WASILLA CITY COUNCIL ACTION MEMORANDUM

CM No. 99-26

SUBJECT: Alaska Railroad Temporary Haul Road Crossing

PREPARED BY:

Public Works

DATE:

May 14, 1999

FOR AGENDA OF: May 17, 1999

SUMMARY:

I respectfully request Council to authorize the City of Wasilla to execute the Temporary Haul Road Crossing permit between the Alaska Railroad Corporation and the City of Wasilla.

The authorization to execute this Temporary Haul Road Crossing Permit is requested pursuant to WMC 2.16.010, which authorizes the Mayor to execute permit on behalf of the City of Wasilla upon authorization by Council.

FISCAL IMPACT: __No _X_Yes, amount requested: \$200 Fund: 02-475-7048

RECOMMENDED ACTION: Authorize Mayor to execute permit.

SARAH PALIN, Mayor

Attachments:

Temporary Haul Road Crossing Permit

Presented to council on 5/

Action taken: Approved

Verified by

ALASKA RAILROAD CORPORATION

rporate Address: P.O. Box 107500, Anchorage, Alaska 99510

327 W. Ship Creek Avenue, Anchorage, Alaska 99501



ARRC Contract No. <u>7688</u>
Permit For: <u>Temporary Haul Road Crossing</u>
ARRC Milepost: <u>162.3</u>
DOT ID No. _____

PERMIT

THIS PERMIT, dated	, 1999, is made by and between the ALASKA RAILROAD
	of the State of Alaska formed pursuant to AS 42.40 ("ARRC"),
and CITY OF WASILLA, ("Permittee"	"), (check one) [] a sole proprietorship or an individual [] a
general partnership [] a limited partnersh	
[x] a governmental unit ("Permittee").	

- 1. GRANT OF PERMIT. ARRC hereby grants to the Permittee a permit to construct, reconstruct, operate and/or maintain a temporary haul road crossing for Church Road south to the southern boundary of ARRC's track right-of-way (the "Facility") upon ARRC's track right-of-way, communications pole line right-of-way, or other property of ARRC, as set forth on the drawing attached as Exhibit A (the "Site"). The permission herein granted is subject to the terms and conditions set forth in this permit.
- 2. <u>TERM</u>. This permit shall be for a term of <u>seven (7) months</u>, commencing <u>May 4, 1999</u> and ending <u>December 15, 1999</u>. ARRC may terminate this permit at any time on <u>thirty (30) days'</u> written notice.
- 3. <u>PERMIT FEE</u>. As consideration for this permit, Permittee shall pay a one-time fee of <u>Two Hundred Dollars (\$200)</u>.

4. PLANS AND SPECIFICATIONS.

- 4.01 Permittee shall construct, reconstruct, operate and/or maintain the Facility in the location shown outlined in "red" on Exhibit A.
- 4.02 Prior to advertising for bids, issuing amendments and/or issuing a change order(s) to its contractor for work on any part of the Facility covered by this permit, or prior to commencing any such work itself, the Permittee shall submit to ARRC for approval all plans and specifications and all amendments, additions or corrections thereto, for the original construction and all future modifications of the Facility. Permittee agrees not to commence any associated work until the aforesaid approval has been received.
- 4.03 Permittee agrees that any Facility construction or operation shall be substantially in accordance with Permittee's plans and specifications as first approved by ARRC.
- 4.04 Permittee agrees that if, at any time during the term of this permit, ARRC deems it necessary to have additional safety equipment installed for the protection of its passengers, personnel, or equipment, the Permittee will, upon request from ARRC, install such equipment or safety devices

as are prescribed by ARRC. Permittee agrees to comply with all ARRC standards for side and overhead clearances, which may be obtained from ARRC.

- 4.05 The Standard Specifications for Work on Railroad Property (the "Standard Specifications") attached as Exhibit B are incorporated herein by reference. Permittee hereby agrees that all construction, reconstruction, operation and maintenance upon ARRC property shall be performed in accordance with the Standard Specifications and any supplemental conditions required by paragraph 4.06 of this document or by any supplements hereto. Permittee agrees to make the Standard Specifications and any supplemental conditions part of all contractual bid specifications which the Permittee may publish for work associated with its Facility covered under this permit. In the event the Standard Specifications are revised by ARRC prior to termination of this permit, Permittee agrees that any changes in or additions to the Facility shall be performed in accordance with such revised Standard Specifications, provided that ARRC has given notice of the change to Permittee.
- 4.06 Permittee hereby agrees to the supplemental conditions, if any, to this permit attached as Exhibit C.
- 4.07 If automatic crossing signal devices (including improved crossing protection devices required by revised industry standards) are required by applicable law or regulation, by railroad industry standards, or by either party, such signals shall be furnished, installed and maintained by ARRC at the expense of the Permittee.

5. MAINTENANCE OF FACILITY.

- 5.01 During the term of this permit, the Permittee shall maintain the Facility to industry standards or to those standards or levels of maintenance prescribed by federal, state or municipal laws and regulations. If no industry standards, laws or regulations exist, then the Permittee shall maintain its Facility to the satisfaction of ARRC. Sight triangles shall be maintained by Permittee free of vegetation and other obstructions to vision in accordance with the table entitled "Sight Triangle Distance" attached as Exhibit D and as otherwise established and revised from time to time by ARRC.
- 5.02 Permittee shall, within two (2) months of the date of execution of this permit, construct a gate and erect a sign at the Facility in accordance with ARRC's Standard Plans 2.76 and 2.77 attached to this permit as Exhibits E and F.
- 5.03 Permittee shall give the ARRC not less than 10 days prior written notice of Permittee's intention to enter upon ARRC property for the purpose of maintenance, reconstruction, alteration or removal of the Facility, except that in any instance of sudden emergency requiring prompt and immediate action to protect the public safety, notification may be in the form of a telephone call to the ARRC Engineering Department at 265-2456.

6. PAYMENT FOR WORK.

- 6.01 Permittee shall pay for all Facility construction, reconstruction, operation and/or maintenance, including the cost of ARRC inspectors and flagmen whose duties will be to protect the interests of ARRC and to insure the completion of the work to the satisfaction of ARRC.
- 6.02 Permittee shall reimburse ARRC for all costs in connection with the granting and operation of this permit, including but not limited to, labor, materials, and equipment furnished by

ARRC. Such reimbursement shall be at rates established by ARRC, and shall be due and payable within thirty (30) days following the date invoices are submitted by ARRC to the Permittee.

7. INTEREST IN RAILROAD PROPERTY.

- 7.01 It is understood that the Permittee acquires no interest in or title to ARRC property by means of this permit. Permittee shall have, at the discretion of ARRC, access to ARRC property for the purpose of construction, reconstruction, operation and/or maintenance of the Facility. This shall be done at times which will not in any way interfere with the operation of ARRC.
- 7.02 ARRC reserves the right of ingress to and egress from the Site and the right to enter any part of the Site, including buildings thereon, for the purpose of inspection at any reasonable time, and in time of emergency. All inspections will be coordinated with the Permittee in order to minimize interference with the Permittee's activities on the Site.
- 7.03 Prior to the expiration or termination of this Permit, the Permittee will remove the Facility and other property of Permittee and restore the Site to its original condition unless otherwise directed by ARRC. Failure of the Permittee to do so by the expiration or termination date will result in ARRC removing the Facility and other property of Permittee and restoring the Site at the Permittee's expense, which expense Permittee agrees to pay ARRC upon demand.

8. NON-EXCLUSIVE USE/RAILROAD CONSTRUCTION.

- 8.01 ARRC reserves the right to grant permission to others to use and occupy the Site, provided that said use and occupancy will not, in the opinion of ARRC, unreasonably interfere with the Permittee's use of the Facility.
- 8.02 In the event ARRC finds it is necessary to alter or add to its construction within the Site, the Permittee shall make all alterations to the Facility necessary to accommodate ARRC's construction without cost to ARRC.

9. INSURANCE AND INDEMNIFICATION.

- 9.01 <u>Workers' Compensation</u>. Permittee shall ensure that, with respect to all personnel performing work on the Facility, Permittee maintains in effect at all times during the term of this permit, coverage or insurance in accordance with the applicable laws relating to workers' compensation and employer's liability insurance, regardless of whether such coverage or insurance is mandatory or merely elective under the law.
- 9.02 <u>Self-Insurance</u>. The parties acknowledge that Permittee is a governmental entity which may from time to time have a program of self-insuring the risks of general liability and part or all of Permittee's risks of loss or damage to the Facility. The provisions of this permit (or any of its exhibits) regarding insurance shall be applicable to Permittee only in the event the Permittee assigns this permit to another person or entity (subject to the provisions of paragraph 14), or in the event the Permittee carries general liability insurance to which ARRC can be added as an additional insured at a reasonable premium. Failure of ARRC to require insurance coverage of Permittee shall not be deemed to limit the liability of Permittee under this permit in any manner. Notwithstanding the foregoing, Permittee shall impose the insurance requirements set forth in the Standard Specifications on any contractor performing work for Permittee or on Permittee's behalf on or about the Facility or Site.

- 9.03 No Limitation. The requirements of this permit as to insurance and acceptability to ARRC of insurers and insurance to be maintained by Permittee is not intended to and shall not in any manner limit or qualify the liabilities and obligations of Permittee under this permit.
- 9.04 <u>Indemnity</u>. Permittee shall indemnify, defend, and hold harmless ARRC from and against all losses and all claims, demands, payments, suits, actions, recoveries, legal expenses and judgments of every nature and description made, brought or recovered against ARRC by reason of any act or omission of the Permittee, its bidders, contractors, subcontractors, agents or employees, in the execution of work or in guarding the same. Permittee shall assume complete liability for any and all claims resulting from the construction, reconstruction, maintenance, operation, use and existence of the Facility located on, under or over the Site. These provisions contained in this paragraph 9.04 shall not be given effect if the negligence of ARRC or its employees is the sole proximate cause of any injury or damage done to the party asserting the claim.

All the foregoing obligations set forth in this paragraph 9.04 are subject to appropriations for the purposes stated herein, and are enforceable only to the extent permitted by law. Permittee shall exercise its best efforts to obtain such appropriations and ARRC shall assist Permittee in seeking funding from the Legislature.

9.05 <u>Third Party Rights</u>. It is specifically agreed between ARRC and the Permittee that this permit is not intended by any of the provisions herein to create in the public or any member thereof a third party benefit hereunder, or to authorize anyone not a party to the permit to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this permit.

10. DEFAULT AND REMEDIES.

- 10.01 <u>Default</u>. The occurrence of any one or more of the following events shall constitute a material default by Permittee.
- A. The failure by Permittee to make any payments required to be made by Permittee hereunder, as and when due, where such failure shall continue for a period of five (5) days after written notice thereof from ARRC to Permittee.
- B. Except as otherwise provided in this permit, the failure by Permittee to observe or perform any of the covenants, conditions or provisions of this permit to be observed or performed by Permittee, other than described in paragraph (a) above, where such failure shall continue for a period of ten (10) days after written notice thereof from ARRC to Permittee.
 - C. the occurrence of any of the following:
- (i) the making by Permittee of any general arrangement or general assignment for the benefit of creditors;
 - (ii) Permittee becomes a debtor in bankruptcy;
- (iii) the appointment of a trustee or receiver to take possession of substantially all of Permittee's assets; or
- (iv) the attachment, execution or other judicial seizure of substantially all of Permittee's assets.

- D. The discovery by ARRC that any financial statement given to ARRC by Permittee, any assignee of Permittee, any successor in interest of Permittee or any guarantor of Permittee's obligation hereunder, was materially false at the time given.
 - E. Vacation or abandonment of the Facility by Permittee.
- 10.02 <u>Remedies</u>. In the event of any material default by Permittee, ARRC may at any time thereafter, without notice or demand and without limiting ARRC in the exercise of any right or remedy which ARRC may have by reason of such default:
- A. Terminate Permittee's rights under this permit and ARRC may pursue other remedies.
- B. Maintain Permittee's rights under this permit in which case this permit shall continue in effect. In such event ARRC shall be entitled to enforce all of ARRC's rights and remedies under this permit, including the right to recover the payments due hereunder.
- C. Pursue any other remedy now or hereafter available to ARRC under the laws or judicial decisions of the State of Alaska.
- 10.03 <u>Late Charges: Interest</u>. If any payment due from Permittee shall not be received by ARRC when such amount shall be due, then, without any requirement for notice to Permittee, Permittee shall pay to ARRC all charges and interest as set forth in ARRC's credit policy. This late charge does not waive, excuse or cure any default.

11. LAWS AND TAXES.

- 11.01 This permit is issued subject to all requirements of the laws of the State of Alaska and regulations of ARRC relating to the granting of privileges on ARRC lands and facilities.
- 11.02 Permittee shall comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits and other requirements, now or hereafter in effect, of any governmental authority including, but not limited to, matters of health, safety, sanitation and the environment. Permittee shall execute and deliver to ARRC copies of all documents as may be required to effect or to evidence such compliance. All laws, ordinances, rules, regulations, orders, licenses, and permits required to be incorporated in agreements of this character are incorporated herein by this reference.
- 11.03 If at any time during the Permit Term any new or additional taxes (other than federal or state net income taxes or any other taxes existing on the effective date hereof) are assessed against the Permitted Premises, or any improvement thereon, or any rents payable to ARRC under this Permit, or against ARRC with respect thereto, Permittee shall pay to the taxing authority or ARRC, not less than ten (10) days before they become delinquent and as additional rents, all of such new taxes.
- 11.04 Unless otherwise specified in this permit, the attachments hereto or as directed by ARRC, Permittee shall obtain and pay for all permits, inspections, licenses and fees and shall furnish all bonds, security or deposits required to construct, reconstruct, operate and/or maintain the Facility in accordance with this permit. Permittee shall advise ARRC in writing and consult with ARRC prior to applying for any permit or other authorization from, or entering into any agreement with, any governmental authority with regard to the construction, reconstruction, operation and/or maintenance of the Facility.

- 11.05 Permittee agrees to notify ARRC of any claim, demand or lawsuit arising out of the Permittee's occupation or use of the Site. Upon ARRC's request, the Permittee will cooperate and assist in the investigation and litigation of any such claim, demand or lawsuit.
- 11.06 ARRC makes no specific warranties, expressed or implied, concerning the title or condition of the Site, including survey, access or suitability for any use, including those uses authorized by this permit. Permittee's use of the Site is subject to any and all of the covenants, terms and conditions affecting ARRC's title to the Site.
- 12. <u>LIENS</u>. Permittee shall keep the Site free of all liens, pay all costs for labor and materials arising out of any construction or improvements by the Permittee on the Site, and hold ARRC harmless from liability for any liens, including costs and attorneys' fees. This provision shall not be interpreted to mean that ARRC in any way recognizes a liability on its part for any such liens.

13. IMPOSSIBILITY OF PERFORMANCE: FORCE MAJEURE.

13.01 <u>Defined</u>. The term "Force Majeure" as used herein shall mean any cause beyond the control of the party affected which could not be overcome with reasonable diligence and effort, including: Acts of God, acts of public enemy, insurrection, war, blockades, strikes, lockouts, other labor stoppage, riots, other public disorders, storms, landslides, avalanches, floods, washouts, earthquake, lightning, civil or military disturbances, restraint by court or public authority, boycotts, embargoes, or acts of military authorities.

13.02 Procedure for Claim of Force Majeure.

- 13.02.1 The party asserting a claim of Force Majeure shall, as soon as reasonably practical after knowledge of the start of such Force Majeure, provide notice to the other party hereto in writing, certifying all available facts and circumstances surrounding the occurrence of the Force Majeure, including, but not limited to: its causes; expected duration; efforts to overcome; and the claimed effect on the party's obligations to perform under this permit.
- 13.02.2 When the Force Majeure condition has terminated, the party claiming the Force Majeure shall, within thirty (30) days of termination, certify in writing all available facts and circumstances surrounding the occurrence of the event, including, but not limited to: its causes; time of start and end, and duration of condition; efforts taken to overcome; and the effect on the parties' obligations to perform under this permit. The party shall, upon request, promptly provide additional documentation of supporting facts and calculations relating to the claim of Force Majeure.
- 13.03 Effect Hereunder. If because of Force Majeure, any party is unable to carry out any of its obligations under this permit, and if such party shall, as soon as reasonably practical after knowledge of the start of Force Majeure, give to the other party notice of such Force Majeure, then the obligations of all parties shall be suspended to the extent made necessary by the Force Majeure and during its continuance; provided, however, the party experiencing Force Majeure shall take prompt and reasonable action to overcome such causes of Force Majeure and its operation shall be resumed immediately after such causes have been removed. Nothing contained in this paragraph shall cause the party affected by the Force Majeure to submit to what it considers to be an unreasonable labor agreement.
- 14. <u>ASSIGNMENT</u>. This permit shall not be assigned or in any manner transferred without the prior written consent of ARRC. This shall not be construed to impair or prevent the carrying out by

public agencies of responsibilities not inconsistent with the operation and policies of ARRC relative to reconstruction, maintenance or control of the Facility.

15. <u>NOTICES</u>. Any notice permitted or required to be given hereunder shall be in writing and either delivered by hand, sent by certified or registered mail, return receipt requested, or sent by telegram with confirmed delivery;

A. If to ARRC, at

ALASKA RAILROAD CORPORATION

P.O. Box 107500

Anchorage, AK 99510-7500

Attn: Manager, Real Estate Services

B. If to Permittee, at

CITY OF WASILLA 290 E. Herning Avenue Wasilla, Alaska 99654-7091 Attn: Public Works Director

Notice shall be deemed to have been given on the date delivered to the recipient, regardless of any other date indicated thereon.

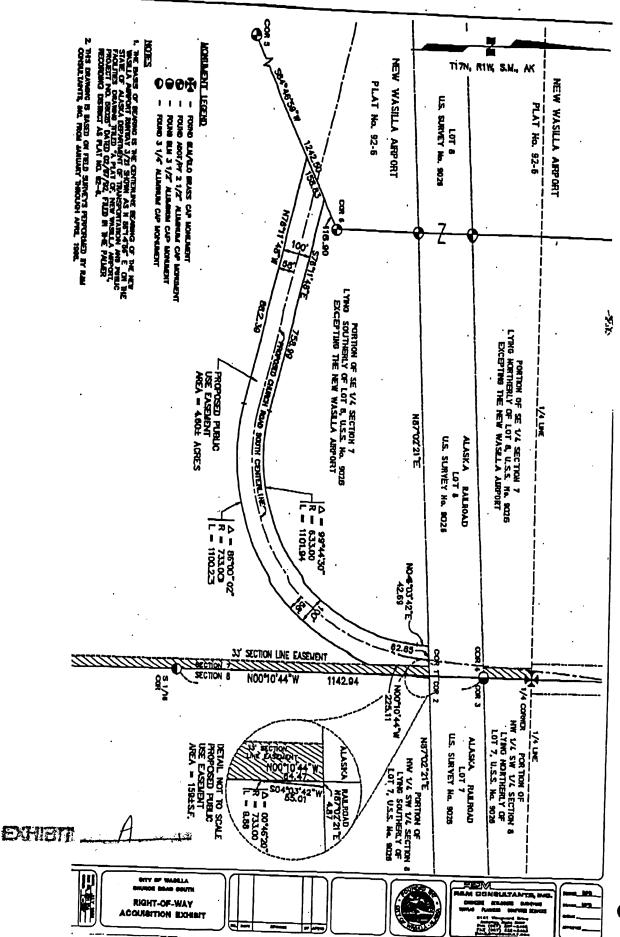
- 16. <u>NO WAIVER</u>. The failure of ARRC to insist in any one or more instances upon the strict performance by the Permittee of any provision or covenant in this permit shall not be considered as a waiver or relinquishment for the future, and any such provision or covenant will continue in full force, unless ARRC issues an authorized written waiver therefrom.
- 17. <u>VALIDITY OF PARTS</u>. If any provision or covenant of this permit is declared to be invalid by a court of competent jurisdiction, the remaining covenants and provisions will continue in full force.
- 18. <u>INTERRELATIONSHIP OF PROVISIONS</u>. The basic provisions, general covenants, special covenants, supplements, addendums and drawings contained herein are essential parts of this permit and are intended to be co-operative in designating and describing the respective rights and obligations of the parties to this permit. Should discrepancies appear, special covenants govern over basic provisions, both of which govern over general covenants, and figured dimensions govern over scaled dimensions unless obviously incorrect.
- 19. <u>HEADINGS AND CAPTIONS</u>. The heading and captions used in this permit have been inserted solely for convenience of reference and shall not affect, or be deemed to affect, the meaning of any provision of this permit.
- 20. <u>BINDING</u>. Subject to the provisions of paragraph 14 above, this permit shall be binding on the successors and assigns of Permittee and ARRC.
- 21. <u>INTEGRATION AND MERGER</u>. This permit sets forth all the terms, conditions, and agreements of the parties and supersedes any previous understandings or agreements regarding the Facility and the Site, whether oral or written. No modification of this permit is effective unless made in writing and signed by both parties.
- 22. <u>GOVERNING LAW</u>. This permit and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the applicable laws of the State of Alaska and of the United States of America. Permittee shall not commence or prosecute any suit, proceeding or claim to

enforce the provisions of this permit, to recover damages for breach or default under this permit, or otherwise arising under or by reason of this permit, other than in the courts of the State of Alaska. Permittee hereby irrevocably consents to the jurisdiction of the courts of the State of Alaska with venue laid in the Third Judicial District.

ALASKA RAILROAD CORPORATION

Dated:	By:	Karen J. Morrissey Manager, Real Estate Services
Dated:	Ву:	Thomas E. Brooks Chief Engineer
	CITY	OF WASILLA
Dated:	By:	Donald Shiesl Director, Public Works
Dated:	By:	Sarah Palin Mayor
Approved as to form:		
By: Kenneth P. Jacobus, City Attorney	Dated:	·
Attachments [check as attached]: x Exhibit A - Map/legal description x Exhibit B - Standard Specifications x Exhibit C - Supplemental Conditions Exhibit D - Sight Triangle Distances x Exhibits E/F - ARRC Standard Plans 2.76 a		

STATE OF ALASKA	}	
THIRD JUDICIAL DISTRICT)ss.)	
The foregoing instrument was acknown Morrissey, Manager, Real Estate Services Alaska Statute 42.40, on behalf of the contraction of the contractio	wledged before of the Alaska R rporation.	e me this day of, 1999, by <u>Karen J.</u> Railroad Corporation, a public corporation created by
		Notary Public in and for Alaska My commission expires:
STATE OF ALASKA THIRD JUDICIAL DISTRICT) }ss.	
The foregoing instrument was acknown Brooks, Chief Engineer of the Alaska Ra 42.40, on behalf of the corporation.	wledged before ilroad Corpora	e me this day of, 1999, by <u>Thomas E.</u> ation, a public corporation created by Alaska Statute
		Notary Public in and for Alaska My commission expires:
STATE OF ALASKA)	
THIRD JUDICIAL DISTRICT)ss.)	
The foregoing instrument was ackno Shiesl, the Director of Public Works of Ci	wledged before ty of Wasilla, o	e me this day of, 1999, by <u>Donald</u> on behalf of the same.
		Notary Public in and for Alaska My Commission expires:
STATE OF ALASKA THIRD JUDICIAL DISTRICT	}ss.	
The foregoing instrument was acknothe Mayor of City of Wasilla, on behalf o	wledged before f the same.	e me this day of, 1999, by <u>Sarah Palin</u> ,
		Notary Public in and for Alaska My Commission expires:
		,
STATE OF ALASKA))ss.	
THIRD JUDICIAL DISTRICT)	
The foregoing instrument was acknown P. Jacobus, the City Attorney of City of V	wledged before Vasilla, on beha	re me this day of, 1999, by Kenneth alf of the same.
		Notary Public in and for Alaska My Commission expires:



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STANDARD SPECIFICATIONS FOR WORK ON RAILROAD PROPERTY

Section 1. Definition of Terms

Section 2. General Requirements

Section 3. Insurance Requirements

Section 4. Notice

Section 5. Flag Protection and Protection of ARRC Traffic

Section 6. Train Delays

Section 7. Protection of ARRC Communication Lines

Section 8. Road Crossings

Section 9. Power and Communication Lines

Section 10. Underground Utilities

Section 11. Open Trenching

Section 12. Excavations

Section 13. ARRC Inspectors

Section 14. Use of Explosives

Section 15. Snow Removal

Section 16. Clean-up

EMBIT 6

SECTION 1. <u>DEFINITION OF TERMS</u>

Manager.	Telecommunications
& Signal	ng

o the person employed by the ARRC as head of its Telecommunications Department or Branch, or his/her authorized representative.

Chief Engineer

the person employed by the ARRC as head of its Engineering Department or Branch, or his/her authorized representative.

Manager, Real Estate

° the person authorized by the ARRC to execute contractual real estate agreements on behalf of the ARRC.

Contractor

any agent of the Permittee, including Contractors or subcontractors employed to construct, reconstruct, operate and/or maintain the Facility. The term "Contractor" shall be synonymous with the term "Permittee" when the Permittee performs the construction, reconstruction, operation and/or maintenance of the facility with its own personnel.

Facility

° any improvements owned by the Permittee which are to be placed on ARRC property in accordance with written permission executed by the ARRC and Permittee.

Permit Area

the space on ARRC property to be, or is, occupied by the Facility plus reasonable working area and reasonable ingress and egress to the to the Facility.

Permittee

the person, company or Governmental agency to whom the right to enter upon ARRC Property was given in the form of written permit executed by the ARRC and Permittee.

ARRC

Alaska Railroad Corporation, P.O. Box 107500, Anchorage, AK 99510-7500.

ARRC Property

all lands owned or withdrawn for the use of the ARRC, in and including the ARRC's track right-of-way and communications pole line right-of-way.

SECTION 2. GENERAL REQUIREMENTS

- 2.1 All construction, reconstruction, operation, and maintenance on ARRC property shall be performed in compliance with these Standard Specifications for Work on Railroad Property, including all revisions thereto and in accordance with the permit executed by the ARRC for the construction, use and maintenance of the Permittee's facility.
- 2.2 Failure to comply with these Standard Specifications for Work on Railroad Property shall result in the demand of the ARRC for the Permittee to suspend all work on ARRC property. The Permittee hereby agrees to comply with such demand upon receipt of such notice in writing.
- 2.3 All negotiations between the ARRC and the Contractor shall be handled through the Permittee.
- 2.4 All work on or about the ARRC property shall be performed by experienced personnel in a safe and workmanlike manner in keeping with the approved ARRC practices, and as specified herein. ARRC traffic and property shall be protected at all times.
- 2.5 The safety and continuity of the operation of the traffic of the ARRC shall be of first importance and shall be at all times protected and safeguarded. The Permittee and its contractors shall be required to perform and arrange their work accordingly. Wherever, in the judgment of the Chief Engineer or his/her representatives, the work or its performance may affect or involve the safety of the ARRC's facilities and operation of its railroad, the method of doing such work shall first be submitted by the Permittee to the Chief Engineer for his/her approval, without which it shall not be commenced or prosecuted. The approval of the Chief Engineer, when given, shall not be considered as a release from responsibility or liability for any damage which the ARRC may suffer, or for which it may be liable, as a result of the acts of the Permittee, its contractors or employees.
- 2.6 Whenever, in the opinion of the Chief Engineer, the construction may cause a hazard to the safe operation of the ARRC, the ARRC may, in its discretion, place at the site of the work the required number of qualified employees to protect its operations. The providing of such employees and such other precautions as may be taken shall not relieve the Permittee and its contractors from liability for the payment of damages caused by their operations. The ARRC shall be the sole judge of necessity, as to the number and classification of employees required. All ARRC cost and expense for providing such employees shall be collected from the Permittee.
- 2.7 The Permittee shall comply with all Federal, State and local governmental regulations applicable to the construction or installation of the facility.

SECTION 3. INSURANCE REQUIREMENTS

3.1 The Permittee and its contractors shall procure and maintain at all times while performing work on ARRC property, and be covered by the type of insurance with the minimum limits as specified in Part I and

II of Section 3.4; provided, however, the Permittee shall procure and maintain during the entire time of its permit the type of insurance with the minimum limits as specified in Part I of Section 3.4.

- 3.2 Each policy shall be: (1) endorsed whereby the insurance company will notify the ARRC of any material change, cancellation, non°renewal or expiration of the insurance policy in writing not less than thirty (30) days prior to the effective date; (2) endorsed with a waiver of subrogation rights in favor of the Alaska Railroad Corporation; and (3) Alaska Civil Rule 82 Endorsement.
- 3.3 Prior to commencement of work on ARRC property by the Permittee or its contractors, the Permittee on its own behalf and behalf of its contractors shall deliver to the ARRC certificate(s) of insurance showing evidence of the insurance required in Part I, [original(s) Railroad Protective Liability Policy required in Part II], and Statement(s) of Compliance, Section 3.5, covering the Permittee, its contractors.
 - 3.4 ALASKA RAILROAD CORPORATION INSURANCE REQUIREMENTS

PART I

Type of Insurance

A. General Liability

Bodily Injury \$1,000,000 Each Occurrence \$2,000,000 Aggregate
Premises Operations
Independent Contracts
Products
Completed Operations

Property Damage \$1,000,000 Each Occurrence \$2,000,000 Aggregate
Premises Operations
Independent Contractors

Products

Completed Operations Blanket Contractual

- B. Personal Injury Coverage \$1,000,000 Each Person
- C. Automobile Liability (including all owned, hired and non-owned automobile)

Bodily Injury \$1,000,000.00 Each Person Property Damage \$1,000,000.00 Each Occurrence

PART II

Railroad Protective Liability (Alaska Railroad Corporation as insured)

Bodily Injury \$2,000,000.00 Each Occurrence Property Damage \$2,000,000.00 Each Occurrence

ALASKA RAILROAD CORPORATION P.O. Box 107500 ANCHORAGE, AK 99510-7500

SECTION 3.5 STATEMENT OF COMPLIANCE

Signed:	cy Number	<u>Dated</u>
Signed:		
Signed:		
Signed:		
(Name and Title)		
NOTARY ACKNOWLEDGMENT:		
	10 personally appea	ared, who
executed the above Statement of Compliabove, and who acknowledges that he/sh said statement, and did so of his/her ov	ance as a representative of ne was legally authorized by said	, as named
		the State ofs:

SECTION 4. NOTICE

- 4.1 A pre-construction meeting shall be held with the ARRC's Chief Engineer and representatives of the Permittee and contractors prior to the commencement of any work on ARRC Property by the Permittee or its contractors.
- 4.2 The Permittee shall give written notice to the Chief Engineer not less than ten (10) days in advance of the commencement of any construction, reconstruction or major maintenance activity on ARRC Property, in order that the necessary arrangements may be made for the protection of the ARRC's operation. This notice shall include the proposed work on ARRC Property, schedule or work, and the names of the Permittee's contractor who may also be working on ARRC property.

SECTION 5. FLAG PROTECTION AND PROTECTION OF ARRC TRAFFIC

- 5.1 Whenever ARRC flag protection is required, it will be provided by the ARRC at Permittee's expense. ARRC flag protection is to insure the safe movement of trains and other rail traffic and shall be done in strict accordance with the ARRC rules on flagging.
- 5.2 The ARRC will, during the progress of the work, utilize as many qualified flag people as in the opinion of the ARRC, may be required for the adequate protection of the ARRC traffic. All expense for providing such flagpersons shall be paid by the Permittee to the ARRC.
- 5.3 Vehicles and other construction equipment shall not be operated or parked closer than twenty (20) feet from center line of any track without ARRC flag protection provided in accordance with paragraph 5.1.
- 5.4 The Permittee shall arrange with the ARRC to keep itself informed on the time of arrival of all trains and shall stop any of Permittee's or its contractor's operations which might be or cause a hazard to the safe passage of the train past the site of the work from ten (10) minutes before the expected arrival of the train until it has passed.

SECTION 6. TRAIN DELAYS

- 6.1 All work on ARRC property shall be conducted in such a manner as to prevent delays to trains or other rail traffic operated by the ARRC.
- 6.2 Should any of the Permittee's or its contractor's or subcontractor's actions or activities cause delays to trains or other rail or water traffic, the agreed amount of liquidated damages shall be at the following rates and shall be collected from the Permittee by the ARRC.

Passenger trains each

\$50 per minute of delay, 60-minute minimum charge.

All other rail traffic

\$50 per minute for each delay over five minutes, 30-minute

minimum charge.

Rail barges, trainships

No charge for delays of one

or other connecting carrier vessels

hour or less, \$1,000 per hour for each hour or any part of an hour thereafter with a minimum charge of \$6,000.

6.3 Delay time will be taken from the train sheet in the ARRC Dispatcher's Office, Anchorage (265-2649) for all delays and such train sheet shall be the official document by which the length of time a train is delayed will be determined. If another crew is needed to relieve the original crew, the charge shall also apply to the second crew. If such delay causes a water carrier to miss a sailing, the liquidated damage computation of time covering the period of time to the next possible sailing time shall be in addition to the length of time determined by said train sheet.

SECTION 7. PROTECTION OF ARRC COMMUNICATION LINES

- 7.1 All work on ARRC property shall be conducted in such a manner as to protect the ARRC's communication facilities at all times from outages resulting directly or indirectly from the Permittee's or his/her contractor's operations.
- 7.2 Should any of the Permittee or his/her contractor's operations cause outages to said communications facilities, the agreed amount of liquidated damages shall be at the following rates and shall be collected from the Permittee:

Communication cable -\$1.00 per minute per cable circuit

- 7.3 A minimum charge of \$250.00 will be made for each outage plus the total repair costs. The outage time shall be that as established by the ARRC's Test Board, Anchorage.
- 7.4 There shall be no equipment worked or excavation made within fifteen (15) feet of any ARRC communication pole guy, anchor, or other communications apparatus unless authorized in advance by the Manager, Telecommunications & Signaling.

SECTION 8. ROAD CROSSINGS

- 8.1 Whenever automatic railroad crossing signals are in the permit area, these signals must remain in operating condition at all times. If, as a result of the Permittee's or its Contractor's activities on the facility the signals become inoperable, the crossing shall be continuously protected until the signals are again operable. See Section 5 for specifications.
- 8.2 When regular railroad crossings are used as haul routes inside or outside the permit area, flagpersons shall be provided by the Permittee for said crossings in all situations at the discretion of the ARRC.
- 8.3 Temporary road crossings may be installed provided the Permittee has acquired from the ARRC a temporary road crossing permit for said crossing.
 - 8.4 The temporary road crossing shall be constructed to the length and the ARRC standard

specified in the temporary road crossing permit. All protective signs required by the ARRC shall be provided and properly maintained by the contractor. The temporary road crossing shall be installed under ARRC flag protection in accordance with Section 5 of these specifications.

- 8.5 The flange ways of all road crossings used by the Permittee or his/her contractor as haul routes or temporary road crossings shall be kept clean and free of gravel at all times and shall otherwise be maintained to the satisfaction of the Chief Engineer.
- 8.6 When the temporary road crossing is in use, ARRC flag protection shall be provided at all times. See Section 5 for specifications.
- 8.7 When a temporary or private road crossing is not in use the Permittee shall provide suitable barricades (gates with padlocks, posts driven into the ground, etc.) to prevent vehicular access to the crossing.
- 8.8 When not in use during the winter season, the temporary road crossing shall be removed. Upon completion of the work or termination of the permit, the temporary crossing shall be removed and the area restored to its original condition.
- 8.9 The Permittee agrees that all others using the private road crossing, except the ARRC and its employees, shall be considered agents of the Permittee.
- 8.10 Sight Triangles at road crossings shall be maintained by Permittee free of vegetation and other obstructions to vision in accordance with the table entitled "Sight Triangle Distance" attached and as otherwise established and revised from time to time by ARRC.

SECTION 9. POWER AND COMMUNICATION LINES

- 9.1 All power and communication lines shall be designed and constructed in accordance with the current edition of the National Electric Safety Code.
- 9.2 Underground power and communication lines shall be installed in accordance with Section 10 of these specifications. Whenever an underground power or communication line crosses underneath a track, a casing pipe shall be installed for carrying such lines.
- 9.3 The minimum clearance above the top of rail of the ARRC track shall be in accordance with the handbook referenced in Section 9.1, plus six (6) inches to allow for future grade raises.
- 9.4 The minimum clearance above the ARRC communication lines shall be in accordance with the handbook referenced in Section 9.1.
- 9.5 Additional lines may not be added, or the characteristics of the line(s) changed without written approval of the ARRC's Director, Real Estate or Chief Engineer.
 - 9.6 Wires shall be strung across the ARRC tracks only when ARRC flag protection is

provided in accordance with Section 5 of these specifications.

9.7 No wires shall be strung across the ARRC's communications lines without first receiving from the ARRC's Manager, Telecommunications & Signaling approval therefor, and such work must be accomplished only at a time and in a manner prescribed by said Manager, Telecommunications & Signaling.

SECTION 10. <u>UNDERGROUND UTILITIES</u>

- 10.1 All underground utilities, including culverts, pipelines, and underground power and communication lines, on ARRC property shall conform to the current American Railway Engineering Association Specifications.
- 10.2 Unless another method is authorized in advance and in writing by the Chief Engineer, all underground utilities shall be installed under tracks and roads by boring, jacking or tunneling.
- Boring, jacking or tunneling shall be done under ARRC tracks only when ARRC flag protection is provided in accordance with Section 5 of these specifications.
- 10.4 The proposed plan for boring, jacking or tunneling shall be approved by the Chief Engineer prior to commencing the operation.
- 10.5 All boring, jacking or tunneling headings shall be continuously protected against any loss of ground material by shoring and cribbing as necessary.

SECTION 11. OPEN TRENCHING

- 11.1 Only when authorized in advance and in writing by the ARRC shall any portion of the track be removed to allow trenching for installation of the Facility.
- 11.2 If allowed to open trench, the track may be removed from service only at the time authorized by the Chief Engineer and shall be restored to service within the time period specified by the Chief Engineer. Should the track not be restored to service within the time period specified, the agreed amount of liquidated damages shall be at the rate specified in the written authorization allowing the open trenching or the liquidated damages in accordance with Section 6 of these Specifications, whichever is greater, and shall be collected from the Permittee.
 - 11.3 All track work shall be accomplished by qualified track persons.
- 11.4 Only that portion of the track structure necessary to excavate, stockpile and install the facility shall be removed. All track material removed shall be handled, stockpiled and relayed in a manner to avoid damage. Any material which may be damaged shall be replaced by the Contractor at its own expense.
 - 11.5 The backfill of the trench under the track and in the roadbed prism shall be of the same

type of material as taken out, except the top 2 feet shall be clean pit run gravel. Backfilling shall be in one foot lifts with a compaction of 95% of maximum density in the area affecting the roadbed prism.

The ballast used in replacing the track shall be equal in depth and quality as that which was removed. The track shall be relayed and brought to original grade in accordance with standard ARRC practices. The track shall be resurfaced as often as necessary for a period of 12 months after completion of construction to remove any settlement that may have occurred.

SECTION 12. EXCAVATIONS

- 12.1 Unless authorized in advance and in writing by the ARRC, the top of any excavation shall not be within twenty (20) feet of center line of any track.
 - 12.2 No water shall be allowed to stand in open excavations in the track area.
- 12.3 Bridging and shoring shall be adequate to safely carry ARRC traffic and the decision of the ARRC pertaining to same shall be final.
- 12.4 All open excavations shall be continuously protected by flags, flares, barricades or watchpersons, as directed by the ARRC.
- 12.5 No excavation shall be left open more than three days, unless authorized by the Chief Engineer.
- 12.6 The ARRC embankment and cut slopes shall not be disturbed any more than necessary to accommodate the construction and shall be left in a stabilized condition.
- 12.7 ARRC ditches, culverts and roadways shall be kept clean and free of rock, gravel, construction debris and equipment at all times.

SECTION 13. ARRC INSPECTORS

13.1 The ARRC may furnish an inspector during the periods of construction on ARRC Property. The ARRC inspector will inspect the removal and replacement of tracks, excavation, backfill, necessary bridging for tracks, shoring, flagging, lighting, clearances, etc., when necessary. The ARRC inspector will work directly with the representative of the Permittee and the decision of the ARRC inspector in matters pertaining to ARRC operations and safety shall be final. In the event more than one shift is worked, a ARRC inspector will be required for each shift. Presence or absence of a ARRC inspector shall not relieve the Permittee of liability for damage done to property of the ARRC, ARRC lessees or permittees having installations on ARRC property. All ARRC cost and expense for furnishing such inspector(s) shall be collected from the Permittee.

SECTION 14. <u>USE OF EXPLOSIVES</u>

- 14.1 The use of explosives shall be done in compliance with all applicable Federal, State and local laws and ordinances regarding same.
- 14.2 No blasting of any kind will be permitted unless the Permittee thoroughly safeguards the movement of trains and other rail traffic and personnel in the area where such blasting is being conducted. Before blasting, ARRC flag protection in accordance with Section 5 of these specifications shall be provided on each side of the blast area by the Permittee. This flag protection shall not be removed until the track is inspected for damage from the blast.

SECTION 15. SNOW REMOVAL

- Snow removal operations shall be conducted in such a manner as to not place snow (1) upon the tracks of the ARRC; (2) where it interferes with the normal operation of the automatic crossing signals; (3) impairs the visibility of either highway or rail traffic at the crossing.
- 15.2 Snow removal operations shall be conducted in accordance with Section 5 of these specifications.

SECTION 16. CLEAN-UP

- 16.1 At all times, all work and activities on the Facility shall be accomplished in such a manner as to keep the ARRC property in a neat and orderly condition satisfactory to the ARRC.
- 16.2 Upon completion of work, all equipment and unused materials shall be removed and the ARRC property shall be left in a neat and clean condition satisfactory to the ARRC.
- 16.3 Should the Permittee or its contractor fail to comply with Section 16.1 and 16.2 above, the ARRC may perform the required clean-up. All ARRC costs and expenses for performing this work shall be collected from the Permittee.

EXHIBIT C: SUPPLEMENTAL CONDITIONS

- 1. Permittee will pay ARRC \$1,500 to install and remove the temporary haul road crossing.
- 2. The crossing must be flagged by ARRC personnel when in use; Permittee agrees to pay for all flag protection.
- 3. Permittee must block the crossing when it is not in use.

1.7

2.76

