

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

DOCKET NO. 05A-066R

IN THE MATTER OF THE APPLICATION OF)
UNION PACIFIC RAILROAD COMPANY, FOR)
AUTHORITY TO CONSTRUCT A GRADE)
SEPARATION AT THE CROSSING OF UNION)
PACIFIC RAILROAD COMPANY AND TIMBER)
HOUSE ROAD (CROSSING NO. DOT 924)
190J), IN WINTER PARK, STATE OF)
COLORADO.)
_____)

**STIPULATION AND SETTLEMENT
AGREEMENT**

Applicant Union Pacific Railroad Company (Union Pacific), Intervenor, Colorado Department of Transportation ("CDOT") and the Town of Winter Park ("Winter Park"), by and through their respective counsel, hereby enter into this Stipulation and Settlement Agreement ("Stipulation") and in consideration of all of the terms and conditions set forth herein, hereby agree and stipulate as follows:

1. The application commencing this action was filed with the Colorado Public Utilities Commission by Union Pacific on February 14, 2005. In the Application Union Pacific seeks an order authorizing construction of a grade separation at the crossing of the Union Pacific railroad trackage and Timber House Road (DOT Crossing No. 924 190J), in Winter Park, State of Colorado.
2. On February 25, 2005, the Colorado Department of Transportation filed an Entry of Appearance and Notice of Intervention. CDOT was granted Intervenor status by the Commission by Order dated April 4, 2005.

3. On March 7, 2005, Winter Park attempted to file an Intervention in this matter, but this Intervention was not received by the Commission. On April 27, 2005, Intrawest/Winter Park Operations Corporation and Intrawest/Winter Park Developments Corporation, collectively "Winter Park Resort" filed another Intervention in this matter. There has been no decision on this intervention request by the Commission.
4. By Order dated May 27, 2004 Administrative Law Judge William J. Fritzel ordered that Union Pacific shall file a Settlement Agreement on or before August 15, 2005 or, alternatively, file a report that the matter needs to proceed to hearing. This matter is currently set for hearing on August 30, 2005.
5. Prior to the Application filed by Union Pacific, an application was filed asking to upgrade the crossing protection at the Timber House Road/Union Pacific crossing. It was anticipated that the upgrade was going to cost \$242,041, all of which would be paid for by Federal Funds.
6. Union Pacific and CDOT agree that the money that would have been spent on the upgraded crossing protection, in the amount of \$ 242,041, shall instead be applied to the cost of the grade separation as provided in a construction agreement which will be filed as a late filed exhibit. The estimated cost of the grade separation is \$1,500,000. The difference between the estimated cost for the grade separation work and the Federal funds lump sum of \$242,041 shall be the responsibility of the Union Pacific.

7. Timber House Road will be relocated as a part of this project. The Town of Winter Park will complete the final roadway surface of Timber House Road at its sole cost and expense. Except for the final roadway surface, Union Pacific will be responsible for design and construction of the new structure.
8. Construction will begin as soon as approval is received from the PUC, and should be completed in approximately twelve (12) months. After construction is complete, maintenance of the grade separation and the tracks and operating facilities shall continue to be the responsibility of the Union Pacific. Maintenance of Timber House Road shall continue to be the responsibility of the Town of Winter Park.
9. Union Pacific, CDOT and the Town of Winter Park hereby request that the Commission enter an Order approving the construction of the grade separation as set forth in the Application and in this Stipulation and Settlement Agreement.
10. This Stipulation may be enforced only by the parties hereto or their successors. The parties agree to cooperate and otherwise perform this Stipulation in good faith, and shall execute such additional documents or instruments as may be reasonably necessary or required in order to properly carry out and effectuate the terms, provisions and intent of this Stipulation.
11. This Stipulation shall not become effective until the Commission issues an Order approving the Stipulation, which Order does not contain any modification of the terms and conditions of this Stipulation that is

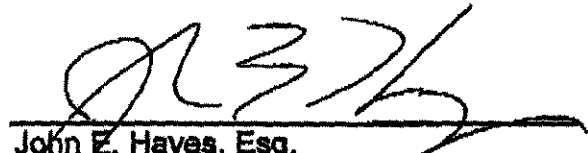
unacceptable to any of the parties to the Stipulation. In the event the Commission modifies this Stipulation in a manner unacceptable to any party hereto, that party may withdraw from the Stipulation and shall so notify the Commission and the other parties to the Stipulation in writing within 10 days of the date of the final Commission Order. In the event a party exercises its right to withdraw from the Stipulation, the Stipulation shall be null and void and have no effect.

12. In the event this Stipulation becomes null and void, or in the event the Commission does not approve this Stipulation, this Stipulation as well as the negotiations undertaken in conjunction with this Stipulation shall not be admissible into evidence in any proceeding.
13. The parties state that they have reached this Stipulation by means of a negotiated process that is in the public interest and that the results reflected in this Stipulation are just, reasonable and in the public interest.
14. This Stipulation may be exercised in separate counterparts, including facsimile. The counterparts taken together shall constitute the Stipulation. The parties represent that the signatories to the Stipulation shall have full authority to bind their respective parties to the terms of the Stipulation.
15. The Stipulation shall be governed by and construed in accordance with the laws of the State of Colorado.

Respectfully submitted this 8th day of August, 2005.



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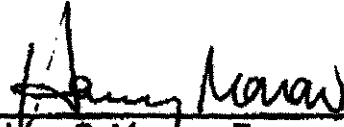
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Respectfully submitted this ____ day of _____, 2005.

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