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SHARED USE AGREEMENT
(SAUGUS AND VENTURA LINES)

between

Southern Pacific Transportation
Company

and

Los Angeles County Transportation
Commission

April 18, 1991

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SHARED USE AGREEMENT
(SAUGUS AND VENTURA LINES)

THIS SHARED USE AGREEMENT (this "Agreement") dated April 18, 1991 is entered into by SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation (the "Railroad"), and LOS ANGELES COUNTY TRANSPORTATION COMMISSION (the "Commission").

ARTICLE ONE - Definitions

The following capitalized terms are used in this Agreement with the following meanings:

AAR - Association of American Railroads.

ABS - Automatic Block Signal System, a series of consecutive blocks governed by block signals actuated by a train, engine or by certain conditions affecting the use of the block. The physical signal system includes the wayside block signals, electronic coded track circuits, vital relays, underground cable, poleline, cases, houses, and other necessary signal apparatus.

Amtrak - The National Railroad Passenger Corporation.

Burbank Jct. - The junction located at MP 471.6, including all Crossovers at present and future locations in the vicinity thereof (the present location of such Crossovers being as indicated on Schedule 1A attached hereto).

Commission - The Commission and any permitted successor or assign of the Commission.

Commuter Rail Interlocker - The junction, including power operated double Crossovers, to be constructed by the Commission at approximately MP 479.4, at which point Commuter Trains will diverge from the Shared Use Tracks to Tracks owned by the Commission between such point and the Los Angeles Union Passenger Terminal (MP 482.8) and converge on the Shared Use Tracks from such Commission-owned Tracks.

Commuter Service - The operation of Trains on the Shared Use Facilities that provide service between points on the Saugus and Ventura Lines and other points on the commuter system operated by the Commission (either directly or through its Operator) in the Los Angeles metropolitan area and

characterized by reduced fare, multiple-ride and monthly commutation tickets (and by morning and evening peak period operations). Commuter Service as so defined shall not include intercity passenger service.

Commuter Train - A locomotive or passenger-carrying cab car, or more than one such unit or car coupled, with or without passenger-carrying cars, whether or not carrying passengers, capable of maintaining maximum Track speed as shown in the Western Region Timetable and applicable General Orders in effect from time to time, displaying markers or carrying an end of train device, capable of adhering to its designated schedule and engaged in Commuter Service.

Corridor - The 40' strips of land identified in the drawings described in Exhibit A to the Saugus and Ventura Line Agreement Regarding Location of Land dated December 20, 1990, between the Commission and the Railroad attached hereto as Schedule 1B as such may be amended and in effect at the time of purchase of said lands by the Commission pursuant to the Purchase Agreement. In addition, the Corridor shall include any lands purchased by the Commission upon exercise of the option granted to it in that certain letter of the Railroad dated December 20, 1990, attached hereto as Schedule 1C.

Crossing Warning System - A system which provides a visual and audible warning to vehicular traffic when a train or engine approaches the highway crossing from either direction. The system includes all flashing light signals, gate mechanisms, bells, and all of the control equipment including track circuits, constant warning devices, relays, cases, houses, underground cable, poleline, and other necessary signal apparatus.

Crossover - Any track connection between two adjacent main Tracks or Track that crosses or provides access across a main Track or Tracks or provides a connection or access between two or more main Tracks, including without limitation Interlockers.

CTC - Centralized Traffic Control, a bi-directional block signal system under which train movements are authorized by block signal indications with the absolute signals and power switches controlled by the dispatcher from a remote console. The physical signal system includes the wayside block signals, power operated switch machines, electronic coded track circuits, vital relays, and underground cable which provide vital control of the signals and power switch machines, non-vital supervisory field code units, cases, houses, and other necessary signal apparatus, the dispatcher

control console with its computers, and all of the communication modems and microwave equipment that is used to link the dispatcher console to the wayside signal system.

Customary Additives - Elements of cost customarily charged by railroads to one another and added to billings that generally are calculated as a percentage of direct labor costs, are intended to compensate for paid holidays, vacation and personal leave days, health and welfare benefits, payroll taxes, personal liability and property damage, compensation insurance, and administrative and supervisory expenses that include direct and general overhead and are subject to periodic changes depending upon industry practices. As an example, 1989 amounts are shown on Exhibit A attached hereto.

FRA - Federal Railroad Administration.

General Orders - A document or documents issued from time to time to notify employees of the Railroad as to additions to and modifications of the Operating Rule Book and Western Region Timetable.

Inconsistent Improvements - Defined in Section 2.3(c) of this Agreement.

Interlockers - A Signal System at a Crossover that includes an arrangement of signal appliances so interconnected that their movements must automatically succeed each other in proper sequence.

Line or Lines - Either or both of the Saugus Line and the Ventura Line.

Materials Additives - Elements of cost customarily charged by railroads to one another and added to any and all materials costs that generally are calculated as a percentage of direct costs, are intended to compensate for store, purchasing and handling expenses, sales or use taxes, foreign-line freight, and on-line freight and are subject to periodic changes depending upon industry practices. As an example, 1989 amounts are shown on Exhibit B attached hereto.

Non-Revenue Equipment - Freight locomotives, maintenance of way equipment and freight cars that are either empty or loaded only with maintenance of way equipment or material and equipment transported over the Shared Use Facilities for the internal use of either party, including, without limitation, rails, ties, ballast and other track materials and signal and bridge materials and supplies.

NRPC Agreement - The National Railroad Passenger Corporation Agreement dated April 16, 1971, as amended from time to time.

Operating Rule Book - The rule book of the Railroad that governs operations on all of its lines.

Operator - Any person, firm, corporation or other legal entity utilized by the Commission or the Railroad to operate on its behalf and for its account in conducting operations on the Shared Use Facilities.

Option - The option referenced in the definition of Corridor set forth above.

Party - The Commission or the Railroad, but excluding any trackage tenant or Operator of either.

Peak Commuter Period or Peak Commuter Periods - The period from 5:00 a.m. to 9:00 a.m. and the period from 4:00 p.m. to 9:00 p.m., in each case Pacific Daylight Time or Pacific Standard Time, as applicable.

Purchase Agreement - The Purchase and Sale Agreement dated October 11, 1990 between the Commission and the Railroad, as amended from time to time.

Railroad - The Railroad and any permitted successor or assign of the Railroad.

Railroad's Agreed Annual Share - Defined in Section 5.3 of this Agreement.

Safety Rule Books - Rules published by the Railroad regarding the personal safety of its employees.

Saugus Line - The Shared Use Tracks between the Commuter Rail Interlocker and Saugus near west switch shown in Western Region Timetable No. 4 ((MP 449.4) or at MP 448.0 if the Commission exercises the Option).

Shared Use Facilities - The Shared Use Tracks, all improvements relating thereto, all improvements used in rail service located within the Corridor as of the date of execution of this Agreement, all bridges and Signal Systems for any of the foregoing and all other Tracks and other facilities constructed pursuant to any provisions of this Agreement except, unless otherwise agreed to in the future by the Commission and the Railroad, all passenger stations, passenger loading platforms and layover facilities hereafter

constructed by the Commission. The Shared Use Facilities shall not include the yard, industrial, switching and storage tracks identified in Schedule 1D attached hereto.

Shared Use Tracks - All existing main Tracks and passing sidings between the Commuter Rail Interlocker and Moorpark (MP 426.4) near west switch shown in Western Region Timetable No. 4; all existing main Tracks and passing sidings between the Commuter Rail Interlocker and Saugus near west switch shown in Western Region Timetable No. 4 (MP 449.4) or at MP 448.0 if the Commission exercises the Option; and future main Tracks and passing sidings constructed over the term of this Agreement pursuant to Section 2.3(f) and Sections 2.4, 2.5, 2.6, 2.8(a) and 2.10(a).

Signal System - A system that includes all of the wayside block signals and other signal equipment required for either CTC or ABS and all of the Crossing Warning Systems installed at road related grade crossings.

Test Trains - Trains operated at the Commission's request for the purpose of equipment review, schedule checks, personnel training and other activities.

Tracks - Track structure and all appurtenances thereto, including without limitation, rail and fastenings, switches and frogs complete, bumpers, ties, ballast, roadbed, embankment, signals, bridges, trestles, culverts or any other structures or things necessary for support of and entering into construction thereof, and, if any portion thereof is located in a thoroughfare, pavement, crossing planks and other similar materials or facilities used in lieu of pavement or other street surfacing material at vehicular crossings of tracks, culverts, drainage facilities, crossing warning devices, and any and all work required by lawful authority in connection with construction, renewal, maintenance and operation of said track structures and all appurtenances thereof.

Trains - A locomotive unit or car, or more than one such unit or car coupled, with or without cars, which are at any time used on the Shared Use Facilities. Any reference herein to any Trains or equipment of or used by a party shall include Trains or equipment of or used by such party's Operator.

Tunnel(s) - The Saugus Tunnel (at the west end being located at MP 454.82 and at the east end being located at MP 456.57), including all Tracks lying within the Saugus Tunnel, and the Santa Susana Tunnels (at the west end being

located at MP 441.13 and at the east end being located at MP 444.12), including all Tracks lying within and between each of the Santa Susana Tunnels.

Ventura Line - The Shared Use Tracks between the Commuter Rail Interlocker and Moorpark.

Western Region Timetable - The numbered and dated publication of the Railroad however then designated and then currently in effect at any point in time on or after the date of execution of this Agreement that contains instructions relating to the movement of Trains, engines or equipment and other essential information related thereto. The current version of such publication as of the date of execution of this Agreement is Western Region Timetable No. 4, dated November 24, 1990.

ARTICLE TWO - Shared Use Facilities

Section 2.1. Statement of Purpose. The intent of the Commission and the Railroad in entering into this Agreement for the Saugus and Ventura Lines is to permit the Commission to provide Commuter Service on those Lines, while at the same time preserving the Railroad's ability to provide service-competitive freight service on those Lines, both now and in the future, and to continue to provide intercity passenger service on the Lines. Growth in the amount, frequency or time-sensitivity of freight, commuter and intercity passenger traffic will be accommodated by the progressive addition by the Commission of a second Track and related facilities. The process of double tracking the Saugus Line shall be completed within not more than 20 years.

The Commission shall have exclusive use of any portion of a Line where there is only a single main Track during the Peak Commuter Periods, subject to limited exceptions, and the Commission and the Railroad shall share such single main Track during other times on a basis which gives the Railroad predominate rights for freight and intercity passenger service. Any portion of a Line which now or in the future has a double main Track shall be operated as a shared system, with the Commission's and the Railroad's freight and intercity passenger Trains at all times using both Tracks, as well as contiguous Tunnels and Crossovers; provided, that the Commission and the Railroad each shall have the exclusive use of one Track during the Peak Commuter Periods (with shared use of contiguous Tunnels and

Crossovers), unless the Commission elects to have the double tracked portion operated as a shared system during those hours.

Section 2.2. Access. (a) Other than as provided in Section 2.2(c), during the Peak Commuter Periods the Commission shall have the exclusive right to use the Shared Use Facilities, subject to the following exceptions which shall be scheduled and dispatched as provided in Article Four of this Agreement:

- (i) The Railroad shall have the right to use the Shared Use Facilities to service the General Motors auto plant located at Gemco Yard or any successor plant at the same location, it being agreed by the parties hereto that timely service to this facility is of critical importance to the Railroad.
- (ii) Intercity passenger trains shall have the right to use the Shared Use Facilities.
- (iii) The Railroad's freight Trains shall have the right to follow the last scheduled peak direction Commuter Train during each Peak Commuter Period.
- (iv) The Railroad's through freight Trains moving in the predominant direction of Commuter Service that enter the Shared Use Facilities before the start of a Peak Commuter Period shall have the right to complete their moves through the Shared Use Facilities so long as they maintain normal operating speed sufficient to prevent delay of the Commuter Trains following such freight Trains.
- (v) The Railroad shall have the right to use the Crossovers at Burbank Jct. and the Commuter Rail Interlocker.
- (vi) In addition to those Trains permitted by clauses (iii) and (iv) above, the following through freight Trains moving in the predominant direction of

Commuter Service during a Peak Commuter Period shall have the right to use the Shared Use Facilities during such Peak Commuter Period, provided such Trains have sufficient power to permit them to maintain a normal operating speed sufficient to prevent delay of the Commuter Trains following such freight Trains, and provided further they will not unreasonably interfere with scheduled Commuter Service: (A) Trains scheduled for arrival at the Shared Use Facilities before the beginning of a Peak Commuter Period, but which arrive late, may use the Shared Use Facilities during that Peak Commuter Period, except that only one such late Train shall be permitted on each of the Saugus and Ventura Lines during each Peak Commuter Period; (B) during the years 1997 through 1999, in addition to the late Trains permitted by clause (A) above, the Railroad shall be permitted to schedule one Train (subject to the Commission's reasonable consent as to times) on each of the Saugus and Ventura Lines during each Peak Commuter Period; (C) during the year 2000 and thereafter, in addition to the late Trains permitted by clause (A) above, the Railroad shall be permitted to schedule two Trains on the Saugus Line and one Train on the Ventura Line (subject to the Commission's reasonable consent as to times) during each Peak Commuter Period; (D) after the year 2003 (and until the applicable Line is fully double tracked as contemplated by Section 2.5 or Section 2.6), in addition to the late Trains permitted by clause (A) above and the scheduled trains permitted by clause (C) above, the Commission shall negotiate with the Railroad to permit the scheduling of more freight Trains during the Peak Commuter Periods as a need therefor is demonstrated, and if the parties

cannot agree on such additional schedules, the matter shall be submitted to arbitration in accordance with Article Eight. The Railroad shall pay to the Commission a penalty, as set forth on Schedule 2.2(a)(vi) attached hereto, if the additional use of the Shared Use Facilities by the Railroad during the Peak Commuter Periods contemplated by this clause (vi) cause delays in scheduled Commuter Service.

(b) Other than as provided in Section 2.2(c), at times other than the Peak Commuter Periods, the Railroad shall have the predominate right to use the Shared Use Facilities for freight and intercity passenger Trains. During such times, the Commission also shall have the right to use the Shared Use Facilities for scheduled and non-scheduled revenue and non-revenue service, subject to the Railroad's predominate rights during such times and the scheduling and dispatching provisions set forth in Article Four.

(c) Any portion of the Shared Use Facilities which now or in the future has a double main Track shall not be governed by Sections 2.2(a) or 2.2(b), but shall be operated as follows: (i) the Commission and the Railroad both shall have the shared use of both main Tracks constituting that double tracked portion and the related Shared Use Facilities at times other than the Peak Commuter Periods; (ii) the Commission and the Railroad each shall have the exclusive use of one main Track in that double tracked portion during the Peak Commuter Periods unless the Commission elects to terminate the right to one exclusive main Track, in which case the Commission and the Railroad both shall have the shared use of both main Tracks constituting that portion and related Shared Use Facilities during the Peak Commuter Periods; (iii) the Commission and the Railroad both shall have the shared use at all times of any Crossovers and Tunnels within or contiguous to any double tracked portion of a Line, subject in the case of each of (i), (ii) and (iii) to the dispatching priorities contained in Article Four. Unless and until the Commission elects to have shared use of the applicable double tracked portion, the exclusive Commission Track between the Commuter Rail Interlocker and Burbank Jct. shall be Track No. 1 (north track) and the exclusive Railroad Track between such points shall be Track No. 2 (south track); and between Burbank Jct. and Raymer (MP 453.1) the exclusive Commission Track shall be Track No. 2 (south track) and the exclusive Railroad Track shall be Track No. 1 (north track).

The Commission may, at its sole cost and expense, construct tunnels or additional rail line grade separations to eliminate delays caused by the shared use by the Railroad of Crossovers and Tunnels.

(d) The Commission's and the Railroad's employees, agents and designees shall have access to the Shared Use Facilities at all times.

(e) The Commission or any Operator designated by the Commission shall have the right to use existing and future Shared Use Facilities solely for the movement of Commuter Trains and equipment and for the limited purpose of moving Non-Revenue Equipment between the Commission's non-contiguous line segments. The Commission agrees that the Railroad has and shall have the exclusive right to use the Shared Use Facilities for freight and intercity passenger service.

(f) The Peak Commuter Periods shall not apply to any Line until the Commission commences operations on such Line nor on days when the Commission does not have scheduled operations on that line; provided, that, except as specified in Section 2.2(a)(vi) above, the Railroad shall not publish schedules for freight during such periods unless the provisions of Section 2.2(c) or of the second sentence of Section 9.4 shall apply to such Line.

(g) The Railroad and any permitted trackage tenant or Operator designated by the Railroad shall have the right to use the existing and future Shared Use Facilities for all purposes for which the Railroad may now use the Saugus and Ventura Lines, including, without limitation, the provision of freight and passenger service, but the Railroad or any such trackage tenant or Operator shall not use the Shared Use Facilities for a competing Commuter Service that picks up and discharges passengers between the Commuter Rail Interlocker and either Saugus or Moorpark.

Section 2.3. Construction and Use in the Corridor.

(a) Upon written notice to and with the written approval of the Railroad, which approval shall not be unreasonably withheld, the Commission shall have the right to remove, relocate or modify any existing improvements lying within the Corridor. If any such improvements are then currently in use, the removal, relocation or modification thereof shall be at the sole cost and expense of the Commission. If any of such improvements are not then currently in use, the Railroad, at the request of the Commission, may elect either to have the

improvements relocated or modified at the sole cost and expense of the Railroad or removed at the sole cost and expense of the Commission.

(b) For rail facilities, the term "currently in use" shall mean used for revenue service or car storage during the prior 15 months, subject to a service agreement or necessary to serve customers that the Railroad is required by law to serve. The Commission and the Railroad shall make a good faith attempt to reach agreement as to whether improvements are currently in use at the time of their proposed removal, relocation or modification, and, if the parties are unable to so agree, the matter shall be determined by arbitration in accordance with Article Eight.

(c) The Commission's ownership of the Corridor and the construction by the Commission of any improvements on the Corridor shall not affect the Commission's rights to continue to use the Shared Use Facilities as contemplated hereby unless the Commission's improvements on the Corridor are of a substantial and permanent nature which could not practically be removed or altered by the Commission to allow it to comply with its obligations to complete double track construction as contemplated by Sections 2.5 and 2.6 ("Inconsistent Improvements"). The Commission agrees that the existence of any improvements to or any use of the Corridor shall not relieve it of its double tracking and related obligations under Sections 2.5 and 2.6. If the Commission constructs any Inconsistent Improvements, the Commission shall (unless the Commission has given assurances of the nature referred to in Section 9.3(e)) give to the Railroad two years' notice of termination of this Agreement as to the Line affected by such Inconsistent Improvements or as to the furthest extension of the affected Line from the Inconsistent Improvements. For the purposes of this Section 2.3(c), (i) the furthest extension of the Saugus Line shall be a contiguous portion of the Saugus Line starting at that end of the Inconsistent Improvement closest to the Commuter Rail Interlocker and ending in Saugus or, if this Section 2.3(c) or the provisions of Section 9.4 or Section 9.5 have already been applied to a contiguous portion of the Saugus Line ending in Saugus, a contiguous portion of the Line starting at that end of the Inconsistent Improvement closest to the Commuter Rail Interlocker and ending nearest to Saugus and (ii) the furthest extension of the Ventura Line shall be a contiguous portion of the Ventura Line starting at that end of the Inconsistent Improvement closest to the Commuter Rail Interlocker and ending in Moorpark, or if this Section 2.3(c) or the provisions of Section 9.4 or Section 9.5 have already been applied to a contiguous portion of the Ventura Line ending in

Moorpark, a contiguous portion of the Line starting at that end of the Inconsistent Improvement closest to the Commuter Rail Interlocker and ending nearest to Moorpark.

(d) The Commission or its designated Operator shall not at any time use the Corridor to move any freight or provide any freight services or for any other freight purposes except for the limited purpose of moving Non-Revenue Equipment between the Commission's non-contiguous line segments.

(e) The Railroad shall have the right to construct at grade Crossovers at its sole cost and expense and with the prior written approval of the Commission, which approval shall not be unreasonably withheld, to cross the Corridor to provide freight service to the Railroad's existing and future freight customers at existing and future sites and to use other rail facilities existing as of the date of execution of this Agreement. Approval by the Commission shall not be deemed to have been unreasonably withheld if the proposed improvements would conflict with the then existing or planned use of the Corridor by the Commission unless the Railroad is required by applicable law to construct the improvements. In that event, the Railroad shall construct the improvements in a manner that minimizes conflicts with the then existing or planned use of the Corridor by the Commission to the extent practicable.

(f) The Railroad shall have the right to construct trackage on the Corridor to connect sidings or main Tracks and thereby complete or lengthen double tracked segments of the Lines at its sole cost and expense and subject to approval by the Commission, which approval shall not be unreasonably held. Any such trackage shall be constructed to the same maximum grade and standards of utility as the double tracked segments to be completed or lengthened.

Section 2.4. Additions and Improvements Prior to Commuter Service. The Commission and the Railroad agree that the following additions and improvements (which have been determined to be important to existing intercity service by the LOSSAN 2 report) must be completed prior to the initiation of Commuter Service; provided, that to the extent a required addition or improvement (other than an addition or improvement required to provide access to the General Motors auto plant or a successor facility, which includes those in (i) through (v) below) does not relate to a Line or portion of a Line, completion thereof shall not be required prior to initiation of Commuter Service on that particular Line or portion of a Line. The parties both agree to use their best efforts to

implement these additions and improvements as soon as reasonably practicable after the Effective Date of this Agreement for each respective Line or portion thereof.

- (i) Bi-directional signalization and adjustment of existing automatic warning devices for the Main Tracks No. 1 and No. 2 between Burbank Jct. and the Commuter Rail Interlocker.
- (ii) CTC between Burbank Jct. and the Commuter Rail Interlocker.
- (iii) Universal (double reversing) Crossover at the Commuter Rail Interlocker and a single Crossover at Glendale (MP 476.4).
- (iv) 8,000 ft. siding or portion of a second main Track on the Saugus Line extending north from Burbank Jct., with a design that shall be mutually determined by the Commission and the Railroad.
- (v) Second main Track between Burbank Jct. and Raymer (MP 462.6 to MP 453.1) with signalling, CTC and universal (double reversing) Crossovers east of Gemco Yard at a location to be mutually determined by the Commission and the Railroad; provided, that completion of that portion of such Track to the west of the east side of Van Nuys Boulevard shall not be a pre-condition to the initiation of Commuter Service, but the Commission shall complete such portion as soon as reasonably possible. The existing Burbank Jct. siding shall be incorporated into the new second main Track and a replacement storage Track for the existing Burbank Jct. siding shall be constructed at a location to be mutually determined by the Commission and the Railroad.
- (vi) Trackage required for layover and/or overnight storage of Commission equipment on other than Railroad owned

facilities. Layover and/or storage for Commission equipment near Taylor Yard will be on trackage and land owned and at a location to be determined by the Commission.

- (vii) Any FRA required improvements or work due to safety needs necessitated solely by Commission operations.
- (viii) General tunnel work necessitated solely by Commission operations, as determined by a joint Commission/Railroad inspection.
- (ix) Any other improvements required solely to conduct the Commission's operations on the Shared Use Facilities, as determined by a joint Commission/Railroad inspection.

Section 2.5. Progressive Additions and Improvements.

As the reasonably projected frequency or amount of total rail traffic on the Shared Use Facilities increases or the time sensitivity of reasonably projected traffic on the Shared Use Facilities increases to the point that additional capacity will be needed on the Shared Use Facilities by the parties hereto, the Commission, at the written request of the Railroad, shall from time to time add such portions of a second main Track to the Shared Use Tracks on the Lines as shall be necessary to provide such additional capacity, together with a bi-directional signalling and CTC system. On the Ventura Line, an at grade Crossover from the new main Track to be built on the Corridor located south of the existing main Track to the new main Track to be built on the Corridor located north of the existing main Track shall be constructed using the trackage at the west end of the Santa Susana Tunnels. On the Saugus Line, an at grade Crossover from the new main Track to be built on the Corridor located south of the existing main Track to the new main Track to be built on the Corridor north of the existing main Track shall be constructed using the trackage at the west end of the Saugus Tunnel. New main Tracks required by this Section 2.5 shall be constructed at the same grade and to the same standards of utility as the parallel existing main Tracks. If the necessity for the additional main Track and related facilities can be obviated through the implementation of reasonable operational changes consistent with the needs of the parties contemplated hereby rather than through the construction of capital improvements, such operational changes

shall be implemented by the parties at the request of the Commission. If the Commission does not agree that the requested additions are needed, the matter shall be submitted to arbitration in accordance with Article Eight. The Commission shall have no obligation to construct any improvements pursuant to this Section 2.5 (i) prior to the earlier of (A) three years following the commencement of Commuter Service on the affected Line and (B) March 31, 1997; (ii) if such improvements would be required even if the Commission were not operating at all on the affected Line; or (iii) to the extent such improvements are required because of operations by a new trackage tenant admitted by the Railroad (other than a trackage tenant which is a successor to the operations of the Railroad or Amtrak) to the Shared Use Facilities. Except to the extent of work previously completed pursuant to Section 2.6, nothing in Section 2.6 shall in any way relieve the Commission of its obligation to comply with the provisions of this Section 2.5.

Section 2.6. Completion of Additions and Improvements. At any time after March 31, 2006, the Railroad may, at its option, give a notice to the Commission requiring that, to the extent not completed earlier pursuant to Section 2.5, within five years from the date of such notice the Commission shall complete the full double main tracking of all of the Saugus Line (with the exception of the included Tunnel) and install bi-directional signalling and CTC system on the entire Saugus Line. An at grade Crossover from the new main Track to be built on the Corridor located south of the existing main Track to the new main Track to be built on the Corridor north of the existing main Track shall be constructed using the trackage at the west end of the Saugus Tunnel. The new main Track required by this Section 2.6 shall be constructed at the same grade and to the same standards of utility as the parallel existing main Track. The Commission shall complete these additions and improvements on the Saugus Line within the five-year period specified in the first sentence of this Section 2.6.

Section 2.7. Cost and Expense. All of the additions and improvements provided for Sections 2.4, 2.5 and 2.6 shall be constructed by the Commission at no cost or expense to the Railroad. The availability of financing for such additions and improvements shall not be a condition to the Commission's obligation to construct them.

Section 2.8. Additional Improvements. (a) The Railroad shall permit additional improvements to the Shared Use Facilities reasonably requested by the Commission and approved by the Railroad, which approval shall not be

unreasonably withheld. All such additional improvements shall be constructed at the Commission's sole cost and expense.

(b) The Commission shall consider constructing its own double tracked Line grade-separated from the Railroad trackage between Fletcher Drive (MP 478.04) and Commuter Rail Interlocker within five years after the start of Commuter Service. If the project is not initiated at that time, it shall be reconsidered at the request of either party.

Section 2.9. Contractors and Personnel. (a) The Commission or its Operator shall use its own contractors to construct any of the additions and improvements provided for in Sections 2.4, 2.5, 2.6 and 2.8 to the extent not inconsistent with the Railroad's labor agreements. The Railroad agrees to expeditiously complete, at the Commission's sole cost and expense, the construction of any of such additions and improvements which the Railroad's labor agreements require to be constructed by the Railroad. The additions and improvements and their construction shall not unreasonably interfere with the Railroad's operations. Each contractor engaged for the construction of additions and improvements shall meet or exceed the standards set forth in Schedule 2.9 attached hereto, including insurance and bonding requirements therein set forth. The Commission shall require its contractors to provide and pay for necessary flagmen and other personnel to assure safe operation of rail facilities and compliance with the Railroad's customary requirements (other than as to number of personnel) during construction. The Railroad shall pay the full cost of any of its own personnel or additional personnel designated by the Railroad which it elects to have present during construction.

(b) The Railroad, at its sole cost and expense, shall expeditiously review project plans and designs and provide sufficient personnel for such review.

Section 2.10. Joint Projects. (a) The Commission and the Railroad shall cooperate in all future road grade separation projects for the Shared Use Facilities. The Commission shall contribute to the non-federal or state share of each such project in proportion to its percentage of total train movements on the subject crossing measured during the 90-day period ending on the date the grade separation is approved for construction, except that the Railroad shall not be required to contribute toward, and the Commission shall pay all of the cost imposed upon the Railroad for, any future road grade separation projects which (i) would not be required if the Commission were not conducting Commuter Service on the Shared Use Facilities or (ii) are initiated or proposed by the Commission.

(b) The Commission and the Railroad shall jointly consider construction of grade-separated vehicular access to the Railroad's Taylor Yard and to the Commission's facilities. The Railroad also shall allow a private crossing, to be built at the Commission's sole cost and expense, for access to the Commission's commuter yard.

Section 2.11. Location of Improvements. (a) All additions and improvements contemplated by Sections 2.4, 2.5, 2.6 and 2.8 shall be constructed within the Corridor to the maximum extent possible.

(b) It is the intent of the parties that the construction and operation of the Commission's passenger loading facilities shall not unreasonably interfere with the Railroad's freight Train operations. Therefore, the Commission shall locate its passenger stations within the Corridor and shall strive to locate its passenger loading platforms (i) between the two existing main Tracks where there are two existing main Tracks and (ii) between the existing main Track and the probable alignment of any future additional main Track that might be constructed by the Commission where there is only one existing main Track.

(c) The Commission shall be solely responsible for the design and construction of passenger stations, platforms and other passenger facilities, and the Railroad shall bear no responsibility, nor have rights of approval or oversight, for the design or construction of such facilities.

Section 2.12. Removal of Improvements. Any addition or improvement owned or funded by the Commission may not be removed by the Railroad without the Commission's approval and, upon removal, its re-use or salvage value shall remain solely with the Commission. Except as provided in Section 2.3(a), any addition or improvement owned or funded by the Railroad may not be removed by the Commission without the Railroad's approval and, upon removal, its re-use or salvage value shall remain solely with the Railroad. With respect to any additions or improvements jointly owned by the Railroad and the Commission, the re-use or salvage value shall be allocated between the Railroad and the Commission in accordance with their ownership interests. Removal costs shall be borne by the party owning the additions or improvements except as provided in Section 2.3(a).

Section 2.13. Ownership. (a) The Railroad shall own all Shared Use Facilities existing at the date of execution of this Agreement; provided, that all Shared Use Facilities and other improvements existing at the date of execution of this

Agreement and located within the Corridor shall be subject to the Commission's right to remove, relocate or modify in accordance with Section 2.3(a).

(b) The Railroad shall own all future improvements located on its right-of-way for the Saugus and Ventura Lines outside of the Corridor that are constructed at the sole cost and expense of the Railroad.

(c) The Commission shall own all future improvements located on the land covered by the Shared Use Tracks that are constructed or installed at the Commission's sole cost and expense.

(d) The Commission shall own the Corridor and all future improvements located therein unless otherwise agreed to by the Commission and the Railroad.

(e) The ownership of any future improvements funded jointly by the Commission and the Railroad shall be as mutually agreed to by them.

(f) At the termination of this Agreement as to a Line or any portion thereof, all of the then existing Signal Systems included in the terminated portion of the Shared Use Facilities, other than the Commission's signal transmission cables, that are owned, in whole or in part, by the Commission shall become the property of the Railroad. The Commission shall continue to provide the Railroad with the then existing level of use of the Commission's signal transmission cables for the purpose of communications for the then existing Signal Systems included in the Shared Use Facilities.

(g) Nothing in this Agreement shall be construed as granting to the Commission any interest or right in the Railroad's right-of-way outside of the Corridor other than the rights expressly provided herein, and the Railroad reserves its right to use such right-of-way outside of the Corridor for any purpose other than providing competing commuter services as specified in Section 2.2(g).

ARTICLE THREE - Operations

Section 3.1. General. (a) Subject to the provisions of Article Four regarding scheduling and dispatching and Article Five regarding maintenance and repair, the Railroad shall have exclusive control over the operation of the Shared Use Facilities and shall operate the Shared Use Facilities in

a safe, reliable and on-time manner and in a manner that minimizes disruption of Commuter Service and intercity passenger service scheduled in accordance with Section 4.1.

(b) The Railroad shall provide to the Commission normal performance and incident reports and such other information and reports as the Commission may reasonably request.

(c) The Railroad and the Commission (directly or through its Operator) each shall be responsible for providing and operating its own Trains on the Shared Use Facilities.

(d) The Commission or its Operator may operate Test Trains and Trains required for employee training on the Shared Use Facilities prior to the commencement of Commuter Service with the prior written consent of the Railroad, which consent shall not be unreasonably withheld. The Commission shall pay the Railroad for the costs and expenses, including Customary Additives, incident to the operation of the Test Trains and other Trains referred to in the immediately preceding sentence.

Section 3.2. Personnel. (a) The Railroad shall maintain an adequate and experienced staff sufficient to operate, maintain and repair the Shared Use Facilities required to be operated or maintained by it and to operate the Railroad's Trains that use the Shared Use Facilities in accordance with the Railroad's obligations under this Agreement.

(b) The Commission shall maintain or cause its Operator to maintain an adequate and experienced staff to operate, maintain and repair the Shared Use Facilities required to be operated or maintained by it and to operate the Commission's Trains that use the Shared Use Facilities in accordance with the Commission's obligations under this Agreement. Such staff shall demonstrate to the Railroad that they have sufficient knowledge of the Railroad's rules and procedures for operations on the Shared Use Facilities and, to the extent legally required, shall meet FRA requirements.

(c) At the Commission's sole cost and expense, the Railroad shall provide to such staff of the Commission and the Commission's Operator such training as is necessary regarding Railroad's rules and procedures for operations on the Shared Use Facilities.

Section 3.3. Operator. The Commission's rights with respect to use of the Shared Use Facilities may be exercised through an Operator acting as a contractor pursuant to a written agreement between the Commission and the Operator. The Commission shall consult with the Railroad not less than 45 days in advance regarding the designation of an Operator. Any such Operator shall be a financially and operationally capable party, and, at the Railroad's request, the Commission shall provide reasonable evidence to the Railroad that the proposed Operator is financially and operationally capable. Any such Operator shall be obligated to comply with all the provisions of this Agreement, including without limitation Articles Three and Four regarding the exercise of such rights to use of the Shared Use Facilities, and the Commission shall remain responsible for such compliance. Any Operator of the Railroad also shall be obligated to comply with all of the provisions of this Agreement, including without limitation Articles Three and Four regarding the exercise of the Railroad's rights to use of the Shared Use Facilities, and the Railroad shall remain responsible for such compliance.

Section 3.4. Operating Equipment. (a) Neither the Commission nor the Railroad shall have any responsibility for inspecting, maintaining, servicing or repairing any locomotives, hi-rail vehicles, passenger cars, freight cars and other equipment used by the other party or its Operator on the Shared Use Facilities, but all such equipment shall at all times comply with applicable FRA, AAR, federal, state, and local requirements and with the Railroad's standards for locomotives and cars permitted to operate over the Railroad's Tracks, which standards shall be identified and specified in writing to the Commission.

(b) All Trains used by the Commission or the Railroad or their respective Operators on the Shared Use Facilities shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts and with all regulations adopted pursuant to either. Each of the Commission and the Railroad and their respective Operators also shall comply with any other applicable laws, regulations or rules, state or federal, covering the operation, condition, inspection or safety of the Trains operated by it on the Shared Use Facilities.

Section 3.5. Operating Standards. (a) The Commission and the Railroad shall operate their respective Trains on the Shared Use Facilities in compliance at all times with the Operating Rule Book (or successor document) and the Railroad's Western Region Timetable (or successor document),

General Orders, Safety Rules, instructions and regulations. Each of the Commission and the Railroad and all personnel of either (including personnel of their respective Operators) who are present on their respective Trains using the Shared Use Facilities at any time shall comply fully with all applicable laws, regulations or rules, including licensing, whether federal, state or local, covering the operation, maintenance, condition, inspection, testing or safety of their respective Trains or of personnel employed in the maintenance and operation of any of their respective Trains, including without limitation the U.S. Department of Transportation regulations on the control of alcohol and drug use. The Commission may (i) adopt supplemental rules applicable to its operations on the Shared Use Facilities to the extent that such rules do not otherwise conflict with the provisions of this Section 3.5(a) and (ii) request modification of the applicable rules, regulations, instructions and orders of the Railroad, which modifications may be made from time to time by the mutual agreement of the parties hereto.

(b) The Commission shall make such arrangements with the Railroad as may be required to insure that all persons operating the Commission's Trains on the Shared Use Facilities are competent, trained, licensed and qualified for the task they are performing. During the initial start-up of the Commission or its initial Operator or the start-up by any new Operator of the Commission and thereafter only to the extent that the Commission or its Operator does not have previously qualified persons available, the Commission shall allow the Railroad's pilot, at the Commission's sole cost and expense, to accompany the employees of the Commission or its Operator over the Shared Use Tracks as the Railroad, in its reasonable judgment, may deem necessary to test such employees with respect to the applicable operating rules of the Railroad and to territorially qualify such employees. Other than during initial start-up of the Commission or the start-up by any new Operator of the Commission, the Commission shall be obligated to provide previously qualified employees of it or its Operator to act as pilots to conduct the testing and qualifying referenced in the preceding sentence with respect to new employees of the Commission or the Operator. The Railroad may make such additional requests on the Commission, which requests shall not be unreasonably denied, for the Railroad's pilot to so accompany employees of the Commission or its Operator as the Railroad may deem necessary to maintain the qualifications of such employees. The Commission shall pay to the Railroad, within thirty days after receipt of bills therefor, all expenses incurred by the Railroad, including the cost of pilots and Customary Additives, for territorially qualifying, testing and maintaining the qualifications of each

such employee. The Railroad shall furnish the Commission or its Operator with current Timetables, Operating Rule Books, Safety Rule Books and any related publications or material deemed necessary by the Railroad, and with necessary switch keys. The Commission shall pay the Railroad, within thirty days after receipt of bills therefor, the reasonable cost of such publications, material or keys, including Customary Additives.

(c) The printing and distributing of new Western Region Timetables, Western Region Timetable supplements or other related publications by the Railroad shall be at its sole cost and expense.

(d) Each of the Commission and the Railroad, at its sole cost and expense, shall obtain, install and maintain in all locomotives and hi-rail vehicles used by it or its Operator on the Shared Use Facilities such communication equipment as is necessary to allow its Trains to communicate with dispatching and signaling facilities for the Shared Use Facilities. The party in control of dispatching under the terms of this Agreement at any time may not adopt, except by mutual agreement with the other party, new communication systems or Signal Systems for use on the Shared Use Facilities which theretofore have not been adopted generally in the railroad industry.

(e) The Railroad shall, at least three days in advance or as soon as otherwise practicable, notify the Commission of any investigation or hearing concerning the violation of any operating rule, Safety Rule, regulation, order or instructions of the Railroad by any of the employees of the Commission or its Operator. Such investigation or hearing may be attended by any official of the Commission or of its Operator designated by the Commission, and any such investigation or hearing shall be conducted in accordance with any applicable collective bargaining agreement. The Commission shall pay the Railroad, within thirty days after receipt of bills therefor, the reasonable cost of such investigation or hearing, for which the Railroad may contract with a third party to perform any or all of the investigation or hearing transcription activities with the Commission to pay all costs and expense related thereto.

(f) The Railroad shall have the right to exclude from the Shared Use Facilities any employee of the Commission or its Operator determined to be in violation of the Railroad's rules, regulations, orders or instructions. The Commission shall indemnify, defend and hold harmless the Railroad, its corporate affiliates and its and their

respective officers, agents and employees from and against any and all claims, liabilities and expenses resulting from such exclusion. If such disciplinary action is appealed by an employee of the Commission or its Operator to any tribunal lawfully created to adjudicate such cases, and if the decision of such board or tribunal sustains the employee's position, then such employee shall not thereafter be barred from service on the Shared Use Facilities by reason of such occurrence.

Section 3.6. Emergency Operations. (a) If, by any reason of mechanical failure or for any other cause, the Trains or any locomotives, hi-rail vehicles, passenger cars or freight cars of the Commission or the Railroad or their respective Operators become stalled or disabled on the Shared Use Tracks and are unable to proceed, or fail to maintain the speed required of Trains to meet normal schedules, or if in emergencies crippled or otherwise defective equipment is set out from any such Trains onto the Shared Use Tracks, then the party whose Trains or items of equipment are involved in the incident shall be responsible for furnishing motive power or such other assistance as may be necessary to haul, help or push such equipment or Trains, or to properly move the disabled equipment. By mutual agreement of the parties or upon receipt of reasonable notice from the other party that the response of the party whose Trains or items of equipment are involved in the incident has not been adequate relative to the scheduled uses of the Shared Use Tracks, such other party may render such assistance as may reasonably be required in light of such scheduled uses, and the party whose Trains or items of equipment are involved in the incident shall reimburse the other party, within thirty days after receipt of the bill therefor, for the cost and expense of rendering any such assistance. The costs and expense of services referenced above in this paragraph (a), including without limitation loss of, damage to or destruction of any property whatsoever and injury to or death of any person or persons whomsoever resulting therefrom, shall be paid by the party whose Trains or items of equipment are involved in the incident.

(b) If it becomes necessary to make repairs to crippled or defective Trains or related equipment of the Commission or the Railroad or their respective Operators in order to move it from the Shared Use Tracks, such work shall be the responsibility of the party whose Trains or items of equipment are involved in the incident. By mutual agreement of the parties or upon receipt of reasonable notice from the other party that the efforts of the party whose Trains or items of equipment are involved in the incident to make the repairs are not adequate in light of the scheduled uses of the Shared Use Tracks, such other party may take control of the

repairs. If the repairs are performed by the other party, then the party whose Trains or items of equipment are involved in the incident shall reimburse the other party for the cost thereof, within thirty days after receipt of the bill therefor, at the then current AAR dollar rate for labor charges found in the Office Manual of the AAR Interchange Rules.

(c) Whenever the Commission's or the Railroad's Trains on the Shared Use Tracks require rerailling, wrecking service or wrecking train service, the party whose Train is involved shall be responsible for performing such service. Upon mutual agreement of the parties or upon receipt of reasonable notice from the other party that the response whose Train is involved in the incident is not adequate in light of the scheduled uses of the Shared Use Tracks, the other party may take control of such rerailling, wrecking service or wrecking train service as may be required. Whichever party has responsibility for maintenance and repair of the affected Shared Use Tracks under the terms of Article V shall make such repairs to and restoration of the Shared Use Tracks as may be required. The cost and expense of services referenced above in this paragraph (c), including without limitation loss of, damage to or destruction of any property whatsoever and injury to or death of any person or persons whomsoever resulting therefrom, shall be paid by the party whose Train is involved in the incident. All equipment and salvage from the same shall be promptly picked up by the party whose Train is involved in the incident or such party's Operator or delivered to the party whose Train is involved in the incident or such party's Operator by the other party, and all costs and expenses, including Customary Additives therefor, incurred by the other party shall likewise be paid to the other party by the party whose Train is involved in the incident. All costs and expenses to be borne under this Section 3.6(c) by the party whose Train is involved in the incident shall be paid within thirty days after receipt of the bills therefor.

Section 3.7. Regulatory Approvals. Each of the Commission and the Railroad shall obtain and maintain all such regulatory approvals as may be required for the conduct of their respective operations on the Shared Use Facilities.

Section 3.8. Claims Handling. Except as otherwise provided in Article Seven, the Commission and the Railroad shall have exclusive responsibility for the provision of claims handling service in connection with any aspect of their respective operations on the Shared Use Facilities, and in no event shall either or its Operator assert any right to require

the other or any of the other's affiliates to provide, or bear any of the costs and expenses arising from, such operations.

Section 3.9. Railroad Police. The Commission and the Railroad shall have exclusive responsibility for the provision of the services of railroad police or law enforcement personnel in connection with their respective operations on the Shared Use Facilities, and in no event shall either or its Operator assert any right to require the other or any of the other's affiliates to provide, or bear any of the costs and expenses arising from, such services.

Section 3.10. Governmental Grants. The Commission shall not apply for governmental grants pertaining, in whole or in part, to this Agreement which, under The Urban Mass Transportation Act, would result in the Railroad incurring labor protection obligations unless the Commission has obtained the Railroad's prior written consent to any such application, which consent shall not be unreasonably withheld.

ARTICLE FOUR - Scheduling and Dispatching

Section 4.1. Scheduling. (a) Except as otherwise provided in Section 4.1(c), the Commission shall determine the schedule for its Commuter Trains on the Shared Use Facilities during the Peak Commuter Periods; provided, that such schedules shall be established in a manner that minimizes conflicts with now existing intercity passenger Train schedules and other future intercity passenger Train schedules agreed to by the parties or which they are required to accept. Except as otherwise provided in Sections 2.2(a), 2.2(c) and 4.1(c), freight Trains may use the Shared Use Facilities during the Peak Commuter Periods only with the express consent of the Commission.

(b) Except as otherwise provided in Section 4.1(c), the Railroad shall determine the schedule of freight and intercity passenger Trains at all times other than the Peak Commuter Periods. Except as otherwise provided in Section 4.1(c), the Commission shall determine, subject to the Railroad's approval, the schedule of Commuter Trains during times other than the Peak Commuter Periods; provided, that, except as otherwise provided in Section 4.1(c), the Railroad may withhold its consent to a proposed Commission schedule if the proposed schedule would, in the Railroad's reasonable

judgment, interfere with the competitiveness of the Railroad's freight operations. As used in this Section 4.1(b), a proposed Commission schedule shall be deemed to interfere with the competitiveness of the Railroad's freight operations if such use by the Commission would interfere with the Railroad's ability to provide service-competitive freight service, including time sensitive service, to existing and future customers and to increase its freight service to the extent its market will permit.

(c) At such time as either the Saugus Line or the Ventura Line has been fully double main tracked (except for Tunnels), the Commission and the Railroad jointly shall determine the schedules for Trains on that Line at all times of the day to accommodate the reasonable needs of freight service, Commuter Service and intercity passenger service. If the Commission and the Railroad fail to reach agreement on such schedules, the schedules shall be determined by arbitration pursuant to Article Eight.

Section 4.2. Dispatching. (a) Except as otherwise provided in Section 4.2(e), the Railroad shall have exclusive control over dispatching unless and until determined otherwise by the mutual agreement of the Railroad and the Commission.

(b) Dispatching shall be consistent with the schedules determined in accordance with Section 4.1; provided, that the following priorities shall apply:

(i) As between Commuter Trains and intercity passenger Trains, Trains operating on schedule or within tolerance shall be accorded preference. Trains that have the potential to arrive at their final terminal on-time or within tolerance shall receive preference over Trains that are unlikely to arrive at their final terminal on-time or within tolerance. For purposes of dispatching, on-time shall mean within five minutes of the scheduled arrival time, and tolerance shall be as defined in the NRPC Agreement, as amended from time to time.

(ii) Commuter Trains scheduled in accordance with Section 4.1 and operating in revenue service shall be accorded preference over freight Trains.

(iii) Empty Commuter Trains shall receive appropriate priority in order to be in

position for their next scheduled revenue assignments to be protected by the crew or equipment.

(iv) Notwithstanding the priorities established by (ii) and (iii) above, freight Trains shall at no time be required to wait for Commuter Trains for more than 15 minutes (A) prior to crossing at Burbank Jct., at the Commuter Rail Interlocker or at other Crossovers within or contiguous to a double main tracked portion of the Shared Use Facilities, (B) prior to entering Tunnels within or contiguous to a double main tracked portion of the Shared Use Facilities, (C) when traveling to or from the existing General Motors auto plant or any successor facility at the same location, or (D) outside of the Peak Commuter Periods.

(c) The Railroad shall provide employees of the Commission or its Operator with reasonable access to dispatching facilities to allow monitoring of the dispatching of Trains on the Shared Use Facilities. Upon any assumption of the dispatching on the Shared Use Facilities by the Commission, the Commission thereafter shall provide employees of the Railroad or its Operator with reasonable access to the dispatching facilities to allow monitoring of the dispatching of Trains on the Shared Use Facilities.

(d) The Railroad and the Commission shall investigate jointly the possibility of moving dispatching operations for the Shared Use Facilities to a Commission owned central dispatching center in Los Angeles County and transferring control of dispatching to the Commission.

(e) At any time after the third anniversary of commencement of regularly scheduled Commuter Service by the Commission on the Shared Use Facilities, (i) the Commission shall have the right to assume the dispatching of the Shared Use Facilities upon six months' prior notice to the Railroad if at such time the Commission or its Operator has adequate facilities and personnel to conduct such dispatching, and (ii) the Railroad shall have the right to require the Commission to assume the dispatching of the Shared Use Facilities upon six months' prior notice to the Commission. During the six months' notice period under either clause (i) or (ii), the Commission shall obtain, and shall be capable of providing by the end of the applicable six months' notice period, adequate facilities and personnel to conduct

dispatching of the Shared Use Facilities, and the Railroad, at no cost, expense or liability to the Commission, shall negotiate appropriate labor agreements with its employees relating to the termination of such activity by the Railroad. In addition, if the Railroad sells, assigns or delegates its dispatching duties to other than a Class 1 railroad, the Commission shall have the option of assuming the dispatching duties on the Shared Use Facilities.

ARTICLE FIVE - Maintenance and Repair

Section 5.1. Maintenance Standards. Unless otherwise agreed by the parties hereto, existing Shared Use Tracks shall be maintained at such level as to allow continued operation for existing types of service in existence on the date of execution of this Agreement at the train speeds shown in the Western Region Timetable No. 4 and applicable General Orders that are effective on the date of the execution of this Agreement and attached hereto as Schedule 5.1. Unless otherwise agreed by the parties hereto, future Shared Use Tracks shall be maintained at such level as to allow continued operation at the same train speeds as those of the adjacent Shared Use Tracks. At the request and sole cost and expense of the Commission, Shared Use Tracks shall be maintained to standards in excess of those required by the two preceding sentences. All other Shared Use Facilities shall be maintained and repaired to keep them in a safe and reliable condition and at least at the levels of utility, maintenance and repair existing on the date of execution of this Agreement. Repair and maintenance shall be done in a manner that minimizes disruptions to operations of both the Commission and the Railroad; provided, that night maintenance shall not normally be required.

Section 5.2. Maintenance Responsibilities. (a) The Railroad shall have exclusive control over the maintenance and repair of, and shall maintain and repair, the Shared Use Facilities, except as provided in paragraphs (b) and (c) of this Section 5.2. Notwithstanding the provisions of paragraphs (b) and (c) of this Section 5.2, the Railroad shall have exclusive control over the maintenance and repair of, and shall maintain and repair, all Signal Systems wherever located that are included in the Shared Use Facilities, except for any of the Commission's signal transmission cables.

(b) The Commission shall have exclusive control over the maintenance and repair of, and shall maintain and repair, the Shared Use Facilities owned by it and constructed

in the Corridor, including the Commission's signal transmission cables that are included in the Shared Use Facilities. The Commission shall not have control over the maintenance and repair of, nor shall it maintain and repair, any part of the Signal System other than the Commission's signal transmission cables.

(c) Subject to the Railroad's labor agreements, the Commission shall have exclusive control over the maintenance and repair of, and shall maintain and repair, any future improvements owned by the Commission to the Shared Use Facilities located on property owned by the Railroad and any Shared Use Facilities owned by the Railroad and located in the Corridor, in each case including the Commission's signal transmission cables. The Commission shall not have control over the maintenance and repair of, nor shall it maintain and repair, any part of the Signal System other than the Commission's signal transmission cables.

(d) At any time after the third anniversary of commencement of regularly scheduled Commuter Service by the Commission on the Shared Use Facilities, (i) the Commission shall have the right to assume all maintenance and repair of the Shared Use Facilities upon six months' prior notice to the Railroad if at such time the Commission or its Operator has adequate facilities and personnel to conduct such maintenance and repair, and (ii) the Railroad shall have the right to require the Commission to assume all maintenance and repair of the Shared Use Facilities upon six months' prior notice to the Commission. During the six months' notice periods under either clause (i) or (ii), the Commission shall obtain, and shall be capable of providing by the end of the applicable six months' notice period, adequate facilities and personnel to conduct maintenance and repair of the Shared Use Facilities, and the Railroad, at no cost, expense or liability to the Commission, shall negotiate appropriate labor agreements with its employees relating to the termination of such activity by the Railroad.

(e) All disputes as to the fulfillment of either party's maintenance and repair obligations as set forth in this Section 5.2 shall be submitted to arbitration pursuant to Article Eight, and the remedies of damages and specific performance shall be available therein.

Section 5.3. Cost and Expense. (a) The Railroad's Agreed Annual Share shall be \$1,252,500 (subject to adjustments specified in paragraphs (e), (f) and (g) of this Section 5.3), which is the sum of two components: (i) the "Car-Mile Component" in the amount of \$976,950, subject to

adjustments for inflation and car volume as such adjustments are specified in paragraphs (e) and (g) of this Section 5.3, and (ii) the "Route-Mile Component" in the amount of \$275,550, subject to adjustments for inflation, partial termination of this Agreement and commencement of regularly scheduled Commuter Service on less than all of both Lines as such adjustments are specified in paragraphs (e) and (f) of this Section 5.3. The Railroad's Agreed Annual Share shall constitute its total required contribution for the maintenance, repair and enhancement of the Shared Use Facilities, including without limitation capital projects thereon and additions and betterments thereto, except for the expenses described in the second sentence of paragraph (c) of this Section 5.3. The maintenance, repair and enhancement expenses referred to in this paragraph (a) of Section 5.3 shall include both expensed and capitalized items, and maintenance, repair and enhancement expenses and other items credited against the Railroad's Agreed Annual Share or billed to the Commission for work performed on the Shared Use Facilities by the Railroad also shall include Customary Additives and Materials Additives. The Commission shall pay directly to the Railroad all reasonable costs and expenses incurred by the Railroad for maintenance, repair and enhancement of the Shared Use Facilities in excess of the Railroad's Agreed Annual Share. For example, if the Railroad's Agreed Annual Share for a given year were \$1,252,500 and maintenance, repair and enhancement expenses, including capital projects and additions and betterments (excluding expenses described in the second sentence of paragraph (c) of this Section 5.3), incurred by the Railroad during that year, plus Customary Additives and Materials Additives, totalled \$1,500,000, the Commission's aggregated payments to the Railroad for that year would be \$247,500. The Commission also shall pay directly all costs and expenses for maintenance, repair and enhancement of the Shared Use Facilities performed by it or its contractors. The Railroad shall contribute the Railroad's Agreed Annual Share for the Shared Use Facilities on a monthly basis so long as this Agreement is in force. The Railroad shall send the Commission a monthly billing statement that sets forth the maintenance, repair and enhancement expenses incurred by the Railroad during the prior month and a cumulative total for such expenses incurred during the year up to the end of such month. The Commission's obligation to make payment to the Railroad pursuant to this Section 5.3(a) shall be with respect to the unpaid portion of the excess, if any, of such cumulative amount over the Railroad's Agreed Annual Share.

(b) The Commission also shall pay to the Railroad the amount of \$70,000 (adjusted for inflation as

specified in paragraph (e) of this Section 5.3) annually to reimburse the Railroad for the services and expenses of a Cost Manager who shall maintain accurate and complete records of the Railroad's maintenance and repair expenditures on the Shared Use Facilities. These payments shall be made in equal monthly installments. The Commission's obligations under this Section 5.3(b) shall terminate on that date that it assumes all maintenance and repair obligations for the Shared Use Facility in accordance with the terms of Section 5.2(d).

(c) Except as provided in the next sentence and in the last sentence of this paragraph (c), capital projects and production programs on the Shared Use Facilities, including without limitation additions and betterments to the Shared Use Facilities, shall be paid for by the Commission. The Commission shall not be required to pay, nor shall there be a credit against the Railroad's Agreed Annual Share, for (i) any capital projects on the Shared Use Facilities (including without limitation additions and betterments to the Shared Use Facilities) initiated solely by the Railroad which constitute improvements used solely for its freight service or which are required by law solely due to the Railroad's freight service and that would have been initiated by the Railroad or required by law even if the Commission were not operating at all on the Line (e.g. an increase in tunnel or bridge clearance to accommodate higher double-stacked freight cars), or (ii) any other item the cost of which this Agreement expressly provides for the Railroad to pay or share. The Commission shall additionally compensate the Railroad for any improvements requested and approved by the Commission. Until such time as the Commission shall assume all maintenance and repair obligations as provided in Section 5.2(d), the Railroad shall not later than November 15 of each year deliver to the Commission a proposed budget for capital projects and production programs, including operating and capital maintenance, on the Shared Use Facilities for the next succeeding calendar year, and during that calendar year the Railroad shall deliver to the Commission such proposed amendments and supplements to the budget as the Railroad may deem necessary from time to time. Such budget and amendments and supplements thereto shall be subject to the approval of the Commission, which approval shall not be unreasonably withheld. Any disputes as to whether amounts credited against the Railroad's Agreed Annual Share during a calendar year included costs and expenses attributable to capital projects or production programs not contained within the budget, including amendments and supplements, approved by the Commission for that calendar year shall be submitted to arbitration in accordance with Article Eight, and such credits shall be subject to disallowance if and to the extent that it

is determined through arbitration that the Commission reasonably withheld its approval from the capital projects or production program to which the credits are attributable.

(d) If the unreimbursed maintenance, repair and enhancement expenses and the unreimbursed cost of other work (for which the Railroad's Agreed Annual Share constitutes its total required contribution) performed by the Railroad during the year on the Shared Use Facilities are less than the Agreed Annual Share for that year, the Commission shall receive a credit in the amount of the shortfall to be credited against its required payments to the Railroad under any provisions of this Agreement either for the then current year or for future years, unless the Commission and the Railroad agree as to how the shortfall shall be spent. An amount equal to any credit which has not been applied against required payments or agreed spending prior to the end of the second year following the year in which such credit was created shall be paid by the Railroad to the Commission. The earliest created credits shall be deemed to be the first credits applied or spent.

(e) The Railroad's Agreed Annual Share and the Commission's reimbursement to the Railroad for the services and expenses of the Cost Manager shall be adjusted upward or downward annually in accordance with the final "Materials Prices, Wage Rates and Supplements Combined (excluding fuel) Index" (the "Index") included in the final Annual Indexes for Charge-Out Prices and Wage Rates (1977=100) issued by the AAR (the "AAR Railroad Cost Indexes"). Adjustment of each of the components of the Railroad's Agreed Annual Share and the Commission's reimbursement to the Railroad for the services and expenses of the Cost Manager shall be made by multiplying each by the ratio of the Index figure for a particular calendar year relative to the Index figure for calendar year 1990; provided, that such adjustments shall be made to the nearest cent. By way of example, if "A" is the Index figure for calendar year 1990 and "B" is the Index figure for calendar year 1993, then the adjustments required by this Section 5.3(e) would be determined as follows:

- (1) $\$976,950 \times B/A =$ The Car-Mile Component of the Railroad's Agreed Annual Share as adjusted per Section 5.3(e) for calendar year 1994.
- (2) $\$275,550 \times B/A =$ The Route-Mile Component of the Railroad's Agreed Annual Share as adjusted per Section 5.3(e) for calendar year 1994.

(3) \$70,000 x B/A =

The annual reimbursement
for the Cost Manager in
calendar year 1994.

If the base for the Index shall be changed from the year 1977, appropriate revision shall be made in the base (established as herein provided) for the calendar year 1990. If the AAR or any successor organization discontinues publication of the AAR Railroad Cost Indexes, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the parties hereto. In the absence of agreement, the matter will be arbitrated in the manner prescribed in Article Eight of this Agreement.

(f) The Route-Mile Component shall be adjusted annually to reflect (i) any partial termination of this Agreement pursuant to Article Nine and (ii) any portion of the Lines upon which the Commission has not commenced regularly scheduled Commuter Service. Such adjusted Route-Mile Component shall be calculated by multiplying (i) \$275,550, as adjusted pursuant to paragraph (e) of this Section 5.3, by a fraction (A) the numerator of which is the Original Total Miles minus the aggregate number of route-miles on the Lines as to which this Agreement has been terminated and the aggregate number of route-miles on the Lines for which the Commission has not commenced regularly scheduled Commuter Service (without duplication for any terminated route-miles for which regularly scheduled commuter service was not commenced), and (B) the denominator of which is the Original Total Miles. For purposes of clause (A) of this Section 5.3(f), "route-miles" shall mean miles on main Tracks included in the Shared Use Tracks as of the date of this Agreement (including an equated track mile allowance of 6.56 miles for the 7.9 mile long second main Track between MP 471.5 and MP 479.4). The term "Original Total Miles" shall be 72.47 (or 73.87 if the Option is exercised), which is the aggregate number of miles of main Tracks included in the Shared Use Tracks as of the date of this Agreement (including an equated track mile allowance of 6.56 miles for the 7.9 mile long second main Track between MP 471.5 and MP 479.4). For example, if (i) the Index figure for 1990 was 100; (ii) the Index figure for 1993 was 110; (iii) this Agreement has been terminated as to an aggregate of 10 route-miles and (iv) the Commission has not commenced regularly scheduled Commuter Service on 5 route-miles, the Route-Mile Component would be:

$\$275,550 \times (110/100) \times ((72.47 - 10 - 5)/72.47)$, or \$240,367.66.

(g) The Car-Mile Component shall be adjusted annually to reflect changes in the Railroad's traffic on the Shared Use Facilities (including the traffic of the Railroad and its tenants and Operator and intercity passenger traffic) measured by aggregate car-miles. The Railroad's aggregate car-miles for all of both Lines for the fourth quarter of 1990 shall be the "Base Car-Miles." The car-miles adjustment shall be applied to increase or decrease the original Car-Mile Component of \$976,950 (adjusted for inflation as specified in paragraph (e) of this Section 5.3) for the adjustment year based on the ratio of the Railroad's aggregate car-miles during the fourth quarter of the adjustment year to the Base Car-Miles. For purposes of computing car-miles for the fourth quarter of 1990, intercity passenger car-miles shall be assumed to be three times such intercity passenger car-miles for December 1990.

For purposes of this Section 5.3, a "car-mile" shall mean one railroad car or locomotive traveling one route-mile. Thus, a locomotive and nine railroad cars traveling over 5 route-miles would result in an aggregate of 50 car-miles. Aggregate car-miles for the fourth quarter of any year subsequent to 1990 shall be calculated based only upon car-miles traveled on those portions of the Lines (i) as to which a partial termination of the Agreement has not occurred, and (ii) where the Commission has commenced regularly scheduled Commuter service. Within 45 days after the end of each adjustment year, the Railroad shall deliver to the Commission a certified statement of aggregate car-miles for the fourth quarter of the adjustment year computed in accordance with the provisions of this Section 5.3(g).

By way of illustrating the adjustment required by this paragraph (g), if (i) the Index figure for 1990 was 100; (ii) the Index figure for 1994 was 110; (iii) the Base Car-Miles were 100,000 car-miles and (iv) the car-miles of the Railroad in the fourth quarter of 1993 aggregated to 110,000 car-miles, then the Car-Mile Component for 1994 would be:

$$\$976,950 \times (110/100) \times (110,000/100,000), \text{ or } \$1,182,109.50$$

(h) The Railroad's Agreed Annual Share for any year shall be the sum of the Car-Mile Component, as adjusted for that year pursuant to paragraphs (e) and (g) of this Section 5.3, and the Route-Mile Component, as adjusted for that year pursuant to paragraphs (e) and (f) of this Section 5.3. Using the examples set forth in paragraphs (f) and (g) of this Section 5.3, the Railroad's Agreed Annual Share for 1994 would be:

\$240,367.66 + \$1,182,109.50, or \$1,422,477.16.

(i) The Commission's obligation to make payments of the nature required by paragraphs (a) through (c) of this Section 5.3 shall not apply as to any Line or portion thereof until the Commission commences Commuter Service on such Line or portion thereof, except the Commission shall be required to pay for capital improvements required to be paid for by the Commission under Sections 2.4, 2.5 and 2.6 and any other improvements requested by the Commission.

(j) The Commission shall pay to the Railroad for additional costs and expenses related to dispatching that are incurred as a result of the Commission's operations on the Shared Use Facilities \$165,000 per year, in equal monthly installments, commencing in the year that the Commission initiates regularly scheduled Commuter Service along any portion of the Lines. If the Commission shall assume responsibility for dispatching on the Shared Use Facilities, the Railroad shall pay to the Commission any additional costs and expenses related to dispatching that are incurred as a result of the Commission's dispatching of Trains other than those of the Commission.

(k) If the Commission shall assume all maintenance and repair of the Shared Use Facilities as provided in Section 5.2(d), the Railroad shall pay its Agreed Annual Share directly to the Commission in equal monthly installments.

ARTICLE SIX - Assignments and Tenants

Section 6.1. Commission. (a) Except as provided in Section 3.3 and in paragraphs (c) and (d) of this Section 6.1, neither the rights nor the obligations of the Commission under this Agreement may be delegated or assigned to any other person or entity without the prior written consent of the Railroad.

(b) The Commission shall not permit any other person or entity to use the Shared Use Facilities (except the Commission's Operator designated in accordance with Section 3.3) and shall not admit any trackage tenants to the Shared Use Facilities.

(c) Upon the purchase by or on behalf of the Ventura County Transportation Commission (the "VCTC") pursuant

to the Purchase Agreement of so much of the Corridor as lies within Ventura County, the Commission and the VCTC shall execute an assignment and assumption which provides that (i) the Commission shall assign all of its rights hereunder to the VCTC with respect to the portions of the Shared Use Facilities and the Corridor lying within Ventura County, (ii) the VCTC shall assume all of the obligations of the Commission hereunder with respect to the portions of the Shared Use Facilities and the Corridor lying within Ventura County; and (iii) the VCTC shall appoint the Commission as its designee, with such powers and authority as are required to exercise the rights and satisfy the obligations and duties assigned to and assumed by the VCTC; provided, that the Commission shall remain primarily obligated to the Railroad for performance of and compliance with all of the obligation and duties of the Commission set forth in this Agreement, including without limitation the obligations of the Commission set forth in Article Seven as they apply to incidents occurring on or with respect to the Ventura Line; except that the VCTC may provide any or all of the insurance coverage required to be maintained by the Commission under Section 7.3. In no event shall more than one Operator be designated to act on behalf and for the account of both the Commission and the VCTC on both of the Lines. Any assignment and assumption effected by or on behalf of the VCTC pursuant to Section 6.1(d) shall be effected only in conjunction with an assignment and assumption effected thereunder by the Commission to a single successor governmental agency.

(d) The Commission may assign all of its rights hereunder (or at its option except from assignment of its rights under Section 2.13) to, and all of the Commission's obligations and duties hereunder may be assumed by, a financially and operationally capable joint powers governmental agency. The Commission shall give the Railroad at least 45 days' prior written notice of any such assignment and, at the Railroad's request, the Commission shall provide reasonable evidence that such proposed assignee is financially and operationally capable. The enabling legislation and other charter documents for the proposed joint powers governmental agency shall provide it with powers and authority that are no less extensive than those of the Commission with respect to the obligations and duties of the Commission set forth in this Agreement and are such powers and authority as are required to incur and satisfy the obligations and duties so assumed, including without limitation the indemnification obligations of the Commission set forth in Article Seven. Thereafter the successor governmental agency, and not the Commission, shall be primarily obligated to the Railroad hereunder for performance of and compliance with all of the obligations and duties of the Commission set forth in the Agreement.

Section 6.2. Railroad. (a) The Railroad may sell all or any portion of its interest in the Shared Use Facilities, and the Railroad may assign or otherwise delegate any of its rights and duties hereunder in connection with a sale of its interest in the applicable Line or otherwise, without securing the consent of the Commission if such sale, assignment or delegation is to a financially and operationally capable party. The Railroad shall give the Commission at least 45 days' prior written notice of any such sale, assignment or delegation and, at the Commission's request, the Railroad shall provide reasonable evidence that any purchaser, assignee or delegee is financially and operationally capable. Any sale, assignment or delegation other than to a financially and operationally capable purchaser, assignee or delegee shall require the written consent of the Commission. Any sale or assignment of the Railroad's rights in the Shared Use Facilities shall be subject to the rights of the Commission under this Agreement. In connection with any sale by the Railroad of its interest in all or any portion of the Shared Use Facilities, the Railroad may retain the right to continue to use the Shared Use Facilities.

(b) The Railroad may admit as additional trackage tenants or Operators to use the Shared Use Facilities any financially and operationally capable party without the consent of the Commission. The Railroad shall give the Commission at least 45 days' prior written notice of any such admission and, at the Commission's request, the Railroad shall provide reasonable evidence that such party is financially and operationally capable. Any admission other than to a financially and operationally capable trackage tenant or Operator shall require the written consent of the Commission. If the Railroad admits any trackage tenant in addition to the Railroad and Amtrak to use the Shared Use Facilities and if the Railroad's trackage and related facilities on the affected Line or portion thereof as they existed immediately prior to the Effective Date for that Line or portion thereof would not have had sufficient capacity to accommodate such new tenant (assuming the Commission were not operating at all on the affected Line), the Commission shall receive the same compensation from that tenant for the use of the Shared Use Facilities as the Railroad is to receive; provided, that the foregoing (i) shall apply only to compensation to be received from a tenant for operations following the completion of full double tracking (except Tunnels) and related facilities on the affected Line, and (ii) shall not apply in the case of a new tenant or Operator admitted in substitution for the operations of the Railroad or Amtrak.

ARTICLE SEVEN - Liability Agreement

Section 7.1. Assumption of Responsibility.

(a) Except as otherwise provided in Section 3.6(c), each of the parties hereto shall assume, bear and pay all the liabilities allocated to it as the responsible party under the terms of this Article Seven. For purposes of this Article Seven, the term "liability" shall include all loss, damage, cost, expense (including costs of investigation and attorney's fees and expenses at arbitration, trial or appeal and without institution of arbitration or suit), liability, claims and demands of whatever kind or nature arising out of an incident described in the applicable provision of this Article Seven. Except as otherwise expressly provided in Sections 7.2(b), 7.2(d), 7.2(e) and 7.4, the responsibility for liabilities undertaken by each party under this Article Seven is without respect to fault, failure, negligence, misconduct, malfeasance or misfeasance of any party or its employees, agents or servants.

(b) All costs and expenses incurred in connection with the investigation, adjustment and defense of any claim or suit shall be included as part of the liability for which responsibility is assumed under the terms of this Article Seven, including salaries or wages and associated benefits of, and out-of-pocket expenses incurred by or with respect to, employees of either party engaged directly in such work and a reasonable amount of allocated salaries and wages of employees providing support services to the employees so engaged directly in such work.

Section 7.2. Allocation of Responsibilities.

(a) Liability for personal injury (including bodily injury and death) to, or property damage suffered by, an invitee of either party shall be the responsibility of and borne and paid solely by that party regardless of the cause of such loss or the fault of either party or whose Train was involved, except as specifically provided in paragraph (b) of this Section 7.2 and Section 7.4 below. For purposes of this paragraph, and without limitation, consultants and contractors of a party and any person who is on a Train operated by or for the account of a party (other than an employee of a party engaged in performing duties for that party) shall be deemed to be an invitee of that party. All persons at or adjacent to a passenger station or loading platform shall be deemed to be invitees of the Commission (other than employees, contractors and consultants, including employees of such contractor, of the Railroad or of any tenant or Operator of the Railroad engaged in performing duties for the Railroad or for any such

tenant or Operator of the Railroad). Other than Amtrak, any trackage tenant of either party shall be deemed to be bound by the provisions of this Article VII; provided, that if it is determined for any reason that such tenant is not so bound, such tenant shall be deemed to be an invitee of that party.

(b) After the Commission shall have incurred aggregate liability in an amount equal to \$25.0 million for injury to or damage suffered by its invitees for incidents occurring in any one calendar year, the Railroad shall bear a share of that portion of the aggregate liability to the Commission's invitees for that year that is in excess of \$25.0 million in proportion to the Railroad's relative degree of fault, if any; provided, that the Railroad shall not bear liability to the Commission's invitees in an amount in excess of \$125.0 million for incidents occurring in such calendar year. In computing the \$25.0 million base amount payable by the Commission prior to any participation by the Railroad, there shall be excluded any liabilities incurred due to the Excluded Conduct (defined below in Section 7.4(a)) of the Commission. After the Railroad shall have incurred aggregate liability in an amount equal to \$25.0 million for injury to or damage suffered by its invitees for incidents occurring in any one calendar year, the Commission shall bear a share of that portion of the aggregate liability to the Railroad's invitees for that year that is in excess of \$25.0 million in proportion to the Commission's relative degree of fault, if any; provided, that the Commission shall not bear liability to the Railroad's invitees in an amount in excess of \$125.0 million for incidents occurring in such calendar year. In computing the \$25.0 million base amount payable by the Railroad prior to any participation by the Commission, there shall be excluded any liabilities incurred due to the Excluded Conduct of the Railroad. Liability shall be deemed incurred on the date of the incident giving rise to such liability regardless of the date on which liability is paid or established. The determination of the relative fault of the parties in any proceeding establishing the liability shall be binding on the parties.

(c) Liability for personal injury (including bodily injury and death) to, or property damage suffered by, persons other than invitees of either the Commission or the Railroad and casualty losses to property owned by the Commission and/or the Railroad shall be the responsibility of and borne and paid by the parties as follows regardless of the cause of such loss or the fault of either party except as provided in paragraphs (d) and (e) of this Section 7.2 and Section 7.4 below:

- (i) Loss to equipment and other personal property owned by the Commission shall be the responsibility of the Commission and borne by it.
 - (ii) Loss to equipment and other personal property owned by and freight transported by the Railroad shall be the responsibility of the Railroad and borne by it.
 - (iii) Loss to the Shared Use Facilities and property jointly owned by the Commission and the Railroad shall be the responsibility of and borne (A) totally by the single party whose Train was involved in the incident giving rise to the loss, and (B) equally by the parties if no Train was involved in the incident or Trains of both parties were involved.
 - (iv) Liability for personal injury (including bodily injury and death) to, or property damage suffered by, any employee of either party which occurs during the course of employment or while traveling to or from employment (an "employee") shall be the responsibility of and borne solely by the party employing such employee.
 - (v) Liability for personal injury (including bodily injury and death) to, or property damage suffered by, any person who is not an employee or invitee of either party (including without limitation persons using vehicular and pedestrian crossings and trespassers) shall be the responsibility of and borne (A) totally by the party whose Train was involved in such loss if the Train of only one party was involved, and (B) equally by the parties if no Train was involved in the incident.
- (d) Liability for personal injury (including bodily injury and death) to, or property damage suffered by, a person who is not an employee or invitee of either party shall be the responsibility of and borne by both parties in proportion to their relative degrees of fault if Trains of both parties were involved in the incident giving rise to such injury or damage.

(e) Liability due to the release of hazardous materials shall be the responsibility of and borne by the party who transported the hazardous materials unless Trains of both parties were involved, in which case the parties shall bear the loss or liability in proportion to their relative degrees of fault.

Section 7.3. Insurance. (a) The commission and the Railroad shall each maintain general liability insurance in the amount of at least \$100,000,000 per occurrence and shall either include all of their respective Operators and tenants (other than Amtrak) as insureds under their respective policies or furnish evidence of separate insurance of the same amount and type for each Operator or tenant (other than Amtrak). Insurance shall be placed with a company or companies authorized to conduct business in California. The Commission and the Railroad (and an Operator or tenant if such Operator or tenant demonstrates to the reasonable satisfaction of the Commission and the Railroad sufficient financial capacity) may self insure to a level not to exceed \$10.0 million.

(b) The general liability insurance required by Section 7.3(a) shall provide coverage for personal injury, bodily injury, death and property damage with respect to all operations of the Railroad, the Commission, Operators and tenants, respectively. Such insurance shall include blanket contractual coverage, including coverage for written, oral and implied contracts and specific coverage for the indemnity provisions set forth in this Article Seven. Each policy of general liability insurance obtained by the Commission and the Railroad shall name the other as an additional insured with respect to any liability to be borne by the party obtaining such insurance pursuant to the provisions of this Article Seven.

(c) For any claims arising out of activities, products or operations resulting from or related to this Agreement, the insurance obtained pursuant to Section 7.3(a) shall be primary with respect to the obligation under this Agreement of the party obtaining the insurance and with respect to the interests of all parties added as additional insureds. Any other insurance maintained by an additional insured shall be excess of this coverage herein defined as primary and shall not contribute with it.

(d) Unless otherwise agreed by the Commission and the Railroad, the insurance required by Section 7.3(a) shall be maintained by each of the parties specified therein for the full term of this Agreement and shall not be permitted

to expire or be cancelled or materially changed except upon 60 days' notice to the other parties. Each insurance policy required by Section 7.3(a) shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, or reduced in coverage or limits except after sixty (60) days' prior written notice has been given to all insureds.

(e) Each of the Commission and the Railroad shall cause its and/or its Operator's and tenant's (other than Amtrak's) insurers to provide the other with certificates of insurance and endorsements evidencing the provisions specified above in this Section 7.3 prior to commencement of operations on the Shared Use Facilities under this Agreement.

(f) A failure of any party to maintain the insurance required by this Section 7.3 shall not relieve such party of any of its liabilities or obligations under this Agreement.

Section 7.4. Limitations on Indemnification.

(a) The provisions of this paragraph (a) shall apply notwithstanding the provisions of Section 7.2 above. "Excluded Conduct" shall mean (i) an entire failure of care or the exercise of so slight a degree of care as to raise a presumption that there was a conscious indifference to the things and welfare of others, (ii) conduct constituting a reckless or wanton disregard of the probable results of such conduct, (iii) wilful misconduct, or (iv) conduct which would permit the award of exemplary or punitive damages. Neither party shall be indemnified for any loss or liability resulting from its own Excluded Conduct, and in any such case such party shall be responsible for and bear loss or liability in proportion to its relative degree of fault and such party shall be responsible for and bear all exemplary or punitive damages, if any, resulting from its Excluded Conduct. If any of the provisions of Section 7.2 would otherwise indemnify a party against liability, loss or damage that would be prohibited by or unenforceable under the laws of the State of California (including a determination that indemnification under the circumstances involved is against the public policy of the state), the indemnity provided by such provision shall be deemed to be limited to and operative only to the maximum extent permitted by law. Without limitation, if it is determined that any law or public policy of the State of California prohibits the indemnification of a party for its own sole negligence in any instance covered by the provisions of Section 7.2, those provisions shall be deemed to exclude indemnification for such party's sole negligence but to permit full indemnification, as specified in Section 7.2, if both

parties were negligent. In the case of any liability, loss or damage for which the provisions of this paragraph (a) would prevent the indemnification of a party, such party shall be responsible for and bear such liability, loss or damage.

(b) Notwithstanding Section 7.2 above, the Railroad and the Commission shall bear liability in proportion to their relative degrees of fault in connection with an accident involving one of the Railroad's Trains while using (i) the Shared Use Tracks to follow the last scheduled peak direction commuter train during a Peak Commuter Period as provided in Section 2.2(a)(iii) or (ii) the Shared Use Tracks during a Peak Commuter Period as provided in Section 2.2(a)(vi), but in the case of either clause (i) or clause (ii) above only if the Railroad's use of the Shared Use Tracks involved in the incident at those times would not have been permitted but for the provisions of Section 2.2(a)(iii) or (vi).

Section 7.5. Scope of Indemnification. In any case where a party is required under the provisions of this Article Seven to bear a loss or liability, it shall pay, satisfy and discharge such liability and all judgments that may be rendered by reason thereof and all costs, charges and expenses incident thereto, and such party shall forever indemnify, defend and hold harmless the other party and its commissioners, directors, officers, agents, employees, shareholders, parent corporation and affiliated companies or governmental entities from, against and with respect to any and all liabilities which arise out of or result from the incident giving rise thereto. If a party asserts that the other was guilty of Excluded Conduct and denies liability for indemnification of the other party based thereon, the party asserting such Excluded Conduct shall have the burden of proof in establishing such conduct. It is the intent of the parties that the indemnification provisions of this Article Seven shall apply to both the passive negligence and the active negligence of an indemnified party.

Section 7.6. Procedure. (a) If any claim or demand shall be asserted by any person against an indemnified party under this Article Seven, the indemnified party shall, within 30 days after notice of such claim or demand, cause written notice thereof to be given to the indemnifying party, provided that failure to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party under this Article Seven, except to the extent that the rights of the indemnifying party are in fact prejudiced by such failure. If any such claim or demand shall be brought against the indemnified party and it shall

have given notice thereof to the indemnifying party, the indemnifying party shall have the right, at its own expense, to control (including the selection of counsel reasonably satisfactory to the indemnified party) or to participate in the defense of, negotiate or settle, any such claim or demand, and the parties hereto agree to cooperate fully with each other in connection with any such defense, negotiation or settlement. In any event, the indemnified party shall not make any settlement of any claims which might give rise to liability on the part of the indemnifying party under this Article Seven without the prior written consent of the indemnifying party, which consent shall not be unreasonably withheld. If any claim or demand relates to a matter for which the parties, under the terms of Section 7.2, are to share liability equally or in proportion to their relative degrees of fault, each party shall be entitled to select its own counsel and defend itself against the claim at its own expense, and neither party shall make any settlement of any such claims without the prior written consent of the other party, which consent shall not be unreasonably withheld.

(b) Subject to the provisions of Section 7.6(a), on each occasion that the indemnified party shall be entitled to indemnification or reimbursement under this Article Seven, the indemnifying party shall, at each such time, promptly pay the amount of such indemnification or reimbursement. If the indemnified party shall be entitled to indemnification under this Article Seven and the indemnifying party shall not elect to control any legal proceeding in connection therewith, the indemnifying party shall pay to the indemnified party an amount equal to the indemnified party's reasonable legal fees and other costs and expenses arising as a result of such proceeding.

(c) Any dispute between the parties as to the right to indemnification or the amount to which it is entitled pursuant to such right with respect to any matter shall be submitted to arbitration pursuant to Article Eight.

Section 7.7. Tenants and Operators. Any new tenant or Operator on the Shared Use Facilities shall agree to be bound by the provisions of this Article Seven unless otherwise agreed by the Railroad and the Commission. The parties will use reasonable efforts to extend the benefits of existing Amtrak indemnities to the Commission.

Section 7.8. Dollar Amount Adjustments. Each of the dollar amounts set forth in Section 7.2(b) and Section 7.3(a) above shall be adjusted annually and every three years, respectively, for changes in the Consumer Price Index, but

shall not be reduced below their initial levels. As used in this Section 7.8, the term "Consumer Price Index" shall mean the United States Department of Labor's Bureau of Labor Statistics' Consumer Price Index, All Urban Wage Earners and Clerical Workers, All Items, for the Los Angeles area (1967=100). If the base year for the Consumer Price Index is changed from 1967, the Consumer Price Index shall be converted in accordance with the conversion factor published by the United States Department of Labor's Bureau of Labor Statistics. If the Consumer Price Index is discontinued or revised, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised.

ARTICLE EIGHT - Arbitration

Section 8.1. Arbitrable Matters. (a) If any dispute arises between the Commission and the Railroad as to their respective rights and obligations under this Agreement, including failure to reach mutual agreement as to any matters set forth in this Agreement as being subject to the mutual agreement of the parties, and they cannot resolve the dispute within thirty days after it arises, then either may submit the dispute to arbitration under the Commercial Arbitration Rules of the American Arbitration Association as provided in this Article Eight. In the case of monetary disputes relating to amounts billed for the payment of operating, maintenance or capital costs and expenses under the terms of this Agreement, the party from whom a payment is allegedly owing shall make such payment notwithstanding such dispute and may submit the dispute to arbitration under this Article Eight only by seeking a refund through such arbitration.

(b) If either of the Commission or the Railroad (the "non-defaulting party") considers the other (the "defaulting party") to be in default with respect to any of its obligations under this Agreement, the non-defaulting party shall give the defaulting party written notice of the alleged default and thirty days from the date of the notice to cure such default. If the alleged default has not been cured to the satisfaction of the non-defaulting party by the end of such thirty-day period, then the non-defaulting party may submit the matter to arbitration pursuant to the procedures set forth in this Article Eight.

(c) Arbitration in accordance with the procedures set forth in this Article Eight shall be the only available recourse for any disputes or defaults arising with respect to the respective rights and obligations of the Commission and the Railroad under this Agreement.

Section 8.2. Submission to Arbitration. The party entitled to submit any arbitrable matter to arbitration under the terms Section 8.1 (the "demanding party") shall do so by delivering written notice of its desire to submit a matter to arbitration to the other party (the "noticed party"). Such written notice shall state the question or questions to be submitted for decision or award by arbitration.

Section 8.3. Appointment of Arbitration Board. The written notice provided pursuant to Section 8.2 also shall name the arbitrator selected by the demanding party. The noticed party shall have twenty days after receipt of said notice to select its arbitrator and provide written notice thereof to the demanding party. If the noticed party fails to select an arbitrator, such arbitrator may be appointed by the Chief Judge (or acting Chief Judge) of the United States District Court for the District of Columbia (the "Chief Judge") upon application of either party after ten days' written notice to the other party. The two arbitrators so chosen shall select a third arbitrator or, if they fail to agree on a third arbitrator, the third arbitrator may be appointed by the Chief Judge in the manner set forth above. The three arbitrators so chosen shall comprise the arbitration board.

Section 8.4. Arbitration Procedures. The arbitration board constituted pursuant to Section 8.3 shall set the date, time and place for each hearing, shall give to each of the parties at least ten (10) days' advance written notice of the date, time and place of the initial hearing and shall proceed without delay to hear and determine the matters in dispute. The parties may offer such evidence as is relevant and material to the dispute and shall produce such evidence as the arbitration board may deem necessary to an understanding and determination of the dispute. The books and papers of the parties hereto, so far as they relate to matters submitted to arbitration, shall be open to the investigation of the arbitration board. The arbitration board or other person authorized by law to subpoena witnesses or documents may do so upon the request of any party. The award shall be made promptly by the arbitration board and, unless otherwise agreed by the parties or specified by law, no later than thirty (30) days from the date of closing the hearing. Each of the parties hereto may be represented by counsel or other

authorized representative at any hearing. The party intending to be so represented shall notify the arbitration board and the other party of the name and address of the representative at least three (3) days prior to the date set for the hearing.

Section 8.5. Compliance with Decisions. (a) Any award of an arbitration board made in accordance with Section 8.4 shall be final and binding upon the parties to such arbitration, and each party shall immediately make such changes in the conduct of such party's business or such payment as restitution, as the case may be, as in and by such award may be required.

(b) The parties agree that the arbitration board's award may be entered with any court having jurisdiction and the award may then be enforced as between the parties, without further evidentiary proceedings, the same as if entered by the court at the conclusion of a judicial proceeding in which no appeal was taken.

Section 8.6. Available Remedies. With respect to any decision rendered pursuant to Section 8.4 that determines that the noticed party is in default with respect to any of its obligations under this Agreement, actual damages and specific performance shall be the only remedies that the arbitration board has authority to grant. In no event shall the arbitration board have the authority to award exemplary or punitive damages.

Section 8.7. Costs and Expenses. Each party shall pay the compensation required and costs and expenses incurred by the member of the arbitration board selected by it or on its behalf and the fees, costs and expenses for its counsel, witnesses and exhibits. The compensation required and the costs and expenses incurred by the third member of the arbitration board shall be shared equally by the parties.

ARTICLE NINE - Term

Section 9.1. Effective Date for Los Angeles County Portion. The Effective Date of this Agreement as to the portions of the Lines in Los Angeles County shall be the date on which all of the following shall have occurred: (i) the Commission shall have completed the purchase of all of that portion of the Corridor located in Los Angeles County pursuant to the Purchase Agreement and (ii) the Commission shall have completed the purchase of all other properties which it is obligated to purchase in accordance with the terms of the Purchase Agreement. It shall be a further condition to the

Section 2.6 by the date five years after receipt of the notice from the Railroad requiring such facilities to be completed.

(e) Two years shall have elapsed since the construction by the Commission of Inconsistent Improvements, unless the Commission shall give the Railroad adequate assurances that such Inconsistent Improvements shall be removed or altered so as to allow completion by the Commission of additional capital improvements required by Sections 2.5 and 2.6 within the time periods required by Sections 2.5 and 2.6.

Section 9.4. Non-Use. If the Commission shall not have used the Shared Use Facilities associated with either the Ventura Line or the Saugus Line or the Shared Use Facilities associated with the furthest extension of either the Ventura or the Saugus Line (after the initial use of such line or furthest extension by the Commission hereunder in Commuter Service) for a period of five years, then, at the Railroad's request, the Commission shall consent to the termination of this Agreement as to the Shared Use Facilities associated with such Line or furthest extension; provided, that the Railroad shall not be permitted to deny the Commission rail access to the Corridor for purposes not otherwise prohibited by Section 2.3(d). If the Commission shall not have used the Shared Use Facilities associated with either the Ventura Line or the Saugus Line or the Shared Use Facilities associated with the furthest extension of either the Ventura or the Saugus Line (after the initial use of such Line or furthest extension by the Commission hereunder in Commuter Service) for a period of six months other than due to force majeure, the Peak Commuter Periods with respect to such Shared Use Facilities shall terminate; provided, that the Peak Commuter Periods with respect to such Shared Use Facilities may be reestablished by the Commission upon 90 days' written notice to the Railroad that such Shared Use Facilities will again be used by the Commission. For the purposes of this Section 9.4, the term "used" shall mean used in revenue Commuter Service on a scheduled basis having a frequency of not less than 45 Trains per month. For the purposes of this Section 9.4, (i) the furthest extension of the Saugus Line shall be a contiguous portion of the Saugus Line beginning at the point of non-use closest to the Commuter Rail Interlocker and ending in Saugus or, if this Section 9.4 or the provisions of Section 2.3(c) or Section 9.5 have already been applied to a contiguous portion of the Saugus Line ending in Saugus, a contiguous portion of the Line beginning at the point of non-use closest to the Commuter Rail Interlocker and ending nearest to Saugus and (ii) the furthest extension of the Ventura Line shall be a contiguous portion of the Ventura Line

beginning at the point of non-use closest to the Commuter Rail Interlocker and ending in Moorpark or, if this Section 9.4 or the provisions of Section 2.3(c) or Section 9.5 have already been applied to the contiguous portion of the Ventura Line ending in Moorpark, a contiguous portion of the Line beginning at the point of non-use closest to the Commuter Rail Interlocker and ending nearest to Moorpark.

Section 9.5. Scope of Termination. Any termination occasioned by Section 9.3(a) shall be effective as to the Line or furthest extension or nearest extension of the Line specified in the notice referred to therein. Any termination occasioned by Section 9.3(c), (d) or (e) (or by Section 9.3(b) to the extent that an arbitration order relates to an obligation of the nature referred to in Section 9.3(c), (d) or (e)) shall be effective as to the Line or furthest extension of a Line with respect to which the default referred to therein relates. For the purposes of this Section 9.5, (i) the furthest extension of the Saugus Line shall be a contiguous portion of the Saugus Line starting at the point on the Line closest to the Commuter Rail Interlocker giving rise to such termination and ending in Saugus or, if this Section 9.5 or the provisions of Section 2.3(c) or Section 9.4 have already been applied to a contiguous portion of the Saugus Line ending in Saugus, a contiguous portion of the Line starting at the point on the Line closest to the Commuter Rail Interlocker giving rise to such termination and ending nearest to Saugus and (ii) the furthest extension of the Ventura Line shall be a contiguous portion of the Ventura Line starting at the point on the Line closest to the Commuter Rail Interlocker giving rise to such termination and ending in Moorpark, or, if this Section 9.5 or the provisions of Section 2.3(c) or Section 9.4 have already been applied to a contiguous portion of the Ventura Line ending in Moorpark, a contiguous portion of the Line starting at the point on the Line closest to the Commuter Rail Interlocker giving rise to such termination and ending nearest to Moorpark. For the purposes of this Section 9.5, (x) the nearest extension of the Saugus Line shall be a contiguous portion of the Saugus Line ending at the Commuter Rail Interlocker or, if the provisions of this Section 9.5 have already been applied to a contiguous portion of the Saugus Line ending at the Commuter Rail Interlocker, a contiguous portion of the line nearest to the Commuter Rail Interlocker, and (y) the nearest extension of the Ventura Line shall be a contiguous portion of the Ventura Line ending at the Commuter Rail Interlocker or, if the provisions of this Section 9.5 have already been applied to a contiguous portion of the Ventura Line ending at the Commuter Rail Interlocker, a contiguous portion of the Line nearest to the Commuter Rail Interlocker.

Section 9.6. Removal of Improvements. Except as contemplated by Section 2.13(f), upon any termination of the Shared Use Agreement as to any Line or contiguous portion thereof, the Commission shall, at its sole cost and expense, remove any improvements to such line or contiguous portion owned by the Commission from the property of the Railroad.

ARTICLE TEN - Miscellaneous

Section 10.1. Force Majeure. Neither party shall be liable to the other in damages nor shall a default be deemed to have occurred, and each party shall be excused from performance of any of its obligations hereunder, except obligations involving the payment hereunder of money to the other party or to a third party, during the time when such non-performance is occasioned by fire, earthquake, flood, explosion, wreck, casualty, strike, unavoidable accident, riot, insurrection, civil disturbance, act of public enemy, embargo, war, act of God, inability to obtain labor, materials or supplies, or any other similar cause beyond the party's reasonable control; provided, that if either party suffers a work stoppage due to a labor dispute, such party shall make such reasonable efforts, if practicable, to staff its operations so as to minimize disruptions to the Train service on the Shared Use Facilities provided by the other party.

Section 10.2. Property Taxes. (a) To the extent any real property taxes are payable with respect to any portion of the Corridor or any Shared Use Facility owned by the Commission by reason of the Railroad's use thereof, the Railroad shall pay such real property taxes prior to delinquency and shall protect, defend, indemnify and hold the Commission harmless from and against any and all liability, loss, cost, damage or expense (including, without limitation, reasonable attorneys' fees) the Commission may sustain or incur on account of any such real property taxes.

(b) To the extent that any real property taxes are payable with respect to any portion of the Corridor or any Shared Use Facility owned or used by the Commission by reason of its use by the Commission or its Operator or the Commission becoming a taxable entity, the Commission shall pay such real property taxes prior to delinquency and shall protect, defend, indemnify and hold the Railroad harmless from and against any and all liability, loss, cost, damage or expense (including, without limitation, reasonable attorneys' fees) the Railroad may sustain or incur on account of any in such real property taxes.

Section 10.3. Billing. (a) Billing shall be accomplished on the basis of data contained in a billing form mutually agreed to by the parties. Such billing forms shall contain sufficient detail to permit computation of payments to be made under this Agreement. Unless otherwise specifically provided herein, billing shall be prepared in accordance with the schedules of Customary Additives, Materials Additives, material prices and equipment rental rates as agreed upon by the Chief Accounting Officers of the parties hereto from time to time. The Commission shall pay to the Railroad at the Office of the Treasurer of the Railroad or at such other location as the Railroad may from time to time designate, all the compensation and charges of every name and nature which in and by this Agreement the Commission is required to pay in lawful money of the United States within thirty (30) days after the rendition of bills therefor. Bills shall contain a statement of the amount due on account of the expenses incurred and services rendered during the billing period.

(b) Errors or disputed items in any bill shall not be deemed a valid excuse for delaying payment in full subject to the right to seek a refund through arbitration pursuant to Article Eight; provided, no exception to any bill shall be honored, recognized or considered if filed after the expiration of three years from the last day of the calendar month during which the bill is rendered and no bill shall be rendered later than three years (i) after the last day of the calendar month in which the expense covered thereby is incurred, or (ii) after the amount is settled and/or the liability is established if in connection with a project for which a roadway completion report is required or in the case of claims disputed as to amounts of liability. This provision shall not limit the retroactive adjustment of billing made pursuant to exception taken to original accounting by or under authority of the Interstate Commerce Commission or retroactive adjustment of wage rates and settlement of wage claims.

(c) So much of the books, accounts and records of each party hereto as are related to the subject matter of this Agreement shall at all reasonable times be open to inspection by the authorized representatives and agents of the parties hereto.

(d) Should any payment become payable by the Railroad to the Commission under this Agreement, the provisions of paragraphs (a) through (c) of this Section 10.3 shall apply with the Commission as the billing party and the Railroad as the paying party, and payments by the Railroad to the Commission shall be made at such location as the Commission may from time to time designate.

Section 10.4. Considered Actions. All references in this Agreement to actions that may or shall be "considered" or "investigated" by both or either of the parties hereto shall not be interpreted as creating a binding obligation of either party to take such action.

Section 10.5. Preferences. Except as hereafter determined by the mutual agreement of the Commission and the Railroad, neither of them nor their respective Operators shall seek in any administrative, legislative or judicial proceeding or otherwise to obtain preferences in the use of the Shared Use Facilities in excess of those provided to it, or seek to diminish such preferences provided to the other, under Articles Two and Four. Notwithstanding the provisions of Article Eight, the Commission and the Railroad shall have recourse to the courts or any governmental agency having jurisdiction in the event of a violation of this Section 3.3(b), and, in addition to any available remedies for damages, the remedy of specific enforcement shall be available with respect thereto.

Section 10.6. Amendment or Waiver. Modifications or amendments to the scope, terms and conditions of this Agreement may be considered annually at the request of either party. No provision of this Agreement shall be altered, amended, modified, revoked or waived except by an instrument in writing signed by the party to be charged with such alteration, amendment, modification, revocation or waiver.

Section 10.7. Headings. The article and section headings in this Agreement are for convenience only and shall not be used in its interpretation or considered part of this Agreement.

Section 10.8. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of delivery, if delivered personally on the party to whom notice is given, or if made by telecopy directed to the party to whom notice is to be given at the telecopy number listed below, or (ii) on receipt, if mailed to the party to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid and properly addressed as follows:

To the Railroad:

Southern Pacific Transportation Company
One Market Plaza
San Francisco, California 94105
Attention: Mr. K.A. Moore
Vice President-Operations
Telecopy No.: 415-541-1970

and

Southern Pacific Transportation Company
One Market Plaza
San Francisco, California 94105
Attention: Cannon Y. Harvey, Esq.
Vice President and General Counsel
Telecopy No.: 415-495-5436

with a copy to:

Holme Roberts & Owen
1700 Lincoln, Suite 4100
Denver, CO 80203
Attention: Kenneth E. Witt
Telecopy No.: 303-866-0200

To the Commission:

Los Angeles County Transportation Commission
818 West Seventh Street, Suite 1100
Los Angeles, California 90017
Attention: Mr. Neil Peterson,
Mr. Richard Stanger and
Mr. James Wiley
Telecopy No.: 213-236-9504

with a copy to:

Dewey Ballantine
333 South Hope Street
Los Angeles, California 90071
Attn: Alan Wayte
Telecopy No.: 213-625-0562

Section 10.9. Memorandum of Agreement. The parties shall cause a memorandum of this Agreement in the form attached hereto as Exhibit C to be recorded in the real property records of Los Angeles and Ventura Counties, California.

Section 10.10. Survivability. Section 2.13 and 9.6 and the first sentence of Section 9.4 shall survive the termination of this Agreement. Section 2.3(d) shall survive the termination of this Agreement unless and until the Lines have been abandoned by the Railroad. Articles VII and VIII shall survive termination of this Agreement as to matters arising from events occurring prior to termination, and any and all obligations to make payments in respect of costs incurred at or prior to the date of termination shall survive termination of this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it on this 18th day of April 1991.

THE RAILROAD:

SOUTHERN PACIFIC
TRANSPORTATION COMPANY,
a Delaware corporation

By:


Title: Vice-President

THE COMMISSION:

LOS ANGELES COUNTY
TRANSPORTATION COMMISSION

By:

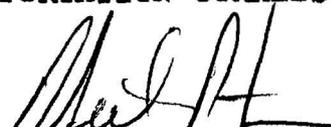

Title: EXECUTIVE DIRECTOR

EXHIBIT A

RAILROAD CUSTOMARY ADDITIVES FOR THE YEAR 1989

<u>MAINT. OF WAY - AGREEMENT</u>	<u>PERCENT</u>	<u>BASE</u>	<u>AMOUNT</u>
ACTUAL LABOR (straight and overtime)		\$100.00	
VACATIONS	7.36%	\$100.00	7.36
PAID HOLIDAYS	4.30%	\$100.00	4.30
PERSONAL LEAVE DAYS	0.69%	\$100.00	0.69
PAYROLL TAXES	29.12%	\$112.35	32.72
HEALTH AND WELFARE	18.12%	\$100.00	18.12
SUPV. ADMIN. & USE OF TOOLS*	38.07%	\$100.00	<u>38.07</u>
			101.26
COMPENSATION INSURANCE	3.00%	\$100.00	3.00
PERSONAL LIABILITY AND PROPERTY DAMAGE (PL&PD)	1.00%	\$100.00	<u>1.00</u>
			105.26

* Supervision Administration and Use of Tools shall include the following:

Supervision shall mean the officers who do not charge their time to individual projects but who are directly supervising the labor being performed (i.e. Roadmasters and various supervisors).

Administration shall mean the salaries of District Engineers, Construction Engineers, etc. associated with the Engineering Department.

Use of tools shall mean the use of Railroad owned small tools (including, but not limited to, wrenches, mauls, claw bars) used but not charged for individually.

EXHIBIT B

RAILROAD MATERIALS ADDITIVES FOR THE YEAR 1989

	<u>PERCENT</u>
STORE EXPENSE*	13%
FOREIGN LINE FREIGHT	6%
ON-LINE FREIGHT	\$.0375 per net ton miles
PURCHASING EXPENSE	1%
HANDLING EXPENSE**	5% FHWA
SALES AND USE TAX	(as governed by specific city and state)

* Store Expense shall be added to other track material and non-track material handled by Railroad that is not a direct vouchered item.

** Handling Expense shall be a charge for Federal Highway Administration ("FHWA") projects covering all material used on the project.

RECORDING REQUESTED BY AND
AFTER RECORDING RETURN TO:

Dewey Ballantine
333 South Hope Street,
Suite 3000
Los Angeles, California 90071
Attention: Alan Albright, Esq.

MEMORANDUM OF SHARED USE AGREEMENT
(LOS ANGELES COUNTY)

THIS MEMORANDUM OF SHARED USE AGREEMENT (this "Memorandum"), dated as of _____, 1991, is entered into by SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation (the "Railroad"), and LOS ANGELES COUNTY TRANSPORTATION COMMISSION (the "Commission"), with reference to the following facts:

A. Pursuant to a Purchase and Sale Agreement dated October 11, 1990 between the Railroad, as seller, and the Commission, as purchaser, as amended (as so amended, the "Purchase Agreement"), the Railroad has sold to the Commission, and the Commission has purchased from the Railroad, among other things, two 40-foot wide strips of land (collectively, the "Corridor"), located in Los Angeles County, California and more particularly described in Exhibit A attached hereto. The Railroad continues to own two other strips of land paralleling the Corridor (the "Railroad Retained Land"), one of which strips (the "Saugus Line") extends generally from the Commuter Rail Interlocker (as defined below) to Saugus near the west switch as shown in the Railroad's Western Region Timetable No. 4 (milepost 449.4) (or, if the Commission exercises its option to extend the Corridor paralleling the Saugus Line as set forth in that certain letter from the Railroad to the Commission dated December 20, 1990, such strip shall extend from the Commuter Rail Interlocker to milepost 448.0), and the other of which strips (the "Ventura Line") extends generally from the Commuter Rail Interlocker to the boundary line between Los Angeles and Ventura Counties. As used herein, the term "Commuter Rail Interlocker" means the junction at approximately milepost 479.4 at which commuter trains will diverge from the Shared Use Facilities (as defined below) to railroad tracks owned by the Commission extending from such point to the Los Angeles Union Passenger Terminal (milepost 482.8) and converge from such Commission-owned railroad tracks to the Shared Use Facilities. The Saugus Line and the Ventura Line are referred to herein collectively as the "Lines."

B. Pursuant to a Shared Use Agreement dated April 18, 1991 between the Railroad and the Commission (the "Agreement"), the Railroad and the Commission agreed, subject to the terms and conditions of the Agreement, to share the use and certain maintenance and repair obligations of all existing and all future Saugus Line and Ventura Line railroad tracks and related facilities (except passenger stations, passenger loading platforms and layover facilities to be constructed by the Commission and except the yards and the industrial, switching and storage tracks identified in the Agreement) (collectively, the "Shared Use Facilities") located upon the Corridor or the Railroad Retained Land.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Railroad and the Commission hereby agree as follows:

1. The Agreement is hereby incorporated herein by reference with the same force and effect as if fully set forth herein. In the event of any conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall prevail. The term of the Agreement is perpetual unless sooner terminated in accordance with its terms.

2. Pursuant to and as more fully set forth in the Agreement, the Railroad and the Commission shall each have the right to use all the Shared Use Facilities, subject to the terms and conditions contained in the Agreement. Without limiting the foregoing, the Railroad shall have the right, subject to the terms and conditions contained in the Agreement, to use the Shared Use Facilities located within the Corridor, and the Commission shall have the right, subject to the terms and conditions set forth in the Agreement, to use the Shared Use Facilities located upon the Railroad Retained Land. The Railroad and the Commission shall share the costs of maintenance and repair of the Shared Use Facilities, and any liability that may be incurred in connection with the Shared Use Facilities, in accordance with the provisions of the Agreement.

3. The Shared Use Facilities shall be owned as follows:

(a) The Railroad shall own all Shared Use Facilities existing at the date of execution of the Agreement; provided, that all Shared Use Facilities and other improvements existing at the date of execution of the Agreement and located within the Corridor shall be subject to the Commission's right to remove, relocate or modify in accordance with the Agreement.

(b) The Railroad shall own all future improvements located on the Railroad Retained Land that are constructed at the sole cost and expense of the Railroad.

(c) The Commission shall own all future improvements located on the Railroad Retained Land that are constructed or installed at the Commission's sole cost and expense.

(d) The Commission shall own the Corridor and all future improvements located therein unless otherwise agreed to by the Commission and the Railroad.

(e) The ownership of any future improvements funded jointly by the Commission and the Railroad and located outside of the Corridor shall be as mutually agreed to by them.

(f) At the termination of the Agreement as to either Line or any portion thereof, all of the then existing signal systems (including automatic block signal systems, centralized traffic control signal systems and crossing warning systems installed at highway related grade crossings) (collectively, "Signal Systems") included in the terminated portion of the Shared Use Facilities, other than the Commission's signal transmission cables, that are owned, in whole or in part, by the Commission, shall become the property of the Railroad. The Commission shall continue to provide the Railroad with the then existing level of use of the Commission's signal transmission cables for the purpose of communications for the then existing Signal Systems included in the Shared Use Facilities.

(g) Nothing in the Agreement shall be construed as granting to the Commission any interest or right in the Railroad Retained Land other than the rights expressly provided in the Agreement, and the Railroad reserves the right to use such Railroad Retained Land for any purpose other than providing competing commuter services as specified in the Agreement.

(h) Nothing in the Agreement shall be construed as granting to the Railroad any interest or right in the Corridor other than the rights expressly provided in the Agreement, and the Commission reserves the right to use such Corridor for any purpose other than providing competing freight services as specified in the Agreement, so long as the Railroad or its successors or assigns have not abandoned the Lines.

IN WITNESS WHEREOF, this Memorandum has been executed and delivered by the Railroad and the Commission as of the date first written above.

THE RAILROAD:

SOUTHERN PACIFIC
TRANSPORTATION COMPANY,
a Delaware corporation

By: _____
Title: _____

THE COMMISSION:

LOS ANGELES COUNTY
TRANSPORTATION COMMISSION

By: _____
Title: _____

RECORDING REQUESTED BY AND
AFTER RECORDING RETURN TO:

Dewey Ballantine
333 South Hope Street,
Suite 3000
Los Angeles, California 90071
Attention: Alan Albright, Esq.

MEMORANDUM OF SHARED USE AGREEMENT
(VENTURA COUNTY)

THIS MEMORANDUM OF SHARED USE AGREEMENT (this "Memorandum"), dated as of _____, 1991, is entered into by SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation (the "Railroad"), and VENTURA COUNTY TRANSPORTATION COMMISSION (the "Commission"), with reference to the following facts:

A. Pursuant to a Purchase and Sale Agreement dated October 11, 1990 between the Railroad, as seller, and Los Angeles County Transportation Commission ("LACTC"), as purchaser, as amended (as so amended, the "Purchase Agreement"), the Railroad has sold to the Commission, and the Commission has purchased from the Railroad, among other things, a 40-foot wide strip of land (the "Corridor") located in Ventura County, California and more particularly described in Exhibit A attached hereto. The Railroad continues to own another strip of land paralleling the Corridor (the "Railroad Retained Land") extending generally from the boundary line between Los Angeles and Ventura Counties to Moorpark (milepost 426.4) (the "Ventura Line").

B. Pursuant to a Shared Use Agreement dated April 18, 1991 between the Railroad and LACTC (the "Agreement"), the Railroad and LACTC agreed, subject to the terms and conditions of the Agreement, to share the use and certain maintenance and repair obligations of all existing and all future Ventura Line railroad tracks and related facilities (except passenger stations, passenger loading platforms and layover facilities to be constructed by the Commission and except the yards and the industrial, switching and storage tracks identified in the Agreement) (collectively, the "Shared Use Facilities") located upon the Corridor or the Railroad Retained Land.

C. Pursuant to an Partial Assignment and Assumption of Purchase and Sale Agreement and Agreements Regarding Use of Tracks of even date herewith, LACTC assigned to the Commission all of its rights, and delegated to the Commission all of its duties, under the Agreement with respect to the Corridor, (ii) the Commission accepted such assignment of rights and delegation

of duties, and (iii) the Railroad consented to such assignment of rights and delegation of duties.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Railroad and the Commission hereby agree as follows:

1. The Agreement is hereby incorporated herein by reference with the same force and effect as if fully set forth herein. In the event of any conflict between the terms of this Memorandum and the terms of the Agreement, the terms of the Agreement shall prevail. The term of the Agreement is perpetual unless sooner terminated in accordance with its terms.

2. Pursuant to and as more fully set forth in the Agreement, the Railroad and the Commission shall each have the right to use all the Shared Use Facilities, subject to the terms and conditions contained in the Agreement. Without limiting the foregoing, the Railroad shall have the right, subject to the terms and conditions contained in the Agreement, to use the Shared Use Facilities located within the Corridor, and the Commission shall have the right, subject to the terms and conditions set forth in the Agreement, to use the Shared Use Facilities located upon the Railroad Retained Land. The Railroad and the Commission shall share the costs of maintenance and repair of the Shared Use Facilities, and any liability that may be incurred in connection with the Shared Use Facilities, in accordance with the provisions of the Agreement.

3. The Shared Use Facilities shall be owned as follows:

(a) The Railroad shall own all Shared Use Facilities existing at the date of execution of the Agreement; provided, that all Shared Use Facilities and other improvements existing at the date of execution of the Agreement and located within the Corridor shall be subject to the Commission's right to remove, relocate or modify in accordance with the Agreement.

(b) The Railroad shall own all future improvements located on the Railroad Retained Land that are constructed at the sole cost and expense of the Railroad.

(c) The Commission shall own all future improvements located on the Railroad Retained Land that are constructed or installed at the Commission's sole cost and expense.

(d) The Commission shall own the Corridor and all future improvements located therein unless otherwise agreed to by the Commission and the Railroad.

(e) The ownership of any future improvements funded jointly by the Commission and the Railroad and located outside of the Corridor shall be as mutually agreed to by them.

(f) At the termination of the Agreement as to the Ventura Line or any portion thereof, all of the then existing signal systems (including automatic block signal systems, centralized traffic control signal systems and crossing warning systems installed at highway related grade crossings) (collectively, "Signal Systems") included in the terminated portion of the Shared Use Facilities, other than the Commission's signal transmission cables, that are owned, in whole or in part, by the Commission, shall become the property of the Railroad. The Commission shall continue to provide the Railroad with the then existing level of use of the Commission's signal transmission cables for the purpose of communications for the then existing Signal Systems included in the Shared Use Facilities.

(g) Nothing in the Agreement shall be construed as granting to the Commission any interest or right in the Railroad Retained Land other than the rights expressly provided in the Agreement, and the Railroad reserves the right to use such Railroad Retained Land for any purpose other than providing competing commuter services as specified in the Agreement.

(h) Nothing in the Agreement shall be construed as granting to the Railroad any interest or right in the Corridor other than the rights expressly provided in the Agreement, and the Commission reserves the right to use such Corridor for any purpose other than providing competing freight services as specified in the Agreement, so long as the Railroad or its successors or assigns have not abandoned the Ventura Line.

IN WITNESS WHEREOF, this Memorandum has been executed and delivered by the Railroad and the Commission as of the date first written above.

THE RAILROAD:

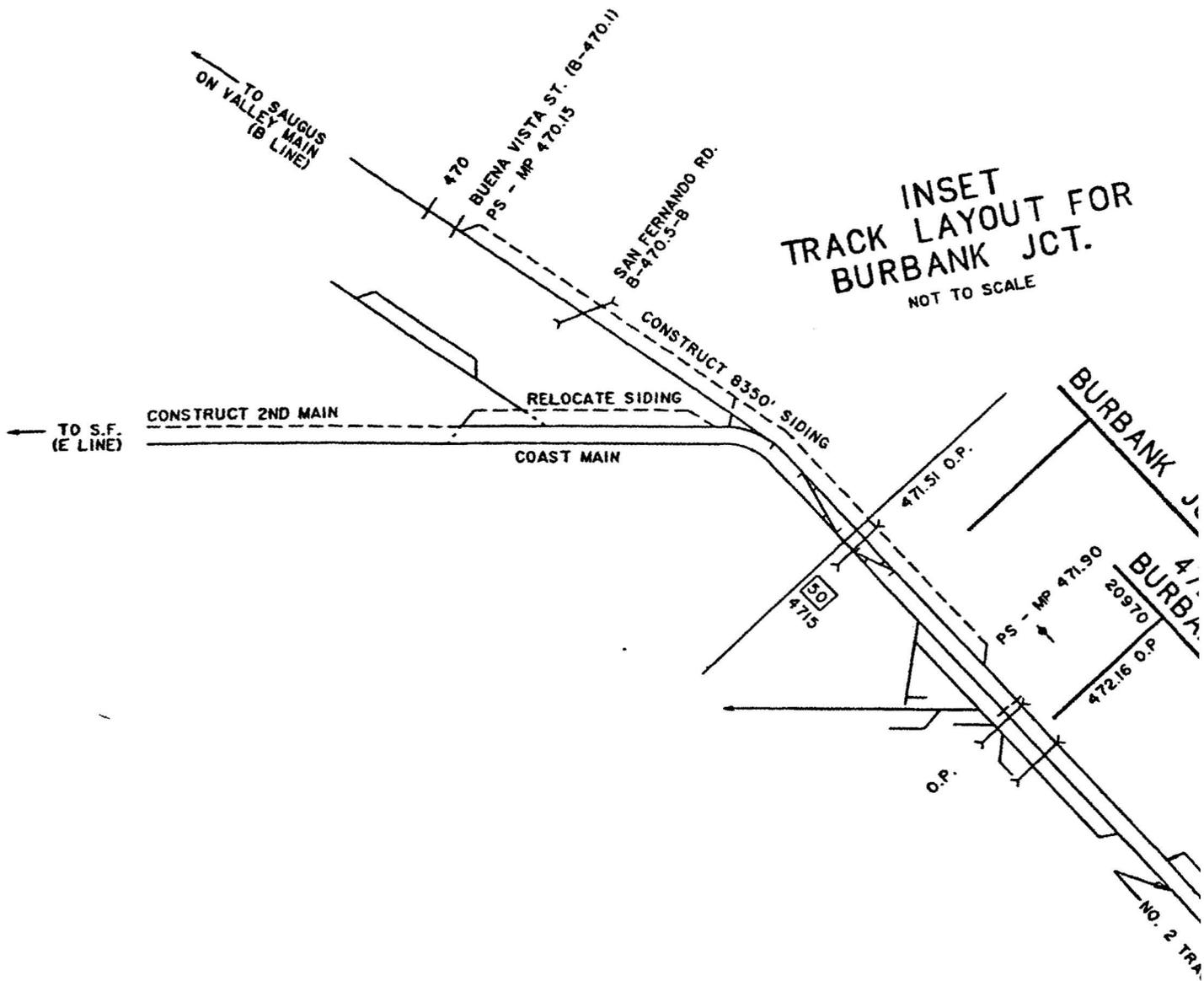
SOUTHERN PACIFIC
TRANSPORTATION COMPANY,
a Delaware corporation

THE COMMISSION:

VENTURA COUNTY
TRANSPORTATION COMMISSION

By: _____
Title: _____

By: _____
Title: _____



**INSET
TRACK LAYOUT FOR
BURBANK JCT.**
NOT TO SCALE

SAUGUS AND VENTURA LINE
AGREEMENT REGARDING LOCATION OF LAND

Reference is made to the Purchase and Sale Agreement dated October 11, 1990, between the undersigned (the "Purchase Agreement"). The undersigned agree that the drawings described in Exhibit A hereto set forth the location of the 40-foot wide strips of land referred to in Exhibit A, paragraph (f) of the Purchase Agreement.

SOUTHERN PACIFIC TRANSPORTATION
COMPANY

By: 
Name: S. B. STEEL
Title: VICE-PRESIDENT

LOS ANGELES COUNTY TRANSPORTATION
COMMISSION

By: 
Name: NEIL PETERSON
Title: EXEC. DIRECTOR

Dated: December 20, 1990

1099BH04

Schedule 1B

EXHIBIT A

I. Saugus Main Line

MP 449.4 to MP 478.21

- (a) Drawing N^o CE 44574, sheets 1 thru 5
Revised 12/6/90
- (b) Drawing N^o CE 44571, sheets 1 thru 32
Revised 12/6/90
- (c) Drawing N^o CE 44575, sheets 1 thru 6
Revised 12/6/90

II. Ventura Main Line

MP 426.4 to MP 462.45

Drawing N^o CE 44572, sheets 1 thru 33
Revised 12/6/90

1099BH04

SOUTHERN PACIFIC TRANSPORTATION COMPANY
One Market Plaza
San Francisco, California 94105

December 20, 1990

Los Angeles County
Transportation Commission
818 West Seventh Street, Suite 1100
Los Angeles, California 90017

Re: Saugus Line

Gentlemen:

Reference is made to the Purchase and Sale Agreement between us dated October 11, 1990 (the "Purchase Agreement"), and the Term Sheet to which we have agreed setting forth the terms of a Shared Use Agreement for Saugus and Ventura Lines to be entered into between us (the "Shared Use Agreement"). In connection with the negotiation of the Term Sheet, you have indicated that you may desire to extend the Saugus Line to milepost 448.0.

We hereby grant to you an option to purchase a 1.4 mile extension of the 40' purchased strip from milepost 449.4 to milepost 448.0 as shown on the attached map. The purchase price for such additional property shall be equal to 1.4 times the average per mile purchase price of the 40' purchased strip as set forth in the Purchase Agreement. The other terms of the purchase shall be as set forth in the Purchase Agreement. This option shall expire unless exercised in writing to the address set forth above, attention: Robert F. Starzel, Vice Chairman, not later than 6 months after the Effective Date of the Shared Use Agreement as to Los Angeles County. If the 1.4 mile extension is purchased, it and SP's adjoining existing track may be added to the Shared Use Facilities at your option, to be exercised by written notice to us at the closing. The closing shall occur on the first business day which is 30 days after notice of exercise.

Sincerely,



AMA:rb
1099bh04:1

Schedule 1C

SCHEDULE 2.2(a)(vi)
PENALTIES FOR DELAYS

The Railroad shall pay to the Commission penalties, as specified below, for each time that a freight train moving in the predominant direction of Commuter Service during a Peak Commuter Period that would not have been permitted to do so at that time but for the provisions of Section 2.2(a)(vi) is the sole and proximate cause of a delay, as indicated below, in arriving at the final destination of a scheduled Commuter Train moving in the predominant direction of Commuter Service during a Peak Commuter Period.

<u>Number of Minutes of Delay Caused Solely by Railroad's Train</u>		<u>Penalty per Late Commuter Train</u>
<u>equal to or more than</u>	<u>but less than</u>	
0	10	\$ -0-
10	15	200
15	20	400
20	25	600
25	30	800
30	any delay over 30	1,000

SCHEDULE 2.9

The contractor insurance requirements of the attached Contractor's Right of Entry shall not apply for so long as work performed by contractors by or on behalf of the Commission is insured under the Commission's owner controlled insurance program including Railroad Protective Liability Insurance with a minimum limit of \$50,000,000 CSL. The policies evidencing such insurance shall (i) be in a form reasonably acceptable to the Railroad, (ii) be endorsed to indicate that notification shall be extended to the Railroad at least sixty (60) days in advance of any cancellation or modification of the specified coverage, and (iii) name the Railroad as an additional insured for all purposes related to work performed by contractors by or on behalf of the Commission and not solely as to liabilities to be borne by the Commission pursuant to Article Seven of this Agreement. The Commission shall submit original policies to the Railroad evidencing such coverage to the extent that it is provided under primary policies of Railroad Protective Liability Insurance naming the Railroad as insured and shall submit to the Railroad original certificates evidencing such coverage to the extent that it is provided under excess coverage provided under the Commission's master policies.

CONTRACTOR'S RIGHT OF ENTRY

This Agreement, dated _____, 19____, by and between _____
_____, a corporation, herein called "Railroad", and _____
_____, herein called "Contractor",

Witnesseth:

1. For the period not to extend beyond _____, 19____,
Railroad hereby permits Contractor to enter upon the property of Railroad in the vicinity of mile post _____,
at or near _____, in (city / town) _____, County _____, State _____,
as may be necessary in connection with work to be performed on Railroad premises by Contractor for _____
_____, and for no other purpose.

2. Contractor agrees to:

(a) ~~Perform that portion of the work on Railroad premises in accordance with plans and specifications approved by Railroad in such manner and at such times as shall not endanger or interfere with Railroad's operations and in accordance with the regulations of Railroad and instructions of Railroad's representative.~~ Contractor shall submit to Railroad for approval all construction details, falsework and other incidentals not detailed in plans, insofar as they affect Railroad.

(b) ~~Mainrain, at Contractor's expense, competent flagmen to protect and control movement of vehicles and equipment of Contractor while upon Railroad premises.~~

(c) Notify Railroad at least five (5) working days before commencing work on Railroad premises and within five (5) working days after such work is completed.

(d) Keep all equipment, tools and materials stored at least fifteen (15) feet from the center line of any operable track. Explosives or other highly inflammable substances will not be stored on Railroad premises without the prior approval of Railroad's representative.

(e) Remove all of Contractor's tools, equipment and materials from Railroad premises promptly upon completion of work, restoring Railroad premises to the same state and condition as when Contractor entered thereon.

(f) Reimburse Railroad for all cost and expense incurred by Railroad in connection with said work, including without limitation ~~the expense of furnishing such inspectors, watchmen and flagmen as Railroad deems necessary,~~ the installation and removal of falsework beneath tracks, and restoration of Railroad's property to the same condition as when Contractor entered thereon, or to a condition satisfactory to Railroad's representative.

(g) Remove any lien against Railroad's property arising from performance of work hereunder by Contractor or any subcontractor.

3. Contractor agrees to and shall indemnify and hold harmless Railroad, its officers, agents, and employees from and against any and all claims, demands, losses, damages, causes of action, suits, and liabilities of every kind (including reasonable attorney's fees, court costs, and other expenses related thereto) for injury to or death of a person or for loss of or damage to any property, arising out of or in connection with any work done, action taken or permitted by Contractor, its subcontractors, agents or employees under this contract. **IT IS THE EXPRESS INTENTION OF THE PARTIES HERE TO, BOTH CONTRACTOR AND RAILROAD, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH INDEMNIFIES RAILROAD FOR ITS OWN NEGLIGENCE, WHETHER THAT NEGLIGENCE IS ACTIVE OR PASSIVE, ~~OR IS THE SOLE~~ OR A CONCURRING CAUSE OF THE INJURY, DEATH OR DAMAGE; PROVIDED THAT SAID INDEMNITY SHALL NOT PROTECT RAILROAD FROM LIABILITY FOR DEATH, INJURY OR DAMAGE ARISING SOLELY OUT OF THE CRIMINAL ACTIONS OF RAILROAD, ITS OFFICERS, AGENTS AND EMPLOYEES.**

4. Prior to the start of work or occupancy of premises under this agreement, Contractor agrees to procure and maintain, at its sole cost and expense, the following kinds of insurance with an insurer or insurers and form satisfactory to Railroad:

Comprehensive general and automobile liability insurance with contractual liability endorsement and products and completed operations hazards included, which shall provide coverage for limits of not less than \$2,000,000 bodily injury liability and property damage liability, combined single limits.

Contractor agrees to furnish Railroad with a certificate of insurance to which will be attached an endorsement, the form of which is included as a separate part of this agreement, marked Exhibit "A". Liability of Contractor under Section 3 hereof shall not be limited to coverage provided under said insurance policies.

5. Contractor shall deposit with Railroad the sum of _____

Dollars (\$_____) representing the estimated expense to be incurred by Railroad in connection with said work.

If there is no amount indicated in the blank space provided above for the deposit to be made by Contractor, in lieu of such deposit Contractor shall cause the attached surety bond to be executed by a reliable surety acceptable to Railroad, condition upon the faithful performance of the provisions of this agreement.

6. The permission herein given shall not be assigned by Contractor without the prior written consent of Railroad, except in the case of subcontractors who shall be deemed agents of Contractor subject to the terms of this agreement.

7. No vehicular crossing over Railroad's track shall be installed or used by Contractor without prior written permission of Railroad.

8. No work shall be done between the hours of 6:00 p.m. and 6:00 a.m., nor on Saturdays, Sundays or legal holidays without prior written permission of Railroad.

9. At request of Railroad, Contractor shall remove from Railroad premises any employee of Contractor or any subcontractor who fails to conform to the instructions of Railroad's representative in connection with work on Railroad premises, and any right of Contractor to enter upon Railroad premises shall be suspended until such request of Railroad is met. Contractor shall indemnify Railroad against any claim arising from the removal of any such employee from Railroad premises.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in duplicate the day and year first above written.

RAILROAD

By _____
(TITLE)

CONTRACTOR

By _____
(TITLE)

COMPREHENSIVE GENERAL AND AUTOMOBILE LIABILITY ENDORSEMENT

Attached to certificate of insurance for and hereby certified to be part of the following policy or policies having the following expiration dates:

Policy No.	Company Providing Policy	Expiration Date
------------	--------------------------	-----------------

The scope of the insurance afforded by the policy(ies) designated in the attached certificate is not less than that which is afforded by the Insurance Service Organizations or other "Standard Provisions" forms in use by the insurance company in the territory in which coverage is afforded.

Such Policy(ies) provide for or are hereby amended to provide for the following:

1 The named insured is _____

2. _____
("Railroad")* is included as an additional insured with respect to liability arising out of the hazards or operations under ALL AGREEMENTS entered into between the named insured and Railroad, whether or not liability is attributable to negligence of the named insured or Railroad. In the event it is intended that this endorsement is applicable to only one agreement, the agreement is described as follows:

The insurance provided hereunder applies as though separate policies are in effect for both the named insured and Railroad.

3. The limits of liability under the policy(ies) are not less than those shown on the certificate to which this endorsement is attached.

4. Cancellation or material reduction of this coverage will not be effective until thirty (30) days following written notice to:

Address

By registered or certified mail

5. Contractual liability coverage for liability assumed by this insured under said agreement or agreements with Railroad.

6. This insurance is primary and insurer is not entitled to any contribution from insurance in effect for Railroad.

7. All policy or endorsement limitations relating specifically to operations on or near railroad property are eliminated.

8. Broad Form Property Damage endorsement.

9 So-called X, C and U (or similar) limitations are not effective as respects operations by or for the named insured on or adjacent to Railroad's property.

10. In the event of reduction or exhaustion of the applicable aggregate limit or limits of liability under the primary policy or policies referred to in the attached certificate of insurance solely by reason of losses paid thereunder on account of occurrences during the policy period, the excess policy, if any, referred to herein shall (i) in the event of reduction, apply as excess of the reduced limit of liability thereunder; and (ii) in the event of exhaustion, continue in force as though it were primary insurance.

The term "Railroad" includes successors, assigns and affiliated companies of Railroad and affiliates thereof, and other railroad company operating upon or over Railroad's tracks with Railroad's permission, and the officers, employees and agents of any of the foregoing.

Insurance Company

Date: _____, 19____

By _____
Signature of Authorized Representative

E OF THE COMMISSION'S NAME IN CONTRACTOR ADVERTISING OR PUBLIC RELATIONS

The COMMISSION reserves the right to review and approve all COMMISSION-related copy prior to publication. The Contractor shall not allow COMMISSION-related copy to be published in Contractor's advertisement or public relations programs until submitting the COMMISSION-related copy and receiving prior approval from the Contracting Officer. The Contractor shall agree that all published information shall be factual and in no way imply that the COMMISSION endorses the Contractor's firm, service, or product.

TIME FOR SUBMITTAL OF BONDS

The successful Contractor shall furnish to the COMMISSION a Performance Bond and a Payment Bond, in such form as may be provided by the COMMISSION or as is otherwise approved by it guaranteeing the performance of the Work and the payment of all legal debts that may be incurred by reason of the Contractor's performance of the Work upon award of Contract, but prior to the execution of the Contract.

CONTRACT BONDS

The "Performance Bond" shall be for 100 percent of the Contract Price to guarantee faithful performance of all Work (including any warranty or guaranty of the Work), within the time prescribed and in accordance with the Contract, in a manner satisfactory to the COMMISSION, and that all materials and workmanship will be free from original or developed defects. The amount of the Performance Bond, at the COMMISSION'S sole discretion, may be reduced to ten percent of the total Contract Price after Final Acceptance.

The "Payment (Materials and Labor) Bond" shall be for 50 percent of the Contract Price.

Should any bond become, in the COMMISSION'S sole opinion, insufficient, the Contractor shall renew the bond within 10 days after receiving notice from the COMMISSION.

Should any Surety at any time be unsatisfactory to the COMMISSION, notice will be given the Contractor to that effect. No further payments shall be deemed due or will be made under the Contract until a new Surety shall qualify and be accepted by the COMMISSION.

Changes in the Work, or extensions of time, made pursuant to the Contract, shall in no way release the Contractor or Surety from its obligations. Notice of such changes or extensions shall be waived by the Surety.

No payment will be made to the Contractor until the Contractor's Payment Bond and Performance Bond have been approved by the COMMISSION.

PART C

BIDDER _____

BID FORMS

SECTION 3 BID DATA FORMS

3.A. BID BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT _____, as

**Principal, and _____, as
Surety, are held firmly bound unto the LOS ANGELES COUNTY
TRANSPORTATION COMMISSION, hereinafter called the
COMMISSION, in the sum of _____**

(use words)

_____ DOLLARS

**(\$ _____), being not less than ten percent (10%) of the
(figures)**

**total bid price; for the payment of which sum will and truly to be
made, we bind ourselves, our heirs, executors, administrators,
successors, and assigns, jointly and severally, firmly by these
presents.**

**WHEREAS, said Principal has submitted a bid to the COMMISSION to
perform all Work required under COMMISSION's IFB No.**

**NOW, THEREFORE, if said Principal is awarded a Contract for the Work
by the COMMISSION and, within the time and in the manner required by
the Invitation For Bid (IFB), enters into the written form of
Contract bound with said Invitation For Bid, and furnishes the
required bonds, one to guarantee faithful performance and the other
to guarantee payment for labor and materials, and furnishes the
required certificate of insurance, then this obligation shall be null
and void; otherwise it shall remain in full force and effect. In the
event suit is brought upon this bond by the COMMISSION and judgment
is recovered, said Surety shall pay all costs incurred by the
COMMISSION in such suit, including reasonable attorneys' fees to be
fixed by the court.**

SIGNED AND SEALED, this _____ day of _____, 1991.

(SEAL)

Principal

BY: _____

Signature

(SEAL)

Surety

BY: _____

Signature

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

CONTRACT NO. R23-T01-C0100

PERFORMANCE BOND

WHEREAS the Los Angeles County Transportation Commission ("COMMISSION") has awarded to _____ ("Principal"), Contract No. _____

WHEREAS, Principal is required under the terms of the Contract and to furnish a bond for the faithful performance of the Contract;

NOW, THEREFORE, we _____ as Principal and _____ ("Surety"), as Surety, are held and firmly bound unto the COMMISSION in the sum of _____ Dollars (\$_____), this amount being not less than the Total Contract Price, in lawful money of the United States of America, for payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents. In case suit is brought upon this bond, Surety will pay reasonable attorneys' fees to the COMMISSION in an amount to be fixed by the court.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the Contract and any alteration thereof, made as therein provided, all within the time and in the manner therein designated and in all respects according to their true intent and meaning, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

FURTHER, Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the Contract, or of the work to be performed thereunder, shall in any way affect its obligations under this bond, and it does hereby waive notice of any such change, extension of time, alteration or modification of the Contract or of the work to be performed thereunder.

IN WITNESS WHEREOF, three (3) identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety named herein, on the ____ day of _____, 199__, the name and corporate seal of each corporate party being hereto affixed

and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

By _____
("Principal")

By _____
("Surety")

By _____

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

PAYMENT (MATERIAL AND LABOR) BOND

CONTRACT NO.

;

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

CONTRACT NO. R23-T01-C0100

PAYMENT (MATERIAL AND LABOR) BOND

WHEREAS the Los Angeles County Transportation Commission ("Commission") has awarded to _____ ("Principal"), Contract No. _____

WHEREAS, Principal is required to furnish a bond in connection with the Contract to secure the payment of claims of laborers, mechanics, materialmen, and other persons as provided by law;

NOW, THEREFORE, we _____, as Principal and _____ ("Surety"), as Surety, are held and firmly bound unto the Commission in the sum of _____

Dollars (\$_____), this amount being not less than fifty percent (50%) of the Total Contract Price, in lawful money of the United States of America, for payment of which sum well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns firmly by these presents. In case suit is brought upon this bond, Surety will pay reasonable attorneys' fees to the Commission and the plaintiff(s) in an amount to be fixed by the court.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal, his or its heirs, executors, administrators, successors or assigns, or subcontractors, shall fail to pay any of the persons named in Civil Code Section 3181 or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or amounts due under the Contract, or any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of Principal, his or its subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to work or labor performed under the Contract, then the Surety herein named will pay for the same in an amount not exceeding the sum specified in this bond; otherwise the above obligation shall be void.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 3181 as to give a right of action to such persons or their assigns in any suit brought upon this bond.

FURTHER, Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the Contract

Documents, or of the work to be performed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of such change, extension of time, alteration or modification of the Contract Documents or of the work to be performed thereunder.

IN WITNESS WHEREOF, three (3) identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety named herein, on the ____ day of _____, 199__, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

By _____
("Principal")

By _____
("Surety")

By _____

MOJAVE DISTRICT

MAXIMUM AUTHORIZED SPEED FOR TRAINS

BETWEEN BAKERSFIELD and EAST MOJAVE		BAKERSFIELD LINE		PSGR	FRT
				70	65
EASTWARD		WESTWARD			
SDS#	Exceptions:	PSGR	FRT	SDS#	Exceptions:
70	310.8 and 312.8	50	50	50	@381.4 and 376.4
	312.8 and 313.6	25	25		@376.4 and 373.4
60	313.6 and 325.6	70	60	65	@373.4 and 370.4
70	325.6 and 328.2	50	50		370.4 thru X-Over
65	328.2 and 330.6	55	55		370.4 and 368.7
	330.6 and 335.4	25	25	70	368.7 and 360.6
	(Via No. 1 Track)				360.6 and 359.5
70	330.6 and 332.1	55	55		(Via No. 1 Track)
	(Via No. 2 Track)				359.5 and 336.0
	332.1 and 335.4	30	30		336.0 and 335.4
	(Via No. 2 Track)				335.4 and 332.1
	335.4 and 336.0	30	30		(Via No. 2 Track)
	336.0 and 359.5	25	25	70	332.1 and 330.6
	359.5 and 360.6	25	25		(Via No. 2 Track)
	(Via No. 1 Track)				335.4 and 330.6
	368.7 and 370.4	40	40		(Via No. 1 Track)
	370.4 and 371.4	35	35	65	330.6 and 328.2
	371.4 and 374.0	35	30	65	328.2 and 325.6
	374.0 and 381.2	35	25	70	325.6 and 315.4
	381.2 and 381.4	25	25		315.4 and 313.6
					313.6 and 312.8
				70	312.8 and 310.8

MOVEMENTS AGAINST THE CURRENT OF TRAFFIC

BETWEEN BAKERSFIELD and EAST MOJAVE				PSGR	FRT
				30	30
EASTWARD		WESTWARD			
Exceptions:	PSGR	FRT	Exceptions:	PSGR	FRT
310.8 and 313.6	20	20	381.4 and 380.4	20	20
313.6 and 321.1	20	20	365.4 and 364.4	10	10
321.1 and 324.9	25	25	324.9 and 321.1	25	25
364.3 and 365.2	15	15	321.1 and 313.6	20	20
370.3 Rule 312(1)	Stop	Stop	313.6 and 310.8	15	15
374.0 and 378.9	30	25			
380.1 and 381.4	10	10			

Exceptions:
 @ Speeds Indicated Apply on Both No. 2 Track between MP 380.2 and 370.4 and No. 1 Track between MP 381.4 and 370.4.

BETWEEN EAST MOJAVE and WEST COLTON				PSGR	FRT
				70	65
EASTWARD		WESTWARD			
SDS#	Exceptions:	PSGR	FRT	SDS#	Exceptions:
70	381.4 and 414.4	60	60	463.8 and 487.4	30
	414.4 and 414.6	35	35	487.4 and 491.0	40
70	414.6 and 460.8	70	65	491.0 and 491.9	30
70	460.8 and 462.8	50	50	491.9 and 492.7	
	462.8 and 463.8	40	40	(Both	
				Legs of Wye)	15

Stopping distance speed determined does NOT permit trains to exceed speed sign speed.

Grade Restrictions:

On descending grades between:

Tehachapi and Ilmon MP 332.1, Cameron MP 371.5 and Mojave, Harold MP 417.3 and Lang MP 438.2 Newhall MP 452.8 and Sylmar MP 457.2, Hiland and MP 486.0

the following table must be used to determine the maximum allowable speed taking into account authorized speed for track, freight train's TPOB and tons per axle of operative dynamic brake.

Tons Per Operative Brake (TPOB)	Tons Per Axle Operative Dynamic Brake			
	250 or Less	250 + to 300	300 + to 425	425 + to 500
Below 80	No Restrictions	30	25	20
80 to 100	25	25	20	20
100.1 to 130	25	20	20	20
130.1 to 140	20	20	20	20

A train that exceeds the table, one that experiences dynamic brake failure, or if the use of full dynamic brakes and a 16 pound brake pipe reduction will not control the train at the allowable speed, the train must be STOPPED and sufficient hand brakes set to prevent movement. The train must not proceed until additional dynamic braking is obtained, tonnage reduced, or retainers on all cars placed in operative position. The train must not pro-

MOJAVE DISTRICT

ceed except as instructed by a Road Foreman of Engines or other proper authority. When retainers are used the following will govern:

1. Retaining valve must be set in low pressure or slow direct position on all cars weighing 50 tons or less, and in high pressure position on all cars over 50 tons.
2. Maximum speed of 15 MPH.
3. The "Short Cycle Method" of braking must be used. This method consists of making frequent automatic brake applications and short holds. If the brake pipe pressure is gradually reducing and cannot be regained by slower train speed and brake pipe reductions reach 16 pounds, the train must be stopped and the air brake system recharged.

WESTWARD ↓		STATIONS		↑ EASTWARD	
Station Numbers	Siding Feet	Saugus Line			Mile Post
20965		BURBANK JCT	MOT		471.3
		4.3			
18280		SUN VALLEY		D	467.9
		4.5			
18275	3070	PACOIMA		T	463.4
		1.6			
18270		SAN FERNANDO		C	461.8
		2.6			
18265	6050	SYLMAR			459.2
		8.6			
18250	5040	SAUGUS		A	450.6
		7.5			
18240		HUMPHREYS		B	443.1
		4.2			443.0
18235	4990	LANG		S	438.8
		9.6			438.6
18225	6090	RAVENNA			429.0
		4.0			
18215		PARIS		DT	425.0
		4.5			
18210		VINCENT		DTC	420.5
		6.1		ABS	
18155		PALMDALE JCT		CTC	414.4
(56.9)					

Arvin Branch

17745	ARVIN	Y	333.1
	4.3		
17740	DI GIORGIO	TY	328.8
	2.0		
17735	RIBIER	Y	326.8
	2.2		
17725	LAMONT	Y	324.6
	8.0		
17705	MAGUNDEN	Y	316.6
(16.5)			

Lone Pine Branch

	END OF BRANCH	Y	431.7
	3.3		
17955	SEARLES	TY	428.4
	25.9		
17935	CANTIL		402.5
	21.7	D	
17930	CHAFFEE	T	380.8
	1.3		
17900	MOJAVE	QT	379.5
			380.7
(52.2)			

MAXIMUM AUTHORIZED SPEED FOR TRAINS

BETWEEN		SAUGUS LINE		ALL TRAINS	
PALMDALE JCT and BURBANK JCT				50	
Exceptions:		Exceptions:			
417.3 and 427.0	30	454.8 and 457.2	30		
427.0 and 450.0	25	457.2 and 459.0	40		
450.0 and 454.8	40	471.5 (thru x-over)	35		
BETWEEN		ARVIN BRANCH		ALL TRAINS	
MAGUNDEN and ARVIN				10	
BETWEEN		LONE PINE BRANCH		ALL TRAINS	
MOJAVE and END OF BRANCH				40	
Exceptions:		Exceptions: Westward			
422.0 and 426.0	30	422.0 and 412.9	30		

SANTA BARBARA DISTRICT

WESTWARD ↓		STATIONS		↑ EASTWARD	
Station Number	Siding Feet	Coast Line			Mile Post
20965	5300	BURBANK JCT	MT		471.3 462.4
14210		HEWITT		D	458.4
14200		GEMCO	Q	T	455.5
14142	4056	CHATSWORTH		C	445.5
14134	8130	SANTA SUSANA			437.5
		SIMI VALLEY			436.8
14122	4912	MOORPARK			427.1
14114	5544	CAMARILLO		A	416.6
14100	5701	OXNARD	Q	B	407.8
13960		MONTALVO	T	S	403.2
13955	5600	VENTURA			398.2
13925		VENTURA JCT			397.3
13910	5045	SEACLIFF			388.6
13890		EAST SANTA BARBARA		DT	371.9
13885		SANTA BARBARA	Q	DTC	370.7
13880		WEST SANTA BARBARA		ABS	368.5
13875	5728	GOLETA			362.8
13860	4964	CAPITAN		D	349.9
13855	3957	GAVIOTA		T	339.4
13845	6128	CONCEPCION		C	325.3
13840	5818	SUDDEN			317.3
13830	6725	HONDA			307.9
13800	5550	SURF	T	A	302.7
13795	5511	TANGAIR	T	B	297.2
13730	6218	NARLON		S	293.2
13720	4267	DEVON			286.5
13710	4035	WALDORF			280.7
13700	4532	GUADALUPE	Q		276.5
13690	5850	CALLENDER			269.9
13653	6308	GROVER			264.2
13605		EAST SAN LUIS OBISPO		DT	254.8
13600		SAN LUIS OBISPO		DTC	252.1
(210.3)					

SANTA BARBARA DISTRICT

MAXIMUM AUTHORIZED SPEED FOR TRAINS					
BETWEEN SAN LUIS OBISPO and DAYTON AVE TOWER					
		PSGR	FRT	PSGR	FRT
249.4 and 251.5		40	40	336.2 and 344.7	60 60
251.5 and 253.3	....	25	25	344.7 and 346.0	50 50
253.3 and 254.9	....	35	35	346.0 and 347.4	45 45
254.9 and 258.5	....	60	60	347.4 and 348.8	40 40
258.5 and 261.2	....	35	35	348.8 and 356.8	70 60
261.2 and 262.3	....	30	30	356.8 and 357.8	60 45
262.3 and 263.9	....	60	60	357.8 and 368.3	70 50
263.9 and 267.9	....	70	60	368.3 (turnout)	35 35
267.9 and 269.0	....	40	40	368.3 and 370.6	40 40
269.0 and 275.6	....	70	60	370.6 and 372.3	20 20
275.6 and 277.0	....	50	50	372.3 and 375.2	40 40
277.0 and 279.6	....	60	60	375.2 and 382.0	50 50
279.6 and 280.0	....	45	45	382.0 and 386.6	55 55
280.0 and 283.2	....	70	60	386.6 and 387.7	40 40
283.2 and 288.5	....	40	40	387.7 and 390.8	65 60
288.5 and 291.0	....	55	55	390.8 and 391.2	45 45
291.0 and 291.3	....	40	40	391.2 and 392.2	60 60
291.3 and 294.4	....	70	60	392.2 and 396.7	70 60
294.4 and 295.8	....	60	60	396.7 and 396.9	45 45
295.8 and 296.1	....	45	45	396.9 and 398.2	55 55
296.1 and 296.6	....	55	55	398.2 and 402.1	70 60
299.6 and 300.2	....	40	40	402.1 and 402.4	60 60
300.2 and 304.4	....	60	60	402.4 and 405.3	70 60
304.4 and 304.8	....	55	55	405.3 and 407.2	60 50
304.8 and 306.1	....	60	60	407.2 and 408.1	40 40
306.1 and 309.1	....	65	60	408.1 and 414.8	70 60
309.1 and 310.2	....	45	45	414.8 and 415.4	60 60
310.2 and 311.8	....	50	50	415.4 and 429.4	70 60
311.8 and 318.2	....	70	60	429.4 and 429.9	50 50
318.2 and 323.1	....	45	45	429.9 and 432.2	65 60
323.1 and 325.3	....	70	50	432.2 and 437.8	70 60
325.3 and 325.7	....	50	50	437.8 and 440.8	60 60
325.7 and 328.2	....	70	60	440.8 and 444.4	40 40
328.2 and 335.3	....	60	60	444.4 and 462.4	60 60
335.3 and 336.2	....	40	40		
Exceptions: EASTWARD			Exceptions: WESTWARD		
Via No. 1 Track			Via No. 2 Track		
251.8 and 253.3	....	15		371.9 and 371.0	
253.3 and 254.1	....	.20		371.0 Crossing stop and	
368.4 and 370.5	....	.20		apply Rule 103(A)	
370.5 and 371.9	....	5		371.0 and 370.5	
				368.4 and 370.5	
				254.1 and 251.8	

MAXIMUM AUTHORIZED SPEED EXCEPTIONS

Light engines with less than 12 axles must not exceed 45 MPH between East Santa Barbara and Burbank Jct.

"Key" trains must not exceed 30 MPH between:

Santa Barbara	MP 366.0 and MP 370.6
Ortega—Carpinteria	MP 372.3 and MP 382.0
Ventura—Oxnard	MP 397.0 and MP 409.0
Chatsworth—Burbank Jct.	MP 445.0 and MP 462.4

SPEEDS ON OTHER THAN MAIN TRACK

Yard Tracks San Luis Obispo, Guadalupe and Oxnard	5
On Vandenberg AFB Track, Tangair	
(MP 297.4) to Helium Spur	20
Wye Track Chatsworth	5
All Other Tracks Santa Barbara District	10

SANTA BARBARA DISTRICT

RULE 314(A). Block signals with "F" plates:

Eastward	Protection	Westward
2598	Collision detector, underpass, MP 259.8 ..	2597
2608	Flood detector, bridge, MP 261.4 ..	2615
2838	Mud slide detector fence	2851
2940	Fire detector, bridge, Narion .	2955
3056	Slide detector fence, MP 306.1	3067
3192	Fire detector, bridge, MP 320.3 ..	3207
3214	Slide detector posts, MP 321.5	3227
3344**	Slide detector posts, MP 335.4	** 3355
3356**	Slide detector posts, MP 335.8	** 3373
3424	Slide detector posts, MP 344.2	3443
3444	Slide detector posts, MP 344.5	3459
3848	Slide detector fence, MP 385.1	3871
3872	Slide detector fence, MP 387.2 to MP 387.7	3885
4032	Barncade detector, MP 403.2	4043
4216	Barncade detector, MP 422.6	4227
4428	Falling rock detector, Tunnel 27, MP 443.0	4431
4470	Barncade detectors, MP 447.2	4481
4504	Barncade detector, MP 451.4	4517
4554	Barncade detector, MP 456.3	4567
4592	Barncade detector, MP 460.2	4613

****Sacate:** Rotating red beacons at MP 335.4 and MP 335.8 will operate when slide detector is activated.

When Signals 3344, 3355, 3356 or 3373 display Red aspect, track must be inspected to determine that it is safe for the passage of trains. A report of track conditions must be made to train dispatcher by first available means of communication.

RULE 480. Direct Traffic Control Designated Limits:

East MP	Block Name	West MP	East MP	Block Name	West MP
Coastline Line					
462.4	Hewitt	454.3	317.5	Sudden	308.0
454.3	Northridge	446.1	308.0	Honda	303.2
446.1	Chatsworth	437.6	298.1	Surf	298.1
437.6	Santa Susana	427.4	293.9	Tangair	293.9
427.4	Moorpark	417.2	286.9	Narion	286.9
417.2	Camarillo	408.8	280.9	Devon	280.9
408.8	Oxnard	399.2	276.9	Waldorf	276.9
399.2	Ventura	389.6	270.7	Guadalupe	270.7
389.6	Seacliff	371.9	264.9	Callender	264.9
No. 1 Track					
371.9	Mission	368.4	254.8	Grover	254.8
No. 2 Track					
371.9	Pacific	368.4	254.8	San Simeon	251.8
368.4	Santa Barbara	362.9	No. 2 Track		
362.9	Goleta	349.9	El Camino		
349.9	Capitan	339.7	Burbank Branch		
339.7	Gaviota	325.3	Branch		445.5
325.3	Concepcion	317.5	White Hills Branch		
			Lompoc		304.0

RULE 482. East Santa Barbara and West Santa Barbara, East San Luis Obispo and San Luis Obispo: Rule 482 authority may only be granted for movements with the current of traffic. Movements against the current of traffic may only be made under the provisions of RULE 486, work and time authority.

MISCELLANEOUS

1. Restricted Tracks

A. Engines listed must not operate on tracks shown below:

Class of Engine	Restricted Track
All ..	Ventura County RR: Track 3 and 250 feet beyond the east switch Track 9.
	South Vandenberg AFB MP 309.2: government spur east of Interchange Track.
All, except 4-axle locomotives	Santa Paula Branch: between MP 404.0 and MP 431.0

2. White Hills Branch: Employees are not to detrain or walk on embankment on South Side of track between derail switch at John Manville Plant entrance and private road crossing MP 316.0 and 450 feet east of Johns Manville derail switch, account drainage ditch adjacent to track.

BASIN DISTRICT

WESTWARD ↓		STATIONS		↑ EASTWARD	
Station Number	Siding Feet	West Line			Mile Post
..		SANTA FE INTERLOCKING	M		538.7
25000		3.0 WEST COLTON	QT		535.0
24920	6259	6.0 SOUTH FONTANA	T		529.7
24795		1.8 KAISER			527.5
24520	5914	3.7 GUASTI		C	523.8
24515	5621	3.6 ONTARIO			520.2
24510	6173	2.4 MONTCLAIR		T	517.8
24245	14135	3.5 POMONA		C	514.3
24215	6231	7.5 WALNUT			506.8
24205	5691	3.3 MARNE			503.5
..		0.9 MARNE X-OVERS			502.6
24000	14909	0.3 CITY OF INDUSTRY	QT		501.5
..		1.6 TWENTY-SEVEN X-OVER			501.0
23995	7029	3.4 BASSETT			497.3
23677	7238	2.7 EL MONTE			494.6
23624		6.9 ALHAMBRA		2	487.7
		0.8 AURANT X-OVER		MT	486.9
		1.3 VALLEY BLVD X-OVERS		CTC	485.6
23500		3.5 LATC	QT	2	482.9
23610		0.1 TAYLOR JCT	MT	MT	482.8
21089		0.6 MISSION TOWER	MQT	2	482.2
21087		0.3 EAST BANK JCT	M	M	481.9
21085		1.2 DAYTON AVE TOWER	MQ	T	480.7
		1.3 MAIN LINE TOWER X-OVERS	M		479.4
21000		0.9 LOS ANGELES YD	QT	DT	478.5
20985		1.4 GLENDALE		ABS	477.1
		3.7 ALLEN AVE X-OVERS	M		473.4
20965	5300	2.1 BURBANK JCT	MT	2MT	471.3
					462.4

(67 4)

POMONA: West portion of siding 5773 feet. East portion of siding 8362 feet.

CITY OF INDUSTRY: New siding 5240 feet. Extension 7862 feet.

BASIN DISTRICT

MAXIMUM AUTHORIZED SPEED FOR TRAINS

WEST LINE

Between SANTA FE INTERLOCKING and BURBANK JCT. via WEST LINE

SDS	PSGR	FRT	PSGR	FRT
70	539.0 and 538.5	30	30	
	538.5 and 537.6 (No. 1 Track)	50	50	10 10
	538.5 and 537.6 (No. 2 Track)	25	25	
70	537.6 and 536.5	50	50	15 15
70	536.5 and 532.4	70	50	
	532.4 and 523.4	70	65	
	523.4 and 491.3	65	60	10 10
	*491.3 and *489.9	30	30	
	489.9 and 485.8	50	50	
	485.8 and 484.0 via No. 1 Track	30	30	
	484.0 and 482.8 Taylor Jct. via No. 2 Track	20	20	15 15
	485.8 and 482.8 Taylor Jct. via No. 1 and No. 2 Tracks	20	20	20 20
	482.8 and 481.7	15	15	40 40

WEST COLTON:

Balloon Track and both legs of wye 15

Exceptions:

Light engines with less than 12 axles must not exceed 45 MPH between: Burbank Jct and MP 525.0 on West Line
 "Key" trains must not exceed 30 MPH between:
 West Line Dayton Ave Tower, MP 489.7 and Walnut, MP 505.0
 Pomona, MP 512.0 and MP 516.0
 South Fontana, MP 530.0 and West Colton, MP 535.7

Loaded unit steel slab train must not exceed 30 MPH
 No. 2 Track (Rule 94 Territory) — Restricted Speed
 MP 482.8 and MP 485.5
 Eastward (via No. 1 Track) MP 473.4 and MP 479.4 (Against Current of Traffic) 20
 Westward (via No. 2 Track) MP 479.4 and MP 473.4 (Against Current of Traffic) 20

*Rule 10(E) At these locations, speed may be increased as soon as lead engine has passed increase speed sign.

BASIN DISTRICT

WESTWARD ↓		STATIONS		↑ EASTWARD	
Station Number	Siding Feet	Vernon Line			Mile Post
21089		MISSION TOWER	MQT	2 MT	482.2
		0.0			
		UP PASADENA JCT			UP-0.9
		2.6			
Movements between Pasadena Jct. and Ninth St. Jct. are over the Trackage of the U.P.R.R.					
		UP NINTH ST JCT			UP 1.72
		0.6			
		ATSF REDONDO JCT	MT		ATSF 0.0
		0.6			
21200		LOS ANGELES (J YARD)	Q	D	485.0
		2.3			
		ATSF CROSSING	A	T	487.3
		0.2			
		SP CROSSING	S	C	487.5
		1.6			
21225		FIRESTONE PARK			489.1
		7.1			
21814		DOMINGUEZ	Y		496.2
		2.5			
21555		DOLORES - ICTF	QY		498.7
22200					
(17.5)					

Patata Line

24000		CITY OF INDUSTRY	QTY		501.5
		1.6			513.1
24190		PUEENTE JCT	Y		511.5
		0.9			UP17.8
	5937	UP CITY OF INDUSTRY			UP16.9
		5.6			
Movements between Puente Jct. and UP Crossing (via UP Bartolo) are over trackage of the U.P.R.R.					
		UP BARTOLO		C	UP11.3
		0.4		T	504.9
		UP CROSSING			504.5
		2.8			
		ATSF CROSSING (DT JCT)		CTC	501.7
		1.0			
23300		LOS NIETOS		DTC	500.7
		3.1			
21250		STUDEBAKER	T	2MT	497.6
		2.5		CTC	497.5
21245		DOWNNEY		D	495.0
		2.9			
21235		PATATA (UP CROSSING)	A	T	492.1
		3.1			
21225		FIRESTONE PARK	T	C	489.0
		7.1			489.1
21814		DOMINGUEZ	Y		496.2
		2.5			
21555		DOLORES - ICTF	QY		498.7
22200					
(33.5)					

STUDEBAKER: Length between clearance points on either main track (2MT) is 4550 feet.

MAXIMUM AUTHORIZED SPEED FOR TRAINS

BETWEEN	VERNON LINE	ALL TRAINS
MISSION TOWER and DOLORES		25
Exceptions:		
UP Ninth St Jct and 487.6		10
498.0 and 498.7		10
PATATA LINE		
C. of I. and DOLORES		20
Exceptions:		
511.5 and 513.1 (Puente Jct.)		10
500.0 and 501.7 (Los Nietos)		10
498.8 (Studebaker-Eastward Movement Through Turnout)		10
497.6 and 497.7 (Studebaker Wye)		10
489.0 and 489.6 (Firestone Wye)		10
489.6 and 495.5 (Firestone to Dominguez)		25
495.5 and 498.7 (Dominguez to Dolores)		10

SOUTHERN PACIFIC COMPANY

January 31, 1991

BASIN DISTRICT General Order No. 2

General Orders in effect:
1 - 2

ITEM 1. REVISION. January 31, 1991
Timetable, page 101.

REVISE MAXIMUM AUTHORIZED SPEED FOR
TRAINS, West Line, that portion reading:

	PSGR	FRT
485.8 and 484.0 Via No. 1 Track	30	30
484.0 and 482.8 Taylor Jct via No. 2 Track	20	20
485.8 and 482.8 Taylor Jct via No. 1 and No. 2 Tracks	20	20

to read:

	PSGR	FRT
No. 1 Track		
485.8 and 484.0	30	30
484.0 and 482.8	20	20
No. 2 Track		
485.8 and 482.8	20	20

ITEM 2. REVISION. January 31, 1991
Timetable, page 109.

REVISE ADDITIONAL STATIONS, Station Number of
South Gate to read 21415.

ITEM 3. ADDITION. January 31, 1991
Timetable, page 121.

ADD the following to RULE 104(L):

City of Industry: Derail on siding MP 501.1 must be left in
the NON-DERAILING position except when equipment is
left unattended between Twenty-Seven X-Over and derail.

L. L. PHIPPS
General Manager

Posted by:

Date:

Time:

SOUTHERN PACIFIC COMPANY

November 24, 1990

SANTA BARBARA DISTRICT General Order No. 1

Santa Barbara District
General Orders in effect:
1

Item 1. Cancellation: All Santa Barbara District General Orders dated prior to November 24, 1990 are cancelled.

Item 2. REVISION, November 24, 1990.
Timetable, page 96.

REVISE MAXIMUM AUTHORIZED SPEED FOR TRAINS BETWEEN SAN LUIS OBISPO AND DAYTON AVE. TOWER, that part reading:

~~440.8 and 440.4 40 40~~

To read:

440.8	and	441.2	.....	40	40
441.2	and	442.6	.....	25	25
442.6	and	444.4	.....	40	40

Item 3. November 24, 1990.

Track Material in toe path at the following location:

Surf East leg of wye Oceanside.
Oxnard Track 5040.
Ventura Main Track and Siding.
MP 436.0 to MP 455.0.
MP 455.1 to MP 455.7.
MP 455.9 to MP 462.7 including all yard tracks.
Oxnard Track 5040 Sturgis Rd. - Proctors & Gamble.

MP 450.2 Track 6185 impaired clearance and uneven footing.

Ventura Branch: Branch out of service.

L. L. PHIPPS
General Manager

Posted by:

Date:

Time:

SOUTHERN PACIFIC COMPANY

December 27, 1990

SANTA BARBARA DISTRICT General Order No. 2

General Orders in effect:
1 - 2

Item 1. DELETION. December 27, 1990.
Timetable, page 95.

DELETE in Station Column Coast Line the "Q" following
Santa Barbara.

Item 2. REVISION. December 27, 1990.
Timetable, page 96.

REVISE Maximum Authorized Speed for Trains, that
portion reading:

Between SAN LUIS OBISPO AND DAYTON AVE.
TOWER

to read:

Between SAN LUIS OBISPO and BURBANK JCT.

L. L. PHIPPS
General Manager

Posted by:

Date:

Time:

SOUTHERN PACIFIC COMPANY

November 24, 1990

MOJAVE DISTRICT General Order No. 1

Mojave District
General Orders in effect:
1

Item 1. Cancellation: All Mojave District General Orders dated prior to November 24, 1990 are cancelled.

Item 2. ADDITION. November 24, 1990.
Timetable, page 88.

ADD to MAXIMUM AUTHORIZED SPEED FOR TRAINS, SAUGUS LINE, the following new exception speed:

454.9 and 456.3	25
467.0 and 471.0	40

Item 3. November 24, 1990.

Track Material in foot path at the following location:

Bakersfield Line

MP 314.5 to MP 325.1 along No. 1 Track.

MP 327.0 to MP 360.5.

MP 360.5 to MP 364.0 along No. 2 Track.

MP 380.0 to MP 380.2 along No. 1 and No. 2 Track.

Saugus Line

MP 428.3 to MP 429.7.

MP 439.0 to MP 439.5.

MP 451.0 to MP 459.0.

Mojave: East end Track 103 out of service and switch lined and locked for lead.

L. L. PHIPPS
General Manager

Posted by:

Date:

Time:

SOUTHERN PACIFIC COMPANY

January 29, 1991

MOJAVE DISTRICT General Order No. 2

General Orders in effect:
1 - 2

ITEM 1. REVISION. January 29, 1991
Timetable, page 87.
REVISE MAXIMUM AUTHORIZED SPEED FOR TRAINS, BAKERRFIELD LINE, EASTWARD, that portion reading:

60 313.6 and 325.6 70 60

to read:

65 313.6 and 325.6 70 60

ITEM 2. REVISION. January 29, 1991
Timetable, page 88.
REVISE MAXIMUM AUTHORIZED SPEED FOR TRAINS, SAUGUS LINE, to read:

SDS	All Trains	SDS	All Trains
65 414.4 and 417.3	50	457.2 and 459.0	40
417.3 and 427.0	30	459.0 and 467.0	50
427.0 and 450.0	25	467.0 and 471.0	40
450.0 and 454.8	40	471.0 and 471.5	50
454.8 and 456.3	25	471.5 (thru x over)	35
456.3 and 457.2	30		

ITEM 3. CANCELLATION. January 29, 1991
Timetable, page 88.
CANCEL Item 2 of Mojave General Order No. 1

ITEM 4. REVISION. January 29, 1991
Timetable, page 90.
REVISE SPEED ON OTHER THAN MAIN TRACK to read:

Remotely controlled turnouts, crossovers and sidings . . 25

EXCEPTIONS:

Crossovers Sandcut	20
Short ATSF connection East Mojave and siding Cliff	10
Sidings Summit Switch, Lang, Ravenna and Sylmar . . .	20
Bakersfield, Mojave and Searles: Yard tracks	5
Diesel Facilities	5
All other track Mojave District	10

(Revision makes all yard tracks Bakersfield 5 MPH.)

ITEM 5. REVISION. January 29, 1991
Timetable, page 91.
REVISE RULE 104 (M) that portion reading:

Saugus . . . East and eastward siding . . Main Track

to read:

Saugus . . . East end of siding Main Track

ITEM 6. ADDITION. January 29, 1991
Timetable, page 91.
ADD the following:

RULE 109 (A). Walking inspections of stopped trains will not be made at the following locations:

MP 326.0 - MP 327.0	South side Track No. 2
MP 329.0	Both sides of Main Track
MP 330.0 - MP 331.6	Both sides of Main Track and Tracks Nos. 1 and 2 in the Ilmon area
MP 333.8 - MP 333.9	North side Track No. 1 vicinity old Tunnel 12
MP 337.8 - MP 338.4	Area of east switch and spur switch at Callente
MP 341.5 - MP 345.1	North side of Bealville siding around curve No. 28
MP 347.2	Through Tunnel 5, Main Track in Cliff area and Cliff siding, through Tunnels 7 and 8 and Main Track to west switch Rowen
MP 348.3	South side Main Track in rock cut Area under bridge on both Main Track and Woodford siding
MP 349.6 - MP 351.5	Both sides Main Track through cuts. Tehachapi Creek Bridge area and Tunnel 9 to west switch Walong
MP 352.3 - MP 353.0	From Tunnel 10 to west switch Marcel
MP 354.3 - MP 355.3	Both sides Main Track from east switch Marcel to Tunnel 14
MP 355.4 - MP 356.0	South side Main Track area from Tunnel 14 to Tunnel 17
MP 358.0 - MP 359.5	North side of Track No. 1 from ABS signal 3595 to MP 358.0
MP 399.2 - MP 399.9	Both sides Main Track
MP 459.2	Sylmar siding

Areas between sidings and main tracks, and areas between adjacent tracks.

In addition, between Sandcut MP 325.0 and Cable MP 358.0, inspections will not be made during periods of darkness or during inclement weather which materially impairs visibility.

The above will not apply when train is stopped by an emergency application of the brakes or has had severe slack action incidental to stopping. (Refer to Rule 102).

ITEM 7. REVISION. January 29, 1991
Timetable, page 93.
REVISE RULE 480 Oak Creek Branch reading:

382.5 Creal 290.0

to read:

382.5 Creal 389.9

ITEM 8. REVISION. January 29, 1991
Timetable, page 93.
REVISE RULE 480 Direct Traffic Control Designated Limits, Lone Pine Branch, to read:

Lone Pine Branch

380.1	Chaffee	386.9
386.9	Cantile	402.8
402.8	Sahdale	414.1
414.1	Searles	426.0

ITEM 9. REVISION. January 29, 1991.
REVISE MISCELLANEOUS, Item 3, first sentence to read:

3. Sunset Railway, Arvin and Buttonwillow branches and designated "Excepted Track" in compliance with FRA Track Standards.

ITEM 10. CANCELLATION: January 29, 1991.
CANCEL that portion of General Order No. 1 Item 3 reading:

Mojave: East end Track 103 out of service and switch lined and locked for lead.

L. L. PHIPPS
General Manager

Posted by:

Date:

Time:

Effective Date as to the portions of the Lines in Los Angeles County that the Commission not be in breach of its obligations under the last sentence of Section 5.2(e) of the Purchase Agreement, and the Commission shall have in good faith and with due diligence attempted to cause the relevant agencies to complete the purchases contemplated by such section.

Section 9.2. Effective Date for Ventura County Portion. The Effective Date of this Agreement as to the portions of the Lines in Ventura County shall be the date on which all of the following shall have occurred: (i) the conditions set forth in Section 9.1 shall have been satisfied and this Agreement shall have become effective as to the portions of the Lines in Los Angeles County, (ii) the additional condition set forth in the last sentence of Section 9.1 shall have been, and shall continue to be, satisfied, and (iii) the Ventura County Transportation Commission shall have completed the purchase of all of that portion of the Corridor located in Ventura County pursuant to the Purchase Agreement.

Section 9.3. Evidence of Effective Date; Termination. Upon occurrence of an Effective Date for a portion of the Lines, the Railroad shall execute and deliver to the Commission a certificate setting forth the Effective Date. Thereafter, this Agreement, subject to the provisions of Section 9.4, shall continue in effect for the applicable portions of the Lines in perpetuity unless and until one of the following shall have occurred:

(a) The Commission terminates this Agreement upon one year's written notice to the Railroad.

(b) The Commission or the Railroad fails to comply with, or to be diligently proceeding to comply with, an arbitration order rendered pursuant to Article Eight regarding resolution of a dispute between the Commission and the Railroad under this Agreement by the date 30 days after the date on which such order was rendered, and the party which is not in non-compliance with such order gives written notice of termination to the party which has failed to so comply.

(c) Following a determination that the Commission is required to undertake the construction of enhancements of the Shared Use Facilities pursuant to Section 2.5, the Commission fails to commence such construction within a reasonable time and thereafter diligently complete such construction.

(d) The Commission fails to complete the enhancements to the Shared Use Facilities set forth in