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November 7, 2017

Mr. Robert Camareno
City Manager
City of New Braunfels
550 Landa Street
New Braunfels, Texas 78130

Subject: Culvert Replacement for UP Bridge Replacement Project
Union Pacific MP 225.45, Austin Subdivision
City of New Braunfels, State of Texas

Mr. Camareno:

This is regarding the City of New Braunfels, Texas' ("City") financial contribution to Union Pacific Railroad Company's ("UP") replacement of a section of the City's concrete box culvert in conjunction with UP's replacement of an existing railroad bridge ("Existing Bridge") located west of Highway 46 (Texas 337 Loop) between Church Hill Drive and Manhattan Street near MP 225.45 on UP's Austin Subdivision in the City of New Braunfels, Texas ("UP Project").

In response to your September 27, 2017 draft letter (copy enclosed) to me, UP agrees to the City making the \$100,000.00 payment to UP on November 1, 2018 as their financial contribution to replace a portion of the existing concrete box culvert for structural reasons.

UP does not agree to alter the terms of the Drainage Facility & Waterway Agreement dated June 22, 2007 between UP and the City, identified in UP's records as Contract Audit No. 245010, in regard to the City's request to be relieved of responsibility for replacement or future changes to the replacement culvert structure for a period of time not less than 10 years after its installation, or for any other period of time.

As a condition of UP's acceptance of the Contribution, UP will require the City's execution of a Reimbursement Agreement documenting the City's payment of the Contribution as reimbursement for UP's performance of the Replacement Work, and a Supplemental Agreement to the 2007 Agreement that documents the new specifications and location of the Replacement Culvert Section on UP's property following UP's completion of the Replacement Work. The City hereby agrees that the City will thereafter maintain, modify, repair, renew, revise, relocate, remove or reconstruct the Replacement Culvert Section pursuant to the terms and conditions of the 2007 Agreement.

For the avoidance of doubt, the parties acknowledge and agree that UP's acceptance of the Contribution serves as an accommodation for UP's completion of the UP Project, and that such acceptance does not set any precedent for the funding of future modifications, relocations, or removal of the Replacement Culvert Section.

Please acknowledge your receipt of this Letter and agreement to the general terms and conditions contained herein.

Sincerely,



Steve J. Sand
Senior Manager – Acquisitions
Real Estate Department

ACKNOWLEDGED BY:

**CITY OF NEW BRAUNFELS,
a Texas municipal corporation**

By: _____
Printed Name: _____
Title: _____

Enclosure

Cc: Adam Becker (UP Engineering)
Chris Kelly (UP Law)
Ivan Jaime (UP Public Affairs)
Rick Gilmore (UP Real Estate)



OFFICE OF THE CITY MANAGER

September 27, 2017

Mr. Steve J. Sand
Director – Acquisitions
Real Estate Department
Union Pacific Railroad
1400 Douglas Street
Omaha, Nebraska 68179

DRAFT

Subject: Culvert Replacement for UP Bridge Replacement Project
Union Pacific MP 225.45, Austin Subdivision
City of New Braunfels, State of Texas

Mr. Sand,

Please allow this letter to serve as a response to your June 26th letter discussing the City of New Braunfels reimbursing Union Pacific (UP) Railroad \$100,000 for replacement of an existing concrete box culvert in UP right-of-way located west of Loop 337/State Highway 46 between Church Hill Drive and Manhattan Street. The City appreciates that UP is in agreement with this amount and requests the following changes to finalize this issue:

1. As it pertains to the budget, the City of New Braunfels would make the \$100,000 payment to UP on November 1, 2018 as a financial contribution to this project to replace the box culvert for structural reasons.
2. Because UP is removing the trestle bridge at this location, the City requests that the proposed Supplemental Agreement to contain a provision that the City would not be responsible for replacement or future changes to the Replacement Culvert Section structure for a period of time not less than 10 years after its installation.

If UP is in agreement with the foregoing, the City will move forward with signing the revised agreement along with budgeting this reimbursement.

Sincerely,

Robert Camareno
City Manager