**c. ANY EXPOSURE OF ANY RAILROAD EMPLOYEE OR CONTRACTOR TO ANY UNSAFE, HAZARDOUS, OR HARMFUL CONDITION ON OR EMANATING FROM INDUSTRY’S PROPERTY;**

**d. ANY EMISSION, DISCHARGE, LEAK, SPILL, OR OTHER FORM OF RELEASE, AS THAT TERM IS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, OF HAZARDOUS SUBSTANCES, HAZARDOUS MATERIALS, OR HAZARDOUS WASTES SHIPPED, RECEIVED, OR STORED BY INDUSTRY, REGARDLESS OF WHETHER SUCH SHIPMENT, RECEIPT, OR STORAGE IS A BREACH OF THIS AGREEMENT OR HAS BEEN CONSENTED TO OR WAIVED BY RAILROAD;**

**e. ANY DAMAGE TO RAIL EQUIPMENT ON THE TRACK, OR CARGO OR COMMODITY STORED IN RAILCARS ON THE TRACK (EXCLUDING THOSE RAILCARS PLACED BY RAILROAD PURSUANT TO ARTICLE – “USE AND OPERATION OF THE TRACK”) RESULTING FROM ANY ACT OR EVENT BEYOND THE CONTROL OF RAILROAD, INCLUDING WITHOUT LIMITATION ANY ACT OF GOD AND SPECIFICALLY INCLUDING WATER DAMAGE FROM WHATEVER SOURCE; OR**

**f. THIRD PARTY USE OF ALL OR A PORTION OF THE TRACK WITHOUT COMPLIANCE WITH ARTICLE – “ASSIGNMENT; USE BY THIRD PARTIES.”**

**C. THE RIGHT TO INDEMNIFICATION UNDER THIS ARTICLE – “LIABILITY” WILL ACCRUE UPON THE LATER OF THE OCCURRENCE OF THE EVENT GIVING RISE TO THE LOSS OR THE ASSERTION BY A THIRD PARTY OF A CLAIM FOR A LOSS.**

**D. INDUSTRY EXPRESSLY ASSUMES POTENTIAL LIABILITY UNDER THIS ARTICLE – “LIABILITY” FOR ACTIONS BROUGHT BY INDUSTRY’S OWN EMPLOYEES, AND HEREBY AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS RAILROAD FOR ANY LOSS TO INDUSTRY’S EMPLOYEES REGARDLESS OF FAULT.**

**E. NO COURT OR JURY FINDINGS IN ANY EMPLOYEE’S SUIT UNDER THE FEDERAL EMPLOYER’S LIABILITY ACT AGAINST RAILROAD MAY BE USED BY INDUSTRY IN ANY ATTEMPT TO ASSERT LIABILITY AGAINST RAILROAD.**

**F. NO PROVISION OF THIS AGREEMENT WITH RESPECT TO INSURANCE WILL LIMIT THE SCOPE OR EXTENT OF THE INDEMNITY UNDER THIS ARTICLE – “LIABILITY” AND INDUSTRY UNDERSTANDS AND ACCEPTS THAT THE TERMS OF THIS ARTICLE ARE WHOLLY SEPARATE FROM AND INDEPENDENT OF THE TERMS OF ARTICLE – “INSURANCE.”**

**Article 11. INSURANCE**

A. Irrespective of and in addition to any indemnity provisions hereof, before the term of this Agreement begins, Industry, at its sole expense, shall provide to Railroad prior to execution, and subsequently upon request, a certificate issued by its insurance carrier evidencing the insurance coverage required under **Exhibit B** attached and by reference made a part of this Agreement.

B. Not more frequently than once every two (2) years, Railroad has the right to modify reasonably the required insurance coverage to reflect then-current risk management practices in the railroad industry and underwriting practices in the insurance industry.

C. Industry understands and accepts that the terms of this Article are wholly separate from and independent of the terms of Article -- “LIABILITY.”

**Article 12. PAYMENT OF INVOICES; COSTS AND EXPENSES**

A. Cost(s) and expense(s) payable by Industry hereunder include without limitation direct and indirect labor and material costs including all then-current assignable Railroad cost additives, and material at then-current values when and where used. Invoices shall be due thirty (30) days after invoice date. Invoices not paid within thirty (30) days are subject to interest at the then-current delinquency rate charged by Railroad.

B. Industry shall pay Railroad all accessorial charges that, pursuant to UP-6004 series tariff publications or any successor publications, are assessed on railcars destined to or originating from the Track, including, but not limited to, demurrage, switching, reconsignments, and weighing charges.

**Article 13.     NOTICES**

Any notice or other communication required or permitted to be given under this Agreement must be in writing and (a) personally delivered; (b) delivered by a reputable overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Facsimile notices are valid only if actually received by the individual to whom addressed, and followed by delivery of actual notice in the manner described above within three (3) business days thereafter. Notices will be deemed received at the earlier of actual receipt, or one (1) business day after deposit with an overnight courier as evidenced by a receipt of deposit, or three (3) business days after deposit in the U.S. Mail as evidenced by a return receipt. Notices must be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Railroad:   UNION PACIFIC RAILROAD COMPANY  
                  ATTN: Real Estate Folder 3078-91  
                  1400 Douglas Street, STOP 1690  
                  Omaha, Nebraska 68179-1690  
                  Facsimile: (402) 501-0340

With copy to:   UNION PACIFIC RAILROAD COMPANY  
                  ATTN: Law Department - Industrial Track  
                  1400 Douglas Street, STOP 1580  
                  Omaha, Nebraska 68179-1580  
                  Facsimile: (402) 501-0132

If to Industry:   THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES  
                  ATTN: Real Estate Services P-53255  
                  221 North Figueroa Street, Suite 1600  
                  Los Angeles, California 90012  
                  Phone: (213) 367-0564  
                  Facsimile: (213) 367-0746

With copy to:   THE CITY OF LOS ANGELES  
                  DEPARTMENT OF WATER AND POWER  
                  ATTN: Water Operations – Property Manager  
                  111 N. Hope Street, Room 1449  
                  Los Angeles, California 90012  
                  Phone: (213) 367-1057

**Article 14.     ASSIGNMENT; USE BY THIRD PARTIES**

A.     Industry must not assign this Agreement or permit use of the Track by any person or entity other than Industry and Railroad without the prior written consent of Railroad. Railroad has the right to withhold its consent in its sole and absolute discretion. Railroad may terminate this Agreement immediately upon notice to Industry for any departure from the terms of this Sub-Article.

B.     Without limitation of the immediately preceding Sub-Article, Industry shall immediately notify Railroad of any sale or lease of all or any portion of the Industry Track Portion or of Industry's facility that is served by the Track. If Railroad consents to the joint use of the Track by Industry's lessee

or other user, then Industry and Industry's lessee or other user will be required to enter into Railroad's then-current form of Joint Use Agreement.

C. Subject to the two immediately preceding Sub-Articles, this Agreement binds and benefits the heirs, executors, administrators, successors, and assigns of Railroad and Industry.

**Article 15. ATTORNEYS' FEES**

If either party retains an attorney to enforce this Agreement, the prevailing party is entitled to recover reasonable attorneys' fees to the extent allowed by applicable law. In the event the prevailing party uses in-house counsel in litigation, the prevailing party shall be entitled to attorneys' fees at the prevailing market rate in the county in which the prevailing party is located.

**Article 16. WAIVER OF BREACH; SAVINGS**

Any waiver by either party of any breach by the other of this Agreement will not affect or impair rights arising from any other or subsequent breach. If any one or more of the provisions in this Agreement shall be invalid, illegal, or unenforceable in any respect under any applicable law: (a) the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired, and (b) to the fullest extent possible and permitted by law, the provisions of this Agreement shall be construed so as to give a maximum effect to the intent manifested by the provision held to be invalid, illegal, or unenforceable.

**Article 17. RIGHTS AND OBLIGATIONS OF RAILROAD**

If any of the rights and obligations of Railroad under this Agreement are substantially and negatively affected by any changes in the Laws applicable to this Agreement, whether statutory, regulatory, or under federal or state judicial precedent, then Railroad may require Industry to enter into an amendment to this Agreement to eliminate the negative effect on Railroad's rights and obligations to the extent reasonably possible.

**Article 18. ENTIRE AGREEMENT**

This Agreement, including its Exhibits, along with any license agreements or leases applicable to any installation over, under, or near the Track, is the entire agreement between the parties with respect to the subject matter of this Agreement, and supersedes all oral agreements and prior written agreements between the parties pertaining to this transaction. The Recitals are hereby incorporated into this Agreement and shall be deemed a part hereof. This Agreement may be amended only by a written instrument signed by Industry and Railroad.

**Article 19. GOVERNING LAW**

This Agreement and any dispute arising from this Agreement will be governed by the laws of the state in which the Track is located without regard to principles of conflicts of laws. Notwithstanding anything to the contrary set forth in the foregoing sentence or elsewhere in this Agreement, federal law shall control on all subjects preempted by federal law. For purposes of clarity, Railroad and Industry each agree that nothing in this Agreement is meant to be, nor shall be interpreted to be, a waiver of principles of legal preemption or preclusion that may apply to Railroad because of its status as a common carrier regulated by the federal government, including without limitation the Surface Transportation Board and the FRA.

**Article 20. DISPUTE RESOLUTION**

A. Disputes. Any dispute arising under or related to this Agreement shall be resolved as set out below.

B. Informal Resolution. If either party believes a dispute exists, that party may notify the other party, pursuant to the Article – “NOTICE,” that a dispute exists and of the nature of the dispute. The other party shall respond within ten (10) business days after notice, and notify the complaining party of its position in response and of its agreement to meet and attempt in good faith to resolve the dispute. If the other party responds timely and agrees to meet, the parties’ authorized representatives and counsel shall meet within ten (10) business days after the response date and confer in good faith and exercise reasonable efforts to resolve the dispute. If the parties cannot informally resolve the dispute, then they are free to exercise their rights as they deem appropriate, including without limitation to initiate litigation.

**Article 21. USE BY OTHER RAILROADS**

This Agreement is made for the benefit of such other railroads, if any, that either by agreement with Railroad or order of competent public authority have the right to use the Track to provide service to Industry at Industry's request, all of which railroads shall be deemed "Railroad" under this Agreement with all rights as a party hereto, including rights of enforcement.

**Article 22. ADJACENT TRACK RIGHTS**

As a condition to Railroad serving Industry over the Track, if any of the Industry Track Portion does not connect directly to Railroad-owned track, Industry shall obtain and keep in effect during the term of this Agreement, at no charge to Railroad, any permission required for Railroad to use the third party track and underlying property adjacent to the Railroad Track Portion and the Industry Track Portion to allow Railroad to serve Industry over the Track. If the aforesaid third party track and property are not adequately maintained, or if the required permission for any reason is not in effect, Railroad shall have no liability for any resulting adverse impact on its service to Industry. Industry shall defend and indemnify Railroad and hold Railroad harmless from and against any and all claims, damages, expenses, lawsuits, and proceedings arising out of or connected to Railroad’s use of third party track to serve Industry over the Track, including without limitation any alleged trespass or other violation of a property right, and/or any derailment.

**Article 23. TRACK SAFETY DEVICE – DERAILS**

A. Unless otherwise notified by Railroad, Industry at its sole cost shall maintain all Derail Devices on the Industry Track Portion or Leased Track, if any, including without limitation those required pursuant to the Sub-Article immediately below, in accordance with Article – “MAINTENANCE BY INDUSTRY.”

B. Whether or not Derail Device(s) are on the Track, Railroad in the sole discretion of its Operating personnel at any time may require Industry to install new or replace existing Derail Device(s) on the Track. In such event, upon thirty (30) days notice from Railroad, Industry at its sole cost shall install or cause to be installed the required replacement or additional Derail Device(s) of a type and size, and in location(s) on the Industry Track Portion or Leased Track specified by Railroad. Installation or replacement of Derail Device(s) on the Railroad Track Portion shall be accomplished by Railroad at

Industry expense. Industry shall cooperate at all times with Railroad personnel regarding inspecting, repairing, replacing and installing Derail Device(s) on the Track.

**Article 24. USE OF DIGITAL IMAGERY**

Industry acknowledges that if it or its consultant provided to Railroad digital imagery depicting the Track (the "Digital Imagery"), Industry authorized Railroad to use the Digital Imagery in the **Exhibit A**. Industry represents and warrants that through a license or otherwise, it has the right to use the Digital Imagery and to permit Railroad to use the Digital Imagery in said manner.

**Article 25. CONFIDENTIALITY**

For the term of this Agreement and for thirty six (36) months thereafter, no party may disclose any of the terms of this Agreement to any non-party without the prior written consent of the other party except (1) as required by law, (2) to a corporate parent, subsidiary, or affiliate or (3) to its auditor or legal counsel. Each party to this Agreement agrees to indemnify the other from and against any damage(s) suffered by a party as a result of disclosure by a party hereto, or by its auditor or counsel of any of the terms or conditions in violation of this provision. In the event a party determines that the terms of the Agreement have been disclosed to a non-party without the prior written consent of the non-disclosing party, then the non-disclosing party shall have the right to terminate this Agreement immediately upon notice to the other party, and to seek whatever remedies it may have at law or in equity. Notwithstanding the foregoing, Railroad recognizes that Industry is a public agency and is subject to legal requirements regarding disclosure, including but not limited to the Ralph M. Brown Act and California Public Records Act. No liability, confidentiality restriction, or obligation in this Article shall apply to either party in the event disclosure is required under Ralph M. Brown Act and California Public Records Act or other applicable law.

**Article 26. SIGNATURE IN COUNTERPARTS**

This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic means shall be effective as the delivery of a manually executed counterpart of this Agreement. The parties agree that such electronically exchanged or stored copies will be enforceable as original documents.

**Article 27. SPECIAL PROVISIONS**

A. **FENCE AND TRACK GATES – EXISTING.** Subject to the terms and conditions of this Agreement, Industry, at Industry's expense, may maintain, use, and keep in operable condition the existing fence and track gate provided that:

1. Industry shall notify Railroad, at least 72 hours in advance, of any reconstruction in connection with the fence and gate.
2. The Track gate shall be operated by Industry at all times as necessary to permit Railroad to access the Track, unless the gate is equipped to operate via automated activation in which case either party may operate the gate.
3. If it is not automated, the gate shall include anchor posts and fastenings to secure the gate when open.



4. Railroad shall have no liability whatsoever for failure to close and lock Industry's gate.

5. INDUSTRY SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS RAILROAD FROM AND AGAINST ANY AND ALL CLAIMS FOR LOSS RELATED TO INJURY OR DEATH ARISING FROM OR GROWING OUT OF THE OPERATION OF THE GATE, INCLUDING WITHOUT LIMITATION DESCENDING THE TRAIN AND APPROACHING THE GATE.

B. **FIXED LOADING/UNLOADING DEVICE.** Railroad hereby consents to Industry's use of those three (3) fixed loading/unloading devices identified as Existing Device, as shown on **Exhibit A**; PROVIDED (i) all fallen debris from the operation of the device within the Standard Clearances defined above in this Agreement, shall be immediately cleaned up and properly disposed of, (ii) the device is maintained in a safe operable condition, and (iii) Industry shall be solely responsible for all damages or injuries arising from the use of any such device, including without limitation from fallen debris howsoever, in accordance with Article - "LIABILITY."

C. **INTRAPLANT SWITCHING.** Railroad hereby consents to Industry performing intraplant switching over Industry Track Portion as shown on **Exhibit A**; PROVIDED (i) Derail Device(s) of a type and in location(s) required by Railroad in its sole discretion, are or have been installed and are maintained in good working condition, (ii) Industry shall be solely responsible for all damages to the Track, track material, and underlying property, and injuries caused by Industry's switching operations howsoever in accordance with Article - "LIABILITY," (iii) Industry shall ensure that all employees involved in intraplant switching are properly trained regarding all applicable Laws, and (iv) Industry shall comply with all safety requirements of Railroad in the course of its performance of intraplant switching . In no event shall Industry perform any intraplant switching operations beyond Derail Device(s) on the Track which protect Railroad general operations.

D. **PRIVATE ROAD CROSSING – EXISTING SINGLE.** Railroad hereby consents to Industry's maintenance and use of that one (1) private road crossing as shown on **Exhibit A**; PROVIDED (i) Industry shall install, at Industry's expense, any and all crossing protection signs or devices as may be required by any Laws governing same, (ii) the crossing is maintained in a safe operable condition, and (iii) Industry shall be solely responsible for all damages or injuries arising from the use of the crossing howsoever.

E. **PUBLIC ROAD CROSSING(S) - PRIVATE TRACK.** Railroad hereby consents to the public road crossing(s) as shown on **Exhibit A**; PROVIDED as to each such crossing (i) it is or has been installed, at Industry's expense, in accordance with plans approved in writing by Railroad, (ii) Industry shall install, at Industry's expense, any and all crossing protection signs or devices as may be required by any Laws governing same, (iii) Industry has secured, shall maintain, and shall comply with the terms of any and all permits as may be required by any Laws governing same, (iv) the crossing is maintained in a safe operable condition, and (v) Industry shall be solely responsible for all damages or injuries arising from the use of the crossing howsoever.

F. **DRIVING SURFACE—EXISTING.** Railroad hereby consents to Industry's installation and use of driving surfaces as shown on **Exhibit A**; PROVIDED (i) Industry shall install, at Industry's expense, any and all crossing protection signs or devices as may be required by any Laws governing same, (ii) Industry has secured, shall maintain, and shall comply with the terms of any and all permits as may be required by any Laws governing same, (iii) all portions of the surfaces used in any manner at any time as a Track crossing for any vehicle, cart, tractor, or other equipment are maintained in a safe operable condition, and (iv) Industry shall be solely responsible for all damages or injuries arising

the presence or use of any such structure, including without limitation from fallen debris howsoever, in accordance with Article - "LIABILITY."

The above Special Provisions, if any, are also subject to the terms, provisions, and conditions set forth elsewhere in this Agreement and to any prior regulatory approval that may be needed.

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

**UNION PACIFIC RAILROAD COMPANY**

By \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**DEPARTMENT OF WATER AND POWER  
OF THE CITY OF LOS ANGELES BY  
BOARD OF WATER AND POWER COMMISSIONERS**

By: \_\_\_\_\_

MARTIN L. ADAMS  
General Manager and Chief Engineer

Date: \_\_\_\_\_

And: \_\_\_\_\_

CHANTE L. MITCHELL  
Board Secretary

\_\_\_\_\_  
ANSELMO G. COLLINS  
Senior Assistant General Manager  
Water System

APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY

NOV 22 2022  
BY John B.  
JOHN BEANUM  
DEPUTY CITY ATTORNEY



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27

**NOTE: BEFORE YOU BEGIN ANY WORK, SEE  
AGREEMENT FOR FIBER OPTIC PROVISION.**

EXHIBIT "A"  
UNION PACIFIC RAILROAD COMPANY  
Sylmar, California  
M.P. 25.2- SCRR Valley Subdivision

Track Agreement with  
City of Los Angeles Department of Water & Power

REAL ESTATE DEPARTMENT  
OMAHA, NE Date: April 14, 2022  
Folder: 3078-91



**VS016-66-732**  
Point of Switch  
0+00

**VS016-66-732**  
Clearance Point  
1+55 ±

**VS016-66-731**  
Point of Switch  
0+00  
**VS016-66-732**  
2+10 ±

**VS016-66-731**  
South edge San  
Fernando Road  
Crossing  
2+40 ±

**VS016-66-731**  
North edge San  
Fernando Road  
Crossing  
1+00 ±

**VS016-66-731**  
Clearance Point  
1+15 ±

**VS016-66-731**  
Existing Gate  
2+53 ±

**NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISION.**

EXHIBIT "A"  
UNION PACIFIC RAILROAD COMPANY  
Sylmar, California  
M.P. 25.2-SCRR Valley Subdivision

Track Agreement with  
City of Los Angeles Department of Water & Power

REAL ESTATE DEPARTMENT  
OMAHA, NE Date: April 14, 2022  
Folder: 3078-91

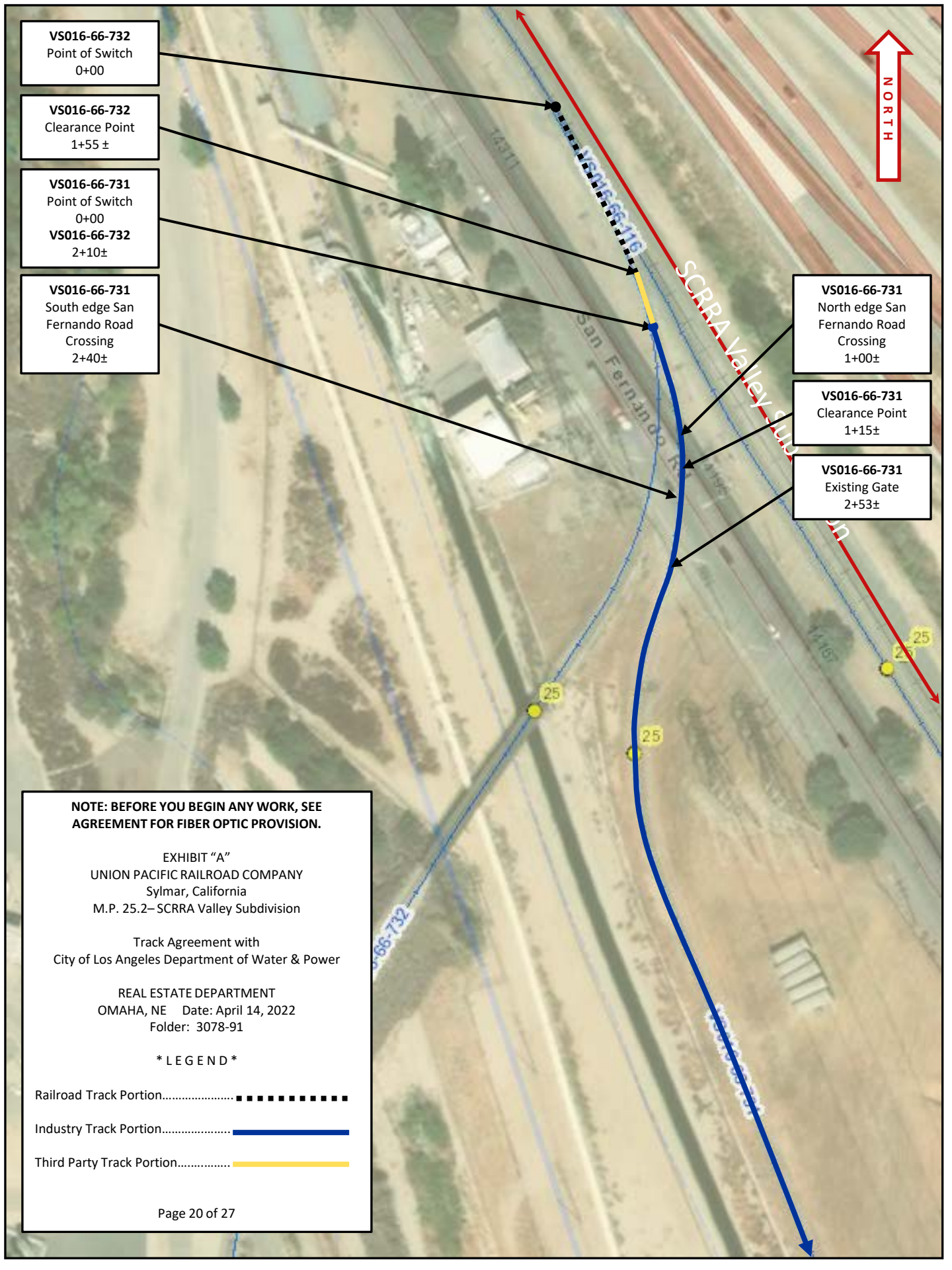
\* LEGEND \*

Railroad Track Portion.....

Industry Track Portion.....

Third Party Track Portion.....

Page 20 of 27





VALLEY (SCM)

San Fernando Rd

**VS016-66-731**  
Begin Driving  
Surface  
16+27±

**VS016-66-731**  
Existing Gate  
16+58±

**NOTE: BEFORE YOU BEGIN ANY WORK, SEE  
AGREEMENT FOR FIBER OPTIC PROVISION.**

EXHIBIT "A"  
UNION PACIFIC RAILROAD COMPANY  
Sylmar, California  
M.P. 25.2- SCRRA Valley Subdivision

Track Agreement with  
City of Los Angeles Department of Water & Power

REAL ESTATE DEPARTMENT  
OMAHA, NE Date: April 14, 2022  
Folder: 3078-91

**\* LEGEND \***

Industry Track Portion..... 



VS016-66-731



VALLEY (SCAY)


**NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISION.**

EXHIBIT "A"  
UNION PACIFIC RAILROAD COMPANY  
Sylmar, California  
M.P. 25.2- SCRR Valley Subdivision

Track Agreement with  
City of Los Angeles Department of Water & Power

REAL ESTATE DEPARTMENT  
OMAHA, NE Date: April 14, 2022  
Folder: 3078-91

\* LEGEND \*

Industry Track Portion..... 



**VS016-66-731**  
North edge of Private  
Road Crossing  
43+25±

**VS016-66-731**  
South edge of Private  
Road Crossing  
43+25±


**NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISION.**

EXHIBIT "A"  
UNION PACIFIC RAILROAD COMPANY  
Sylmar, California  
M.P. 25.2—SCRR Valley Subdivision

Track Agreement with  
City of Los Angeles Department of Water & Power

REAL ESTATE DEPARTMENT  
OMAHA, NE Date: April 14, 2022  
Folder: 3078-91

\* LEGEND \*

Industry Track Portion..... 

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**VS016-66-731**  
47+19±  
**VS016-66-734**  
Point of Switch  
0+00

**VS016-66-731**  
48+08±  
**VS016-66-733**  
Point of Switch  
0+00

**VS016-66-734**  
Clearance Point  
1+36±

**VS016-66-734**  
Existing Device  
1+83±

**VS016-66-733**  
Clearance Point  
1+29±

**VS016-66-734**  
Existing Device  
3+93±

**VS016-66-731**  
Existing Device  
51+62±  
**VS016-66-733**  
Existing Device  
3+55±

**VS016-66-734**  
Existing Building  
3+93±

**VS016-66-731**  
End of Track  
52+00±  
**VS016-66-733**  
End of Track  
3+90±  
**VS016-66-734**  
End of Track  
5+26±



**NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISION.**

EXHIBIT "A"  
UNION PACIFIC RAILROAD COMPANY  
Sylmar, California  
M.P. 25.2- SCRR Valley Subdivision

Track Agreement with  
City of Los Angeles Department of Water & Power

REAL ESTATE DEPARTMENT  
OMAHA, NE Date: April 14, 2022  
Folder: 3078-91

\* LEGEND \*

Industry Track Portion..... 



**EXHIBIT B**  
**Union Pacific Railroad**  
**Contract Insurance Requirements**

Industry shall, at its sole cost and expense, procure and maintain during the life of this Agreement (except as otherwise provided in this Agreement) the following insurance coverage:

**A. Commercial General Liability Insurance.** Commercial general liability (CGL) with a limit of not less than \$25,000,000 each occurrence and an aggregate limit of not less than \$25,000,000. CGL insurance must be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage).

The policy must also contain the following endorsements, which must be stated on the certificate of insurance:

- Contractual Liability Railroads ISO form CG 24 17 10 01 (or a substitute form providing equivalent coverage) showing “Union Pacific Railroad Company Property” covered under the Master Track Agreement as the Designated Job Site.
- The CGL Insurance policies must contain no exclusion for bodily injury, property damage arising out of ownership, maintenance, use or entrustment to others of any rolling stock owned or operated or rented or loaned to Industry.
- CGL insurance shall be endorsed to provide coverage for property damage and bodily injury liability arising out of transport of Industry’s property or the property of others in Industry’s care, custody or control.

**B. Business Automobile Coverage Insurance.** Business auto coverage written on ISO form CA 00 01 10 01 (or a substitute form providing equivalent liability coverage) with a combined single limit of not less \$25,000,000 for each accident, and coverage must include liability arising out of any auto (including owned, hired, and non-owned autos.)

The policy must contain the following endorsements, which must be stated on the certificate of insurance:

- Coverage For Certain Operations In Connection With Railroads ISO form CA 20 70 10 01 (or a substitute form providing equivalent coverage) showing “Union Pacific Railroad Company Property” covered under the Master Track Agreement as the Designated Job Site.
- Motor Carrier Act Endorsement - Hazardous materials clean up (MCS-90) if required by law.

**C. Workers Compensation and Employers Liability Insurance.** Coverage must include but not be limited to:

- Industry’s statutory liability under the workers' compensation laws of the state(s) affected by this Agreement.
- Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 disease policy limit \$500,000 each employee.

If Industry is self-insured, evidence of state approval and excess workers compensation coverage must be provided. Coverage must include liability arising out of the U. S. Longshoremen's and Harbor Workers' Act, the Jones Act, and the Outer Continental Shelf Land Act, if applicable.

**D. Environmental Liability Insurance.** Environmental Legal Liability Insurance (ELL) applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims, or compliance with statute; all in connection with any loss arising from the insured’s performance under this Agreement. Except with respect to the limits of insurance, and any rights or duties specifically assigned to the first named insured, this insurance must apply as if each named insured were the only named insured; and separately to the additional insured against whom claim is made or suit is brought. Coverage shall be maintained in an amount of at least \$25,000,000 per loss, with an annual aggregate of at least \$25,000,000.

The ELL insurance policy must contain no exclusion for bodily injury, property damage, or environmental damage arising out of ownership, maintenance, use or entrustment to others of any rolling stock owned or operated or rented or loaned to Industry.

Industry warrants that any retroactive date applicable to ELL insurance coverage under the policy is the same as or precedes the effective date of this Agreement; and that continuous coverage will be maintained for a period of 5 years beginning from the time the work under this Agreement is completed or if coverage is cancelled for any reason the policies extended discovery period, if any, will be exercised for the maximum time allowed.

**E. Umbrella or Excess Insurance.** If Industry utilizes umbrella or excess policies, these policies must “follow form” and afford no less coverage than the primary policy.

#### Other Requirements

**F.** All policy(ies) required above (except business automobile, worker’s compensation and employers liability) must include Railroad as “Additional Insured” using ISO Additional Insured Endorsement CG 20 26 (or substitute forms providing equivalent coverage). The coverage provided to Railroad as Additional Insured shall not be limited by Industry’s liability under the indemnity provisions of this Agreement. **BOTH INDUSTRY AND COMPANY EXPECT THAT UNION PACIFIC RAILROAD COMPANY WILL BE PROVIDED WITH THE BROADEST POSSIBLE COVERAGE AVAILABLE BY OPERATION OF LAW UNDER ISO ADDITIONAL INSURED FORM CG 20 26.**

**G.** Punitive damages exclusion, if any, must be deleted (and the deletion indicated on the certificate of insurance), unless (a) insurance coverage may not lawfully be obtained for any punitive damages that may arise under this Agreement, or (b) all punitive damages are prohibited by all states in which this Agreement will be performed.

**H.** Industry waives all rights of recovery, and its insurers also waive all rights of subrogation of damages against Railroad and its agents, officers, directors and employees for damages covered by the workers compensation and employers liability or commercial umbrella or excess liability obtained by Industry required in this Agreement, where permitted by law. This waiver must be stated on the certificate of insurance.

**I.** All insurance policies must be written by a reputable insurance company acceptable to Railroad or with a current Best’s Insurance Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the work is to be performed.

**J.** The fact that insurance is obtained by Industry will not be deemed to release or diminish the liability of Industry, including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by Railroad from Industry or any third party will not be limited by the amount of the required insurance coverage.

**K.** Industry shall furnish Railroad with a certificate(s) of insurance, executed by a duly authorized representative of each insurer showing compliance with the insurance requirements in this Agreement.

**L.** Industry is allowed to retain (self-insure) in whole or in part any insurance obligation under this Agreement. Any retention shall be for the account of Industry. If Industry elects to retain (self-insure) any insurance required by this Agreement Industry agrees that it shall provide Railroad with the same coverage that would have been provided to it by the required commercial insurance forms had Industry obtained commercial insurance. For all coverage not retained (self-insured) Industry shall furnish Railroad with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements in this Agreement. For all coverage retained (self-insured) Industry shall provide a letter stating that through its risk management programs it retains the balance of its insurance obligation under this Agreement and that this letter is provided in lieu of a Certificate of Insurance.

**M.** All insurance correspondence, certificates of insurance and applicable endorsements shall be addressed as follows:

Union Pacific Railroad Company  
Real Estate Department – Folder # 3078-91  
1400 Douglas Street, Stop 1690  
Omaha, NE 68179

Basic points to remember:

- The certificate must indicate that Union Pacific Railroad Company is included as an additional insured. (Listing Union Pacific Railroad Company only as a certificate holder is not sufficient.)
- Binders are only accepted for sixty (60) days.
- Failure to comply with insurance requirements may result in a delay of your activity with UPRR.
- The certificate must indicate your folder number.