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August 13, 2012

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 35522, *CSX Transportation, Inc. –Acquisition – Grand Trunk Western Railroad Company* 232728
Finance Docket No. 35522 (Sub-No. 1), *Baltimore and Ohio Chicago Terminal Railroad Company—Trackage Rights Exemption—CSX Transportation, Inc.* 232730
Docket No. FD 35522 (Sub-No. 2), *Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railroad Company, Illinois Central Railroad Company, and Wisconsin Central Ltd. —Trackage Rights Exemption—CSX Transportation, Inc.* 232733

Dear Ms. Brown:

Enclosed for filing are the original and 10 copies of a minor Application for CSX Transportation, Inc. ("CSXT") to acquire a 22.37-mile exclusive, perpetual non-assignable railroad operating easement that runs between Elsdon, IL, milepost 8.7, and Munster, IN, milepost 31.07 (the "Line"), from the Grand Trunk Western Railroad Company. As directly related proceedings, the Application also contains two Notices of Exemption for (1) the Baltimore and Ohio Chicago Terminal Railroad Company to acquire trackage rights over the Line from CSXT, and (2) Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railroad Company, Illinois Central Railroad Company, and Wisconsin Central Ltd., to acquire trackage rights over the Line from CSXT; and 20 copies of maps. A diskette containing a WORD and pdf version of the Application and Notices is attached. A check for the filing fee of $7,500 for the Application and $1,100 for each Notice is enclosed.

Please time and date stamp the extra copy of the filing and return with our messenger. Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer
Attorney for CSX Trar

Enclosures

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CSXT-1

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35522

CSX TRANSPORTATION, INC.—ACQUISITION—
GRAND TRUNK WESTERN RAILROAD COMPANY

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APPLICATION

VOLUME 1 OF 3

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August 13, 2012
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Public Record

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Dated: August 13, 2012

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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35522

CSX TRANSPORTATION, INC.— ACQUISITION—
GRAND TRUNK WESTERN RAILROAD COMPANY

APPLICATION

CSX Transportation, Inc. ("CSXT") files this minor application pursuant to 49 U.S.C. §11323(a)(2) and 49 C.F.R. §1180 seeking approval from the Surface Transportation Board (the "Board") for CSXT to acquire an exclusive, perpetual non-assignable railroad operating easement (the "Easement") over approximately 22.37 miles of Grand Trunk Western Railroad Company's ("GTW") Elsdon Subdivision between the connection with CSXT at Munster, IN, milepost 31.07, and Elsdon, IL, milepost 8.7, which connects to the southern end of the BNSF Railway Company's Corwith Yard (the "Elsdon Line"). See the Map A in Exhibit 1. GTW is retaining overhead and local trackage rights over the Elsdon Line.[1] The acquisition of the Easement over the Elsdon Line by CSXT is referred to as the "Proposed Transaction."[2]

This Application is presented in three volumes. Volume 1 contains the application information itself and all of the exhibits, except for the Agreement, which is contained in

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[1] In the accompanying directly related proceedings, CSXT is granting trackage rights over the Elsdon Line to: (1) Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railroad Company ("EJ&E"), Illinois Central Railroad Company ("IC"), and Wisconsin Central Ltd., collectively the "GTW Affiliates" in Finance Docket No. 35522 (Sub-No. 2), *Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railroad Company, Illinois Central Railroad Company, and Wisconsin Central Ltd.-Trackage Rights Exemption-CSX Transportation, Inc.*; and (2) the Baltimore & Ohio Chicago Terminal Company, a subsidiary of CSXT in Finance Docket No. 35522 (Sub-No. 1), *Baltimore & Ohio Chicago Terminal Company- Trackage Rights Exemption-CSX Transportation, Inc.*

[2] CSXT is controlled by CSX Corporation. GTW is directly controlled by Grand Trunk Corporation, which is controlled by Canadian National Railway Company.

Volume 2.[3] Volume 3 contains the directly related Notices of Exemption for trackage rights.

SUMMARY

CSXT and GTW have entered an Agreement for Exchange of Perpetual Easements dated as of August 13, 2012 (the "Agreement") (See Volume II) to effectuate the Proposed Transaction so that CSXT can improve the efficiency of its operations in and through the Chicago, IL area, which will be referred to as the "Chicago Terminal."[4] Under the Proposed Transaction, CSXT will assume the responsibility for the maintenance, dispatching and capital improvements on the Elsdon Line. The Chicago Terminal has the densest concentration of railroad lines in the United States. CSXT currently operates over several rail lines that are owned by other railroads and where the maintenance, dispatching, and capital improvements are controlled by those railroads. In becoming the operator of the Elsdon Line, CSXT will be able to reduce congestion on the other lines that it uses to operate through the Chicago Terminal, increase the efficiency of its operations in the Chicago Terminal, and generate savings in excess of $2 million per year. These benefits will be generated without a reduction in competition.

CSXT and GTW have agreed to an easement swap, whereby CSXT obtains the Easement on the Elsdon Line and GTW obtains an exclusive, perpetual non-assignable railroad operating easement over approximately 2.1 miles of CSXT's Memphis Terminal Subdivision, between Leewood, TN, milepost 00F371.4, and Aulon, TN, milepost 00F373.4 (the "Leewood Easement"), in order for GTW and its affiliates to have greater control of the operation of their north-south trains between the Gulf of Mexico and Chicago.[5] CSXT and GTW will retain

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[3] A redacted version of the Agreement is contained in Volume 2. The redacted information is the compensation being paid in each of the trackage rights agreements. Unredacted pages of the trackage rights agreements are simultaneously being filed under seal.

[4] Each day, about 800 passenger and 500 freight trains move through the Chicago Terminal rail network, which includes about 2,800 route-miles of track, 1,100 viaducts and bridges, and 78 railroad yards.

[5] GTW will seek exemption for the acquisition of the Leewood Easement from CSXT in a separate petition for exemption to be filed by GTW, in *Grand Trunk Western R.R.-Acquisition of Operating Easement-In Shelby County,*

trackage rights over the respective lines. The exchange of easements represents the full agreement between CSXT and GTW to be completed without any expectation of additional consideration from either party.

Today, GTW operates over the Elsdon Line and the GTW affiliates have trackage rights granted by GTW over the Elsdon Line. CSXT also operates over the Elsdon Line pursuant to trackage rights granted to CSXT by GTW ("Trackage Rights Agreement").[6] CSXT and GTW have agreed that CSXT will not be assigned the existing trackage rights agreements between GTW and the GTW Affiliates for the GTW Affiliates to operate over the Elsdon Line. Instead, CSXT has agreed to grant trackage rights over the Elsdon Line to the GTW Affiliates. The Notice of Exemption for the GTW Affiliates to acquire trackage rights over the Elsdon line from CSXT is in Volume 3 of this Application.

The Proposed Transaction will not result in a substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. The Proposed Transaction will not result in a reduction in the number of rail carriers serving any shipper. All of the railroads operating in the Chicago Terminal today will continue to serve the Chicago Terminal. CSXT's use and control of the Elsdon Line will not restrain trade since GTW and the GTW Affiliates will be able to continue to jointly use the Elsdon Line via trackage rights and other railroads will continue to be able to use their own routes. The benefits of the Proposed Transaction will be CSXT's more efficient operation in the Chicago Terminal saving CSXT in excess of $2 million per year and reducing congestion on other lines within the Chicago Terminal that CSXT is using today. The improved operations within the Chicago Terminal will also yield network benefits, as CSXT incurs inefficiencies on

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Tennessee, Docket No. FD 35___.

[6] *CSX Transportation, Inc.-Trackage Rights Exemption-Grand Trunk Western Railroad Company*, STB Finance Docket No. 35326 (STB served February 12, 2010).

its rail lines outside of the Chicago Terminal in terms of staging and holding trains because of Chicago congestion and operating challenges.

The Baltimore & Ohio Chicago Terminal Company ("B&OCT"), a wholly owned subsidiary of CSXT, has concurrently filed a directly related Notice of Exemption for trackage rights over the Elsdon Line in order to maximize operational efficiency so that B&OCT's trains can be operated over the Elsdon Line. See Volume 3.

As described in Section I, the Proposed Transaction is a minor transaction. Section II proposes a time schedule in compliance with 49 U.S.C. §11325. The Background of the Proposed Transaction is provided in Section III. Section IV responds to the specific information required in the Board's regulations. In order to comply with the environmental requirements of 49 C.F.R. Part1105, CSXT has requested and been approved to prepare a preliminary draft Environmental Assessment (the "PDEA") (see the exchange of correspondence in Exhibit 4). Concurrent with the filing of this application, CSXT is submitting the PDEA to the Board's Office of Environmental Assessment ("OEA").

I. THE PROPOSED TRANSACTION IS MINOR

The Proposed Transaction is a minor transaction, as that term is defined in the Board's regulations at 49 C.F.R. §1180.2(c).

The Proposed Transaction is not a major transaction because it does not involve the control or merger of two Class I railroads. See 49 C.F.R. §1180.2(a). Both CSXT and GTW are Class I railroads but the acquisition of an easement over the 22.37-mile Elsdon Line is not a control or merger transaction. The Proposed Transaction is the result of arms length bargaining between CSXT and GTW. CSXT and GTW will remain independent of each other, will not merge, and neither will control or have the power to control the other. The Interstate Commerce

Commission (the "ICC") concluded that the consolidation of operations in a limited geographic area by two Class I carriers was a minor transaction because it involved "the consolidation of operations and joint use of certain railroad lines of NS and CSXT in South Carolina." *Norfolk Southern Railway Company—Consolidation of Operations—CSX Transportation, Inc*, ICC Finance Docket No. 32299 (ICC served August 5, 1993). CSXT contends that this Application demonstrates that the Proposed Transaction clearly will not have any anticompetitive effects. There will be no reduction in the number of railroads serving any shipper and no railroads will be foreclosed from interchange as a result of the Proposed Transaction. The Proposed Transaction is not significant as that term is defined in 49 C.F.R. §1180.2(b).

If there were any anticompetitive effects, they would be outweighed by the increased efficiency in CSXT's operations in the Chicago Terminal from reducing overall train delays and congestion throughout the area and the annual savings in excess of $2 million per year.

The Board has determined that a transaction is minor when no "shipper would have fewer competitive rail alternatives as a result of the transaction." *CSX Transportation, Inc. and Delaware and Hudson Railway Company, Inc.—Joint Use Agreement*, STB Docket No. FD 35348, slip op. at 7 (STB served May 27, 2010) ("*Joint Use*"). Not only will CSXT and GTW continue to operate over the Elsdon Line, but they and all other railroads will retain their existing rights to operate throughout the Chicago Terminal. Under the Proposed Transaction, no shipper would have fewer competitive rail alternatives.

Competitive service on the Elsdon Line will be provided by CSXT and GTW and its affiliates.

CSXT respectfully request the Board to find the Proposed Transaction to be a minor transaction under 49 C.F.R. §1180.2(c).

PROPOSED SCHEDULE

CSXT proposes the following schedule in accord with the requirements of 49 U.S.C. §11325.

DATE	ACTION
August 13, 2012	Application filed with Board. PDEA submitted to OEA.
September 12, 2012	Board accepts application and establishes schedule. OEA issues Environmental Assessment ("EA") and requests comments.
September 26, 2012	Notices of intent to participate must be filed with the Board. Discovery requests due to CSXT.
October 11, 2012	CSXT responds to discovery requests.
October 12, 2012	Comments of the Attorney General and Secretary of Transportation due.
November 9, 2012	Comments due in response to EA. Comments due from all other parties.
November 29, 2012	CSXT responds to comments and opposition to application.
December 11, 2012	Oral argument if deemed necessary by Board.
December 26, 2012	Close of record.
January 14, 2013	OEA issues final EA.
February 9, 2013	Board serves final decision.
March 11, 2013	Board decision becomes effective.

The proposed schedule provides the Board and parties with the statutorily mandated time periods and allows sufficient time for oral argument, if necessary, and for the completion of the environmental review based on the PDEA that CSXT is concurrently filing with OEA. CSXT does not expect opposition to the Proposed Transaction based upon potential competitive

harm. However, the schedule provides a reasonable period of time for the submission of comments.

CSXT recognizes that prior proceedings involving the realignment of rail traffic in the Chicago Terminal have resulted in significant environmental comment. In order to fully inform those potentially affected, CSXT has engaged in a significant effort. CSXT has held outreach meetings with local, state and Federal representatives of the communities that the Elsdon Line runs through (See Exhibit 4D). In addition to the outreach meetings, after consultation with OEA, CSXT retained HDR Engineering, Inc. ("HDR") to prepare the PDEA. HDR and OEA have conducted site visits to the Elsdon Line and have collaborated in the preparation of the PDEA. As part of the preparation of the PDEA, HDR sought comments from numerous parties identified in the consultation letters in Exhibit 4B and received numerous comments (Exhibit 4C), which are addressed in the PDEA. Those comments have been taken into account in the preparation of the PDEA. CSXT has made the Proposed Transaction and potential environmental effects known to the people potentially affected. Therefore, CSXT contends that the comment period on the EA is sufficient to allow the potentially affected parties to make their concerns known to OEA and the period for the preparation of the final EA provides OEA with time to assess and review any environmental effects of the Proposed Transaction.

CSXT respectfully requests the Board to adopt the proposed schedule.

BACKGROUND

CSXT is a wholly owned subsidiary of CSX Corporation. CSXT is a Class I railroad that operates about 80 trains per day into, out of, and within the Chicago Terminal, including those of its wholly owned subsidiary, the B&OCT. These trains include intermodal run through trains, run through unit trains, local trains that serve local industry, transfer jobs that move freight

between processing facilities, and merchandise trains with traffic destined throughout locations in the United States and Canada.

CSXT enters the Chicago Terminal using several corridors located to the south, east, and west of the Chicago metropolitan area as described below:

- **Grand Rapids Subdivision** is part of CSXT's route between Michigan and Chicago. The route consists of CSXT's trackage between Grand Rapids, MI and Porter, IN (the CSXT Grand Rapids Subdivision) and trackage rights over the Norfolk Southern Railway Company's ("NS") Chicago Line between Porter, IN and various connections to other rail lines in the Chicago Terminal. CSXT trains operating via the Grand Rapids Subdivision can switch between trackage rights on the NS Chicago Line and CSXT's Barr Subdivision[7] near Pine Jct., IN and between the NS Chicago Line and Belt Railway of Chicago ("BRC") trackage near 96th Street. The Grand Rapids Subdivision is an FRA Class 4 or lower line where freight train speed limits are between 15 to 50 mph. Amtrak's Pere Marquette train operates daily service over the Grand Rapids Subdivision between Grand Rapids, MI, and Chicago, IL. CSXT operates 4 to 6 freight trains per day over this route.

- **Barr Subdivision**, between Willow Creek, IN, and Blue Island Jct., IL including trackage rights over the B&OCT between Pine Jct., IN and Blue Island Jct. The Barr Subdivision allows CSXT to operate between points east of Chicago and (a) B&OCT's Barr Yard (a major classification yard in Chicago), (b) the IHB's Blue Island Yard, (c) the Bedford Park Intermodal Facility, (d) the 59th Street Intermodal Terminal, (e) BRC's Clearing Yard, and (f) connections with other Chicago railroads. CSXT operates approximately 50 trains per day over this route. The Barr Subdivision extends through Dolton, IL where it crosses the busy UP Villa Grove Subdivision at grade. The IHB, through an interlocking agreement, controls the movement of all trains through Dolton, IL. The Dolton crossing is one of the most congested railroad intersections in the Chicago Terminal. CSXT must secure IHB approval prior to operating to or from Dolton, IL on the Barr Subdivision. The track is operated at FRA Class 4 or lower, with speeds between 25 and 60 mph for freight trains.

- **Monon Subdivision** is the northern portion of CSXT's route between Indianapolis, IN and Chicago, IL. The Monon Subdivision's north end terminates at Munster, IN at connection with the Elsdon Line. CSXT operates two freight trains per day plus local service on the Monon Subdivision. In addition, Amtrak operates two trains a day over the Monon Subdivision. The Monon Subdivision is FRA Class 3 or lower and freight trains operate at 20 to 40 mph and passenger trains operate at 20 to 60 mph. These trains currently operate over the Elsdon

[7] The Barr Subdivision is owned by the B&OCT west of Pine Jct. and owned by CSXT east of Pine Jct.

Subdivision via a point of connection at or near Munster, IN.[8] The track is operated at FRA Class 3 or lower, with speeds between 25-40 mph for freight trains and speeds between 20-60 mph for passenger trains.

- **Villa Grove Subdivision** is CSXT's route to and from the Chicago Terminal from the south. The subdivision extends between Villa Grove, IL and Canal Street (Chicago) and also serves as UP's main line between the Chicago Terminal and the south. CSXT uses the Villa Grove Subdivision between Woodland Jct., IL and 80th Street (Chicago). The approximately 66-mile portion of the Villa Grove Subdivision between Woodland Jct., IL and Dolton, IL is jointly owned, 50/50, by CSXT and UP ("CSXT/UP Joint Line"). It is an FRA Class 4 or lower line where the trains operate at between 20 and 60 mph. The Villa Grove Subdivision handles between 15 and 20 CSXT trains per day and approximately 20 UP trains per day. In addition, Amtrak operates daily passenger service on the subdivision north of Thornton Jct. UP dispatches the Villa Grove Subdivision.

- **Porter Subdivision** extends between Porter, IN and Ivanhoe, IN – approximately 2 miles east of IHB's Gibson Yard. The line extending west of Ivanhoe, IN is operated by the IHB. The Porter Subdivision operates at FRA Class 3 or lower with a freight train speed limit at or below 40 mph. The Porter Subdivision – in conjunction with the IHB operated line west of Ivanhoe – provides CSXT access to IHB's Gibson Yard and a route parallel to the Barr Subdivision that also provides access to and from (a) B&OCT's Barr Yard, (b) IHB's Blue Island Yard (c) the Bedford Park Intermodal Facility, (d) CSX's 59th Street Intermodal Terminal, (e) BRC's Clearing Yard, and (f) connections with other Chicago railroads. CSXT operates 2 to 4 trains a day over the Porter Subdivision.

- **New Rock Subdivision** extends between Blue Island Jct., IL and Utica, IL. The segment between Blue Island Jct. and Joliet, IL is owned and operated by METRA, the Chicago area transit agency, with CSXT enjoying trackage rights over this segment. CSXT leases the New Rock Subdivision between Joliet, IL and Utica, IL. The New Rock Subdivision handles 2 CSXT trains per day and 2 Iowa Interstate Railroad Ltd. trains per day.

- **The Franklin Park Branch** is part of the critical IHB belt line around Chicago that extends between Blue Island Jct., IL and Franklin Park, IL. The segment between Blue Island Jct., IL and McCook, IL is owned by the B&OCT and dispatched by the IHB under a joint facility agreement. While not a route to or from Chicago per se, it is part of a major corridor around Chicago that is used by most Chicago railroads. CSXT's use of this route will be reduced at least for a while after implementation of the operating plan, which will in turn provide improved efficiency for all the railroads that use this route.

If the Application is approved, CSXT will divert traffic to portions of the Elsdon Line

[8] In the future CSXT plans to seek Board authority to acquire trackage rights between Wellsboro, IN and Munster, IN to expedite east/west movements.

from the UP Villa Grove Subdivision, from segments of the BRC, and from segments of the IHB Franklin Park Branch to the Elsdon Line. If this Application is approved, CSXT does not anticipate material changes to its operations over the Barr, Grand Rapids, Porter, and New Rock Subdivisions.

Once in the Chicago Terminal, CSXT must use a combination of its own lines and other carriers' lines to move traffic to and from yards and terminals in the Chicago Terminal. The significant freight and passenger rail activity in the Chicago Terminal impacts the speed at which freight moves through the Chicago Terminal. The primary benefit of CSXT's acquisition of an easement over the Elsdon Line is that the Elsdon Line provides CSXT with a route that is not encumbered by the control of another rail carrier and with it the need of the foreign railroad to balance the competing priorities of multiple route users, including the ability to dispatch the route. CSXT anticipates being able to operate into, out of, and through the Chicago Terminal on a more consistent basis, which in turn will yield a more efficient and reliable service product to the shippers that use CSXT's rail transportation services.

From the East, CSXT operates into Chicago via rail lines owned by the B&OCT, CSXT (operated by the IHB west of Ivanhoe, IN), and other rail carriers over which CSXT operates via trackage rights. These rail lines provide CSXT with connectivity to all Class I carriers and the major terminals within Chicago, including B&OCT's Barr Yard, the IHB's Blue Island and Gibson Yards, the BRC's Clearing Yard, CN's Kirk Yard, Canadian Pacific Railway's Bensenville Yard, and the 59th Street and Bedford Park Intermodal Terminals.[9] CSXT's dominant train activity into and out of the Chicago Terminal operates over the Barr Subdivision, which traverses through Dolton, IL, and handles approximately 50 trains a day. The Barr

[9] These intermodal terminals are operated by CSX Intermodal Terminals, Inc. as part of CSXT's intermodal network. CSX Intermodal Terminals, Inc. is a non-carrier affiliate of CSXT and a wholly-owned subsidiary of CSX Corporation.

Subdivision and the Porter/IHB routes converge just east of Dolton, IL. At Dolton, westbound trains may operate via the UP Villa Grove Subdivision north to 80th Street and then west on the BRC to BRC's Clearing Yard, the Bedford Park Intermodal Terminal, or the 59th Street Intermodal Terminal. At Dolton trains may also continue on the Barr Subdivision to Blue Island Jct. where they may operate northwest on 12.1 miles of the IHB Franklin Park Branch to 71st Street where they move east on the BRC to enter the west end of BRC's Clearing Yard or the Bedford Park Intermodal Terminal. The CSXT trains that operate over this route include all train types and commodities, including intermodal, unit ethanol, unit coal, unit grain, auto, and mixed manifest trains.

From the Southeast (i.e. Indianapolis, IN), CSXT operates over its own line that connects to the Elsdon Line in the vicinity of Munster, IN.[10] On average, CSXT operates two (2) trains per day between the Munster connection and the Chicago Terminal. These trains are mixed manifest trains handling traffic between CSXT's Avon Yard (located in Indianapolis) and the B&OCT's Barr Yard.

From the South, CSXT operates over the CSXT/UP Joint Line between Woodland Jct., IL and Dolton, IL. This rail line enables CSXT to connect to the B&OCT's Blue Island Subdivision at Dolton or to continue north on the UP Villa Grove Subdivision to 80th Street where it connects to the BRC. Currently, all trains from the south must operate over this CSXT/UP Joint Line to Dolton. CSXT operates between fifteen (15) and twenty (20) trains a day over this line segment. The Southern Route crosses the Elsdon Line at Thornton Jct., IL. The CSXT trains that operate over the CSXT/UP Joint Line include all train types and commodities, including intermodal, unit ethanol, unit coal, unit grain, unit phosphate/potash,

[10] Today, CSXT operates up to four trains per day over the Elsdon Line under a trackage rights agreement with GTW. *CSX Transportation, Inc.-Trackage Rights-Exemption-Grand Trunk Western Railroad Corporation*, STB Finance Docket No. 35326 (STB served February 12, 2010).

auto, and mixed manifest trains.

CSXT's trains that currently operate from the east have an average train length of approximately 6,000 feet and average weight of 6,300 tons per train. CSXT trains that operate over the two southern routes have an average train length of approximately 5,400 feet and average weight of 5,500 tons per train. CSXT does not expect that the rerouting of trains from their current routes to the Elsdon Line will result in material changes in average train length, average tonnage, or commodity profile.

CSXT also moves trains to and from Clearing Yard and Bedford Park via various routes, including via the IHB and the BRC, all of which ultimately require CSXT trains to operate through Dolton in order to reach points outside of the Chicago Terminal. In addition to CSXT, the UP, IHB, NSR (via rights over the IHB), and Amtrak all move through the Dolton area. There are an estimated 80 train movements in the Dolton area a day, making Dolton one of the Chicago Terminal's most congested areas for rail activities. Because rail grade crossings in Dolton involve primary arterials, the presence of multiple trains periodically results in several streets around Dolton being blocked simultaneously. If the Application is approved, CSXT anticipates diverting about 13.7 trains a day from Dolton to the Elsdon Line, which will improve the movement of vehicular traffic in the area.

The Elsdon Subdivision lies to the west and south of Dolton and is owned by GTW. CSXT currently has trackage rights over the Elsdon Line where it runs two trains per day over the line between Munster and Harvey. The Trackage Rights Agreement allows CSXT to operate three train pairs per day (a total of six trains per day) between Munster, IN and Thornton Junction, IL, a distance of about 5.6 miles. The Trackage Rights Agreement also allows CSXT to operate two train pairs per day (a total four trains per day) between Thornton Jct., IL and

Elsdon, IL, a distance of about 16.6 miles. As a result of the Proposed Transaction, CSXT will not operate these trains under the trackage rights, but instead pursuant to the Easement.

Prior to CN's acquisition of the EJ&E, GTW moved the following number of trains over the Elsdon Line: (1) 22.1 from Munster, IN, to Thornton Jct; (2) 19.5 from Thornton Jct. to Harvey; (3) 14.9 from Harvey to Blue Island Jct.; and (4) 3.4 from Blue Island Jct. to Hayford.[11]

Upon acquisition of EJ&E by CN, CN began moving its trains to the EJ&E loop around Chicago, which allowed its subsidiaries, including GTW to connect directly to each other. Because of this shift in traffic, the total number of trains currently on the Elsdon Line has been reduced to: (1) 9.7 trains from Munster, IN, to Thornton Jct.; (2) 8.6 trains from Thornton Jct. to Harvey; (3) 6.0 trains from Harvey to Blue Island Jct.; and (4) 3.5 trains from Blue Island Jct. to Hayford. [12]

CSXT seeks authority to acquire an exclusive perpetual, non-assignable railroad operating easement from GTW over the Elsdon Line. The Elsdon Line and the B&OCT's Blue Island Subdivision are almost parallel lines that are separated at various points by between 0 to 1.75 miles. Both lines are located in the same geographic area which consists of residential and light industrial properties.

CSXT and GTW have agreed to exchange operating easements in different parts of the country that will allow the acquiring carrier to operate more efficiently. GTW in a separate proceeding will file for authority to acquire the Leewood Easement. This easement exchange was reached via arm's length negotiations with the purpose of benefiting the acquiring carriers. The Proposed Transaction is not a consolidation between carriers.

In the Proposed Transaction, CSXT seeks to become the primary user of the Elsdon Line.

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[11] Attachment A.1 of the CN/EJ&E control application, as amended by errata filed January 3, 2008 (CN-14).
[12] GTW volumes based on CN's status report dated May 15, 2012.

As the primary user, CSXT will be responsible for dispatching and maintaining the line. CSXT will make any capital improvements on the Elsdon Line that it determines from time to time are necessary. CSXT will also control, among other locations, the Blue Island Jct. and Munster interlockings and certain route options at Thornton Jct. GTW will continue to own the Elsdon Line and will retain trackage rights and the ability to serve local shippers.

Once the Proposed Transaction becomes effective, CSXT plans to shift approximately twenty-five (25) trains per day from other lines that CSXT uses in the Chicago Terminal to various segments of the Elsdon Line.[13] Currently, the Villa Grove Subdivision handles between 15 and 20 CSXT trains per day. If this Application is approved, CSXT will shift 13.7 trains per day from the Villa Grove Subdivision north of Thornton Jct. to the Elsdon Line. Shifting trains from the South will reduce the need to operate over the following rail lines that are controlled and dispatched by other railroads: a portion of the CSXT/UP Joint Line (between Thornton Jct. and Dolton), the UP Villa Grove Subdivision (north of Dolton), the IHB Franklin Park Branch (west of Blue Island Jct.), and the BRC line (west of 80th Street) in order to operate to and from Clearing Yard, Bedford Park, 59th Street Intermodal Terminal, and other rail and intermodal facilities in the Chicago Terminal.

Shifting trains currently moving from the South will enable CSXT to operate more quickly and more efficiently to and from terminals because it will avoid a) congestion at UP's Yard Center, a rail yard used by UP to process carload traffic, b) congestion at UP's Dolton intermodal facility, c) conflicts with passenger trains north of Thornton Jct., d) conflicts with

[13] The proposed train volumes that will shift as a result of the Proposed Transaction are expected to occur within twenty-four months of receiving Board authority to acquire the operating easement over the Elsdon Line. Prior to shifting any traffic, CSXT must complete the construction of CREATE projects WA-10 (at Blue Island Jct.) and B-16 (at Thornton). CSXT expects WA-10 to be complete and in service by the early part of the second quarter of 2013, and B-16 to be complete and in service by the winter of 2013. Both connections are being made within the existing right-of-way and do not enable CSXT to access new markets. The connection at Thornton Jct. is a replacement of an inactive or previously removed connection. The connections at Blue Island Jct. are crossovers to improve efficiency and operating options.

other freight carriers at Dolton interlocking, and e) the need to operate over foreign owned and controlled track north of Dolton and west of 80th Street. This shift will also alleviate some of the congestion at Dolton, which will lead to fewer street blockages. With respect to train activity to and from the southeast, the Proposed Transaction would have no effect on the number, frequency, or length of trains operating over CSXT's Monon Subdivision, but it will reduce delays caused by the fragmented ownership and dispatching inherent with the current GTW operation of the Elsdon Line. Specifically, CSXT trains currently moving to and from the southeast must secure GTW dispatcher approval prior to entering the Elsdon Subdivision. Under the Proposed Transaction, CSXT will dispatch the Elsdon Line and will no longer have to secure GTW dispatcher approval prior to operating over the Elsdon Line. By dispatching both the Monon Subdivision and the Elsdon Line, CSXT will be able to integrate the use of the two lines to optimize efficiency.

If this Application is approved, CSXT will use the Elsdon Line to route about fifteen point three (15.3) of these trains per day differently through the Chicago Terminal. Specifically, CSXT will shift trains from the IHB's Franklin Park Branch (which also operate over the Barr Subdivision via a connection at Blue Island Jct.) to the Elsdon Line, thus creating operational benefits for the IHB and for other carriers that utilize the IHB to operate trains through the Chicago Terminal.

CSXT plans to enter and exit the Elsdon Line so as to avoid stopping on the Elsdon Line because the Elsdon Line lacks sidings or the capability to chamber most trains south of Hayford, IL. As a result, CSXT will not operate trains into or out of the Chicago Terminal over the Elsdon Line unless the route and CSXT's partner can accept the train without delay or interruption. For example, CSXT will not allow a train destined for Clearing Yard, via Hayford,

that originates in Nashville to enter the Elsdon Line without knowing it can operate to Clearing Yard without delay. This will require coordination with NSR and METRA (for the Elsdon/METRA crossing at Ashburn Avenue) and the BRC for movement from Hayford onto the appropriate BRC rail line. As CSXT anticipates all trains operating over the Elsdon Line will be moving at about 40 miles per hour, this operation will minimize the amount of time at-grade-crossings are blocked between Elsdon and Munster to about three (3) minutes per CSXT train.

As a result of CSXT acquiring the easement over the Elsdon Line and CN's integration of the EJ&E into its network, CSXT will be able to take advantage of an underutilized freight line that affords CSXT unique operating benefits to more efficiently provide transportation service to its customers. CSXT will be able to move trains off of the IHB's Franklin Park Branch, the BRC rail line east of Clearing Yard, the UP Villa Grove Subdivision north of Dolton, and a portion of the CSXT/UP Joint Line. The Proposed Transaction will reduce the freight train conflicts in the region and reduce congestion at Dolton, a major intersection of freight activity in the Chicago Terminal.

The Proposed Transaction will enable CSXT to more efficiently move freight to, from, and through the Chicago Terminal. The improved efficiencies will benefit CSXT, its rail partners, its customers, and the Chicago community as a result of CSXT's enhanced ability to expeditiously move rail freight within the Chicago Terminal. These benefits will not be limited to CSXT's operations and network within the Chicago Terminal, but will improve CSXT's operations beyond the Chicago Terminal by enabling CSXT to reduce its reliance on the rail lines of partner rail carriers within the Chicago Terminal and utilize more rail lines that it controls. This will enable CSXT to better operate to and from major connections and terminals within the Chicago Terminal without waiting for approval of other carriers to traverse segments

of their rail infrastructure.

The Board (and the ICC before it) "have long recognized that operating arrangements designed by carriers to promote more efficient or economical operations promote the national [rail] transportation policy and should be encouraged. *Joint Use By CSX Transportation, Inc. and Burlington Northern Railroad Company of Facilities at Memphis, TN*, ICC Finance Docket No. 31448 slip op. at 2-3 (ICC served June 19, 1989). The operating arrangements that CSXT is proposing in the Chicago Terminal will result in more efficient and more economical operations.

GTW will retain trackage rights over the Elsdon Line to preserve its ability to interchange with other carriers and to serve local shippers.

APPLICATION INFORMATION

Pursuant to the Board's regulations at 49 C.F.R. § 1180.4, CSXT submits the following information:

Section 1180.6 Supporting Information

The carriers involved in this transaction and their business addresses are:

CSX Transportation, Inc.
500 Water Street J-150
Jacksonville, FL 32202

Grand Trunk Western Railroad Company
17641 South Ashland Avenue
Homewood, IL 60430

Questions and correspondence concerning this notice may be addressed to:

Steven C. Armbrust
CSX Transportation, Inc.
500 Water Street J-150
Jacksonville, FL 32202
(904) 359-1229

Louis E. Gitomer
Law Offices of Louis E. Gitomer, LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(401) 296-2250
Lou@lgraillaw.com

(ii) The proposed time schedule for consummation of the proposed transaction.

The transaction is scheduled to be consummated in the first quarter of 2013.

(iii) The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

CSXT seeks to enhance the efficiency and competitiveness of its rail service to, from, and through the Chicago Terminal. Currently, CSXT accesses major Chicago yards and facilities by operating to, from, across, and over the rail assets of numerous rail partners. Under the Easement over the Elsdon Line, CSXT will obtain control of dispatching and maintenance of the Elsdon Line that will enable CSXT to increase its direct control over the handling of many of its trains to, from, and through the Chicago Terminal, thus reducing CSXT's reliance on its rail partners, and enabling CSXT to operate more efficiently to, from, and through the Chicago Terminal. Increased control of train operations will improve the speed at which CSXT's trains operate within the Chicago Terminal, improve car utilization, and reduce fuel consumption. Because numerous other rail segments will have less CSXT freight train activity at least for a while after implementation of the operating plan, the Proposed Transaction will enable more efficient operations over those segments as well.

CSXT will also be able to provide its customers with improved service by reducing transit times within the Chicago Terminal by about one hour per train. In addition to providing customers with improved access to, from, and through the Chicago Terminal, CSXT will reduce congestion on the Blue Island Subdivision and IHB Franklin Park Branch and enhance the

efficiency of its operations in the Chicago Terminal as explained above. CSXT will also alleviate some of the congestion at Dolton, one of the most congested areas of track in the Chicago Terminal.

CSXT will benefit from the Proposed Transaction and the crossovers constructed on the Blue Island Subdivision as part of the Chicago Regional Environmental and Transportation Efficiency ("CREATE") Western Avenue Corridor Project 10 ("WA-10"). As a result of the Proposed Transaction, B&OCT will reroute trains moving from the south on the Blue Island Subdivision that then move west on the BRC at Forest Hill. Today, these transfer trains that operate from B&OCT's Barr Yard to BRC's Clearing Yard, must operate from B&OCT's Barr Yard north via the Blue Island Subdivision, crossing BRC and NSR mainlines (at grade) at a location referred to as Forest Hill, at the southern end of the 59th Street Intermodal Terminal. B&OCT must operate the transfer job north and clear of the BRC and NSR crossings. The train must be far enough north of the crossings so that the crew can transfer the locomotive(s) from the north end of the train to the south end. While the locomotive(s) are being moved, the train sits idle on the track, often for hours. The current operation allows the crew to utilize a connection in the northwest quadrant to move west onto the BRC and into Clearing Yard. As currently operated, the B&OCT train requires authority of the BRC to access the BRC at Forest Hill. WA-10 will provide B&OCT and CSXT a new, more direct route from B&OCT and CSXT owned or controlled trackage to the BRC line via the Elsdon Line.

CSXT conservatively expects to reduce the aggregate time its existing trains take to operate through the Chicago Terminal by at least 25 hours per day, resulting in a savings in excess of $2 million per year. Based on actual experience with congestion in the Chicago Terminal, CSXT expects to save more than an hour per train operating through the Chicago

Terminal, with a commensurate increase in cost savings. In addition, CSXT expects the operations through the Chicago Terminal to be more consistent, thus allowing for better transit times, connection standards, and overall customer service.

Such efficiencies and cost savings have been found to be public benefits. "Efficiency-related cost reductions also benefit the public by creating a stronger, more financially viable, responsive and competitive railroad industry, enhancing its capital base by ensuring that resources are available for the maintenance of transportation equipment and facilities." *Union Pacific-Control-Missouri Pacific: Western Pacific*, 366 I.C.C. 459, 488 (1982).

(iv) The nature and amount of any new securities or other financial arrangements.

No new securities will be issued in connection with the Proposed Transaction.

(2) A detailed discussion of the public interest justifications in support of the application, indicating how the proposed transaction is consistent with the public interest, with particular regard to the relevant statutory criteria, including

(i) The effect of the transaction on inter- and intramodal competition, including a description of the relevant markets (see §1180.7). Include a discussion of whether, as a result of the transaction, there is likely to be any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States.

CSXT does not expect the Proposed Transaction to result in any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. Rather, CSXT expects the transaction to enhance competition by improving efficiency and the ability to move traffic to, from, in, and around the Chicago Terminal.

CSXT is not replacing GTW on the Elsdon Line. CSXT is obtaining a permanent exclusive railroad easement. Pursuant to the Easement, CSXT will acquire responsibility for the dispatch, maintenance and capital improvements on the Elsdon Line. GTW, however, will retain trackage rights, thus retaining the right to operate over the Elsdon Line. Under the trackage rights agreement, GTW will continue to serve local shippers on the line. Indeed, instead of

replacing one railroad with another railroad, CSXT and GTW will both serve the Elsdon Line as a result of the Proposed Transaction, increasing the number of railroads serving this mostly overhead line.

The transaction will not adversely impact competition. To the contrary, it will provide CSXT and other Class I railroads with improved service products that enhance the ability of each railroad to compete not only with one another, but also with freight that currently moves via other modes of transportation, such as long haul trucking companies.

No shipper will lose competitive service as a result of this transaction. The Proposed Transaction will not alter the competitive balance between CSXT and GTW or its affiliates. The Proposed Transaction will allow CSXT to operate more efficiently in the markets it already serves because it will improve fluidity on the Blue Island Subdivision and the Franklin Park Branch. The ability to move trains off of highly congested lines to an underutilized line will improve the flexibility and reliability of CSXT's entire network. The movement of these trains to a less dense line will benefit all freight operations in the Chicago Terminal.

The purpose of the Proposed Transaction is to improve the efficiency, consistency, and reliability of CSXT's Chicago Terminal operations. Currently, CSXT accesses major Chicago facilities and yards by operating to, from, across, and over the rail assets of numerous rail partners. Use of the Elsdon Line through a permanent railroad operating easement will enable CSXT to better manage the handling of its trains to, from, and through the Chicago Terminal, to reduce CSXT's reliance on its rail partners, and to operate more efficiently to, from, and through the Chicago Terminal.

The Board typically reviews the effect of a proposed transaction on geographic and product competition. *See Canadian Pacific Railway Company, et al. –Control—Dakota,*

Minnesota & Eastern Railroad Corp., et al., STB Finance Docket No. 35081 (STB served Sept. 30, 2008), and *Canadian National Railway Company and Grand Trunk Corporation—Control—EJ&E West Company*, STB Finance Docket No. 35087, (STB served Dec. 24, 2008). The geographic area affected by the proposed transaction is the movement of traffic in and around the Chicago Terminal. The product is the rail transportation of freight. In examining the effect of the Proposed Transaction on geographic competition, the Board examines the effect of the transaction on source competition, when two carriers can transport the same product to the same destination but from different origins, or conversely when two carriers transport the same product from the same origin to two different destinations. This transaction will not reduce product or geographic competition because all shippers will continue to have the option of shipping through Chicago to the East/South/Southeast or from the East/South/Southeast to the Chicago Terminal via NS, UP, IC, CSXT, or short line operators, such as the Chicago, Fort Wayne & Eastern Railway, the same options that exist today. The shipper can control the route of its traffic (to the extent there is an open route, and CSXT will not close any routes as a result of the Proposed Transaction) and can move traffic though any of the other East/West Gateways. None of which will be affected by the Proposed Transaction.

Nor will the Proposed Transaction reduce product and geographic competition within the Chicago Terminal. The relationships between the B&OCT, BRC, IHB and the Class I railroads will not change. The Proposed Transaction will not change the ownership structure of the BRC, IHB or B&OCT. The B&OCT is a wholly owned subsidiary of CSXT.[14] The BRC and IHB are owned by a number of Class I railroads and CSXT does not control or own a majority share in either company. CSXT's ability to operate directly to and from the Elsdon Line from its existing rail lines will greatly improve the fluidity of intermodal (and other) CSXT traffic that must move

[14] *See CSX Corp.-Control-Chessie and Seaboard C.L.I.*, 363 I.C.C. 521, 531 (1980).

into, from, or through the Chicago Terminal.

Approval of the Proposed Transaction will also further the goals of the CREATE Project. The CREATE Project is a public-private partnership between the US Department of Transportation, the State of Illinois, City of Chicago, METRA commuter rail and Class I railroad companies. The primary tenet of the CREATE Project is to increase the efficiency of the Chicago-region's rail infrastructure by reducing train delays and congestion throughout the area.[15] The Proposed Transaction directly enhances the benefits of two individual CREATE Projects, WA-10, which should be complete and in service by the early part of the second quarter of 2013, and Beltway Corridor Project 16 ("B-16"), which should be complete and in service by the winter of 2013.

The Beltway and Western Avenue corridors follow existing rail lines. *See* Map B in Exhibit 1. The Beltway corridor encompasses the IHB line from Dolton north to Franklin Park. The Western Avenue corridor follows the GTW line from Thornton Jct. to Blue Island Jct. and up the B&OCT Blue Island Subdivision corridor to Western and California Avenues. The Western Avenue corridor also includes the CSXT/UP Joint Line and UP Villa Grove Subdivision from Thornton Jct. to approximately 80th Street.

The Proposed Transaction is consistent with and complementary to the CREATE vision, specifically that outlined in WA-10 and B-16. The WA-10 and B-16 projects create valuable opportunities to more efficiently and fluidly move freight to, from, and through the Chicago Terminal. WA-10 and B-16 provide connections allowing for the movement of freight from highly congested lines to the Elsdon Line. CSXT's ability to handle a sizeable amount of its

[15] CREATE includes 25 new roadway overpasses or underpasses where traffic currently crosses tracks at grade level; 6 new rail overpasses or underpasses; 37 freight rail projects including upgrading tracks, switches, and signal systems; viaduct improvement projects; grade crossing safety enhancements; and integration of information from dispatch systems of all major railroads in the region into a single display. See http://www.createprogram.org/.

traffic differently than it does today by using the Elsdon Line rather than other carriers' tracks, enhances CREATE's vision of reducing congestion on the Beltway and Western Avenue corridors. As a result of the Proposed Transaction, other rail segments will have less CSXT freight train activity, enabling more efficient operations over those segments.

Currently, B&OCT and GTW each have double-track main lines running roughly parallel through Blue Island Jct. with no connection between them. The absence of a connection between the B&OCT and the Elsdon Line at this location severely limits the possible routes traversing Blue Island Jct. The WA-10 project will improve connectivity via new crossovers between the Blue Island Subdivision and the Elsdon Line to facilitate bi-directional movement. These connections will provide direct routes for trains to switch between the B&OCT and Elsdon Line in both directions at Blue Island Jct. WA-10 creates new routing flexibility for operating through Blue Island Jct., which is a major regional intersection where GTW, IHB and CSXT via the B&OCT connect and where the Beltway and Western Avenue Corridors (two CREATE corridors) cross. One of the goals of the WA-10 project is to remove traffic from the congested Beltway and Western Avenue Corridors.

The new WA-10 connection and control of the Elsdon Line by CSXT will eliminate two to three hours of non-value added transfer time for trains moving between B&OCT's Barr Yard and BRC's Clearing Yard for about three B&OCT trains per day. At present, to transfer trains from B&OCT's Barr Yard to BRC's Clearing Yard, trains must operate from B&OCT's Barr Yard north via the Blue Island Subdivision, crossing BRC and NSR mainlines (at grade) at a location referred to as Forest Hill, at the southern end of the 59th Street Intermodal Terminal. B&OCT must operate the transfer job north and clear of the BRC and NSR crossings. The train must be far enough north of the crossings so that the crew can transfer the locomotive(s) from

the north end of the train to the south end. While the locomotive(s) are being moved, the train is idle, often for hours. The repositioning of the locomotives allows the train to utilize a connection in the northwest quadrant to move west onto the BRC and into Clearing Yard. As currently operated, the B&OCT train requires authority of the BRC prior to operating onto BRC tracks at Forest Hill. WA-10 will provide B&OCT and CSXT a new, more direct route from CSXT owned or controlled trackage to the BRC line via the Elsdon Line.

Currently the CSXT/UP Joint Line and the Elsdon Line cross at Thornton Jct., but connect only in the northeast quadrant of the intersection. Due to the lack of a connection in the southwest quadrant, trains cannot operate from the south on the CSXT/UP Joint Line to west on the Elsdon Line or from the west on the Elsdon Line to south on the CSXT/UP Joint Line. Create project B-16 envisions construction of an additional connection between the UP/CSXT Joint Line segment of the Villa Grove Subdivision and the Elsdon Line in the southwest quadrant at Thornton Jct. that will allow trains moving from the south to move west on the Elsdon Line and trains moving east on the Elsdon Line to move south at Thornton Jct. The new connection will allow trains to switch between the lines and will provide increased flexibility for dispatchers routing trains throughout the Chicago Terminal. Per agreement, UP dispatches the CSXT/UP Joint Line. CREATE project B-16, coupled with control of the Elsdon Line, will allow CSXT to mitigate potential conflicts and delays associated with UP operations in and around Yard Center, which is located just north of Thornton Jct., the location of B-16. In addition, B-16 will enable CSXT to route trains around Dolton, a congested intersection of freight and passenger trains. The ability to operate through Dolton (regardless of direction) is controlled by the IHB. However, operating north of Dolton is completely controlled by UP. Thus, a CSXT train that currently operates from the south into the Chicago Terminal and is destined for Clearing Yard

requires UP authority to operate to Dolton, IHB authority to operate through Dolton, UP authority to operate north of Dolton, and BRC authority to operate west of 80th Street. With the B-16 connection, CSXT trains can move from the CSXT/UP Joint Line at Thornton Jct. to the Elsdon Line thus avoiding Dolton and the balkanized dispatching.

In addition to facilitating the goals of CREATE, approval of the Proposed Transaction will improve service to shippers because the rail junctions in and around Dolton will be less congested, allowing traffic to move more efficiently through the area.

All rail carriers that currently maintain trackage rights over the Elsdon Line will continue to have trackage rights over the Elsdon Line after CSXT acquires the permanent exclusive railroad operating easement.

CSXT is seeking to acquire use of a rail line that is now underutilized following the CN/EJ&E merger.

(ii) The financial consideration involved in the proposed transaction, and any economies, to be effected in operations, and any increase in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.

CSXT is acquiring from GTW the permanent exclusive railroad easement over the Elsdon Line and in return, GTW is acquiring from CSXT the Leewood Easement. CSXT and GTW have determined that the two easements are of equivalent value and no other consideration is involved.

There will not be a change in the volume, train length or weight or commodity profile of CSXT traffic moving to, from, or through the Chicago Terminal. There will be a reduction in the amount of time that existing CSXT trains operate through the Chicago Terminal. The Proposed Transaction is designed to enable CSXT to improve efficiency and flexibility in the handling of its trains to, from, and through the Chicago Terminal. Through the Proposed Transaction, CSXT

will be able to affect operating economies in areas including fuel costs and car and locomotive utilization, as well as, provide a more consistent, reliable, and expeditious service product to customers that use CSXT for freight rail transportation services.

(iii) The effect of the increase, if any, of total fixed charges resulting from the proposed transaction.

CSXT is not financing the acquisition of the permanent exclusive railroad operating easement. CSXT will not incur any fixed charges as a result of the Proposed Transaction.

(iv) The effect of the proposed transaction upon the adequacy of transportation service to the public, as measured by the continuation of essential transportation services by applicants and other carriers.

For the reasons discussed above, the Proposed Transaction will enhance the transportation services to rail customers now served by CSXT and will not reduce transportation service to customers now being served by GTW. Through the Proposed Transaction, CSXT will acquire the dispatching, maintenance and capital improvement responsibility for the Elsdon Line. Although GTW will be turning these primary responsibilities over to CSXT, GTW will continue to provide service over the Elsdon Line, via retained trackage rights, for the purposes of interchanging freight with other rail carriers in the Chicago Terminal and serving local shippers. CSXT has agreed to grant trackage rights over the Elsdon Line to the GTW Affiliates.

Service will be enhanced by moving traffic from (i) B&OCT's Blue Island Subdivision, a highly congested line, to the underutilized largely parallel Elsdon Line, and (ii) the IHB's heavily used Franklin Park Branch to an underutilized Elsdon Line that will allow for non-stop run through trains. The Proposed Transaction will allow rail freight traffic to flow more smoothly into and out of the Chicago Terminal for CSXT and other carriers. The Proposed Transaction will also allow CSXT to remove freight trains from portions of Amtrak's Chicago-Indianapolis-Washington, DC route. Substantial operating benefits will accrue as a result of rerouting trains

away from Dolton to the Elsdon Line.

(v) The effect of the proposed transaction upon applicant carriers' employees (by class or craft), the geographic points where the impact will occur, the time frame of the impact (for at least 3 years after consolidation), and whether any employee protection agreements have been reached.

The impact of the Proposed Transaction is set forth in Appendix 1. CSXT and GTW will not integrate any of their forces, including those maintaining, dispatching, or operating the Elsdon Line. CSXT employees will assume the responsibility for maintaining and dispatching the Elsdon Line. CSXT employees will operate CSXT trains and GTW employees will operate GTW trains. Any GTW Affiliate trains operating on the Elsdon Line will be operated by their employees.

To the extent necessary, CSXT will hire additional employees to maintain, operate, and dispatch the Elsdon Line. CSXT does not believe that any of its employees will be adversely affected by the Proposed Transaction. CSXT also understands that no more than four (4) positions will be abolished on the GTW property as a result of the Proposed Transaction, and that employees whose positions are abolished will have available other equivalent job opportunities in the Chicago Terminal area.

In accordance with Board precedent, CSXT requests that the Board impose the labor protective conditions in *New York Dock Ry.—Control—Brooklyn Eastern Dist.*, 360 I.C.C. 60 (1979), as modified by *Wilmington Term. RR, Inc.-Pur. & Lease-CSX Transp., Inc.*, 6 I.C.C.2d 799 (1990) on the Proposed Transaction for the benefit of CSXT and GTW employees.

(vi) The effect of inclusion (or lack of inclusion) in the proposed transaction of other railroads in the territory, under 49 U.S.C. 11324.

Inclusion is not available as a form of relief in a minor transaction. Even if the relief were available, which it is not, there is no basis for including another railroad in the Proposed

Transaction, since there will be no anticompetitive effects.

(3) Any other supporting or descriptive statements applicants deem material.

The Proposed Transaction does not involve the merger or control of at least two Class I rail carriers. Therefore, under Section 11324(d) the Board "shall approve" the transaction unless it finds both that:

> (1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States; and
>
> (2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs.

49 U.S.C. § 11324(d).

Under the governing statutory criteria, the Board's primary focus is on the probable competitive effects of the Proposed Transaction. *See, e.g., Canadian Pacific Ltd., and Soo Line R.R.—- Control—- Davenport, Rock Island & North Western Ry.,* ICC Finance Docket No. 32579 (ICC served February 10, 1995), at 5; *Wilmington Term. RR, Inc.—Pur. & Lease—CSX Transp., Inc.*, 6 I.C.C. 2d 799, 803 (1990), *pet. for review denied sub nom. Railway Labor Executives Ass'n v. ICC*, 930 F.2d 511 (6th Cir. 1991). The Board has stated that "our primary focus is on whether there would be adverse competitive impacts that are both likely and substantial." *Canadian National Railway Company and Grand Trunk Corporation-Control-EJ&E West Company*, STB Finance Docket No. 35087, Decision No. 16, slip op. at 13 (STB served December 24, 2008) The public interest factors are considered only where significant anticompetitive effects are found. *Id.* Since, as discussed above, there are no significant anticompetitive effects that will result from the Proposed Transaction the Board does not need to consider the public interest factors. However, CSXT contends that the reduced time traveling through the Chicago Terminal and accompanying efficiency savings result in a substantial public

interest benefit. Service improvements and cost reductions are public benefits. *Union Pacific-Control-Missouri Pacific: Western Pacific*, 366 I.C.C. 459, 489 (1982).

A finding of competitive harm under Section 11324(d)(1) must be grounded on a showing that any adverse competitive effects are both "likely" and "substantial." *Wisc. Central Transportation Corporation, et al.*, 9 I.C.C.2d 233, 238 (1992). Examples of adverse competitive impacts that would trigger the balancing of the public interest factors under Section 11324(d)(2) "would be the likelihood of significantly higher rates or significantly worsened service, or the likelihood of a combination of the two." *Blackstone Cap. Partners—Cont. Exempt.—CNW Corp. et al.,* 5 I.C.C.2d 1015, 1019 (1989). The Proposed Transaction will not lead to higher rates or worsened service. In fact, the opposite will occur. The Proposed Transaction will allow CSXT to move its trains off of other carriers' lines, thus providing those carriers with more capacity and will provide CSXT with more flexibility in routing traffic. Greater flexibility will allow CSXT to achieve greater efficiencies and will also allow CSXT to provide better service to its shippers.

Even though the Board does not need to consider public interest factors, the Proposed Transaction is in the public interest because it will allow CSXT to operate more efficiently in the Chicago Terminal and will reduce congestion on lines that CSXT is using today. Additionally, the Proposed Transaction supports CREATE Project's goals of reducing rail congestion in and around the Chicago Terminal.

Further support for the Application is contained in the verified statement of Mr. Lawrence L. Ratcliffe in Exhibit 22.

CSXT believes that the information furnished in this application adequately supports the Board's approval of this minor transaction under applicable statutory criteria and Board

precedent. CSXT will furnish the Board with any information concerning the Proposed Transaction that it may require, and will participate fully in any proceedings on the Proposed Transaction which the Board deems appropriate.

(4) An opinion of applicants' counsel that the transaction meets the requirements of the law and will be legally authorized and valid, if approved by the Board. This should include specific references to any pertinent provisions of applicants' bylaws or charter or articles of incorporation.

See Appendix 2.

(5) A list of the State(s) in which any part of the property of each applicant carrier is situated.

CSXT owns and operates about 21,000 miles of railroad in the States of Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, the District of Columbia, and the Canadian Provinces of Ontario and Québec.

GTW owns and operates about 642 miles of railroad in the States of Illinois, Indiana, Michigan, and Ohio and the Province of Ontario.

(6) Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

See Exhibit 1 attached hereto. Exhibit 1 contains Map A, the Elsdon Line and other lines in the Chicago Terminal. Map B is a map of the CREATE Projects, Map C is the CSXT system map and Map D is the GTW system map.

(7) Explanation of the transaction.

(i) Describe the nature of the transaction (e.g., merger, control, purchase, trackage

rights), the significant terms and conditions, and the consideration to be paid (monetary or otherwise).

CSXT and GTW intend to exchange exclusive, perpetual, non-assignable railroad operating easements that they deem to be of equal value. CSXT will acquire an exclusive, perpetual, non-assignable railroad operating easement over the Elsdon Line from GTW. GTW will acquire an exclusive, perpetual, non-assignable railroad operating easement over CSXT's Memphis Terminal Subdivision between Leewood and Aulon, TN. Under the Agreement, the acquiring carrier will assume all applicable third-party agreements with the exception of fiber optic and billboard agreements, which will be retained by the owner. The acquiring carrier will also assume control of and responsibility for dispatching, track maintenance and capital improvements on its acquired easement.

(ii) Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at §1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.

A copy of the Agreement for Exchange of Perpetual Easements between CSX Transportation, Inc. and Grand Trunk Western Railroad Company, with all of its attachments, is submitted in Exhibit 2, which is contained in Volume 2 of this application.

(iii) If a consolidation or merger is proposed, indicate: (A) The name of the company resulting from the consolidation or merger; (B) the State or territory under the laws of which the consolidated company is to be formed or the merged company is to file its certificate of amendment; (C) the capitalization proposed for the resulting company; and (D) the amount and character of capital stock and other securities to be issued.

Not applicable.

(iv) Court order (exhibit 3). If a trustee, receiver, assignee, or personal representative of the real party in interest is an applicant, submit a certified copy of the order, if any, of the court having jurisdiction, authorizing the contemplated action.

Not applicable.

(v) State whether the property involved in the proposed transaction includes all the property of the applicant carriers and, if not, describe what property is included in the proposed transaction.

The Proposed Transaction does not involve all of the property of the applicant carriers. GTW owns and operates about 642 miles of railroad in the States of Illinois, Indiana, Michigan, and Ohio and the Province of Ontario. The proposed transaction involves approximately 22.37 miles of one of GTW's lines in Illinois and Indiana. Specifically, the property involved in the Proposed Transaction runs between Munster, IN, milepost 31.07, and Elsdon, IL, milepost 8.7.

(vi) Briefly describe the principal routes and termini of the lines involved, the principal points of interchange on the routes, and the amount of main-line mileage and branch line mileage involved.

The CSXT Subdivisions, as well as the IHB's Franklin Park Branch, that will divert traffic to the Elsdon Line are described below. The Elsdon Line is a 22.37-mile railroad line between Munster, IN, milepost 31.07, and Elsdon, IL, milepost 8.7.[16]

Barr Subdivision. While no trains will be rerouted to or from the Barr Subdivision east of Dolton, the Proposed Transaction will provide CSXT with more flexible routing options west of Dolton. Clearing Yard and Bedford Park Intermodal Terminal are located on the BRC west of the BRC connection to the Villa Grove Subdivision at 80th Street. Currently, CSXT routes East/West trains from/to BRC's Clearing Yard or Bedford Park Intermodal Terminal via the IHB or the BRC. Trains moving via the IHB exit the west end of Clearing Yard/Bedford Park Intermodal Terminal and travel over the Franklin Park Branch for 12.1 miles to Blue Island Jct. From Blue Island Jct. the trains move over the Barr Subdivision for 4.4 miles to Dolton, and then

[16] Once the operating plan has been implemented and existing trains rerouted to the Elsdon Line, CSXT will make use of the freed capacity on its existing routes to move trains efficiently through the Chicago Terminal and to accommodate any increase in traffic as warranted.

move approximately forty-six (46) miles to Wellsboro, IN.[17] With dwell time this move takes about one-hundred and seventy (170) minutes per train. There are four (4) trains per day that currently use this route that would be impacted by acquisition of the Elsdon Line. If this Application is approved, CSXT will move trains from Clearing Yard/ Bedford Park Intermodal Terminal via the Elsdon Line. Specifically, trains will leave the East end of the Clearing Yard/Bedford Park Intermodal Terminal and travel 7.4 miles south over the Elsdon Line to Blue Island Jct. From Blue Island Jct. the trains move east over the Elsdon Line to Munster, and then over the CN until reaching Wellsboro, IN, a distance of about forty (40) miles. With dwell time this move is expected to take about ninety (90) minutes per train. Using the Elsdon Line will save over five (5) hours of transit time a day.

The 59th Street Intermodal Terminal is located on the B&OCT Blue Island Subdivision north of the BRC line. Trains moving from 59th Street currently move south over the Blue Island Subdivision from 59th Street to Blue Island Jct. a distance of 8.3 miles. From Blue Island Jct. the trains move 4.4 miles over the Barr Subdivision east to Dolton. From Dolton, the trains move 7.7 miles south to Thornton Jct. where it will connect with the CSXT/UP Joint Line. Including dwell time this move takes about eighty-two (82) minutes per train. There are four (4) trains per day that currently use this route that would be impacted by acquisition of the Elsdon Line. If this Application is approved, trains will move from 59th Street, via the Blue Island Subdivision, 8.3 miles to Blue Island. The trains will continue on the Elsdon Line for 5.9 miles from Blue Island to Thornton Jct. With dwell time this move will take about thirty-eight (38) minutes per train. Using the Elsdon Line will save about three (3) hours a day.

[17] This move is over the Barr Subdivision is between Blue Island Jct. and Willow Creek and the Garrett Subdivision is between Willow Creek and Wellsboro.

Franklin Park Branch (In Conjunction with Barr Subdivision Movements).

Currently, CSXT routes East/West trains from/to BRC's Clearing Yard or Bedford Park Intermodal Terminal via the IHB or the BRC. Trains moving via the IHB exit the west end of Clearing Yard/Bedford Park Intermodal Terminal and travel over the Franklin Park Branch for 12.1 miles to Blue Island Jct. From Blue Island Jct. the trains move over the Barr Subdivision for 4.4 miles to Dolton. With dwell time this move takes about one-hundred and ten minutes (110) minutes per train. There are about 15.3 trains a day that currently use this route that would be rerouted by acquisition of the Elsdon Line. If this Application is approved, CSXT will move trains from Clearing Yard/ Bedford Park Intermodal Terminal via the Elsdon Line. Specifically, trains will leave the East end of the Clearing Yard/Bedford Park Intermodal Terminal and travel 7.4 miles south over the Elsdon Line to Blue Island Jct. From Blue Island Jct. the trains move east over the Barr Subdivision for 4.4 miles to Dolton. With dwell time this move is expected to take about sixty-three (63) minutes per train. Using the Elsdon Line will save over twelve (12) hours of transit time a day.

Monon Subdivision. CSXT routes southeast trains between Chicago and Indianapolis, IN, via its Monon Subdivision. Today, these trains either operate out Barr Yard east through Dolton and then south over the CSXT/UP Joint Line to a connection with the Elsdon Line at Thornton Jct. or out of the west end of Barr Yard to a connection with the Elsdon Line at Harvey and then through Thornton Jct. to a connection with the Monon Subidivision at Munster. Most of the trains operate out of Barr Yard's west end. These trains will operate under the Easement rather than the Trackage Rights Agreement if the Proposed Transaction is approved. With CSXT control of the Elsdon Line, these trains will continue to operate out of the West End of Barr Yard, over the B&OCT Chicago Heights Branch to a connection with the Elsdon Line at

CN Jct. Then these trains will operate east to Munster, IN where they will connect with the Monon Subdivision. At this time, CSXT does not expect any significant improvements in dwell or transit as a result of this operational move.

Villa Grove Subdivision (Including the CSXT/UP Joint Line). CSXT routes north/south trains to and from Clearing Yard/Bedford Park Intermodal Terminal and the 59th Street Intermodal Terminal.

The trains moving from Clearing Yard/ Bedford Park Intermodal Terminal move over the BRC or the IHB. Trains move from the east end of Clearing Yard/Bedford Park Intermodal Terminal 8.3 miles over BRC east to 80th Street. From 80th Street trains move south over the UP Villa Grove Subdivision 7.7 miles to Dolton. From Dolton trains move south over the CSXT/UP Joint Line 7.7 miles to Thornton Jct. With dwell time this move takes about ninety-five (95) minutes per train. There are four (4) trains a day that currently use this route that would be impacted by acquisition of the Elsdon Line. If this Application is approved, trains will move from the east end of the Clearing Yard/ Bedford Park Intermodal Terminal 7.5 miles east to the Elsdon Line and then south to Blue Island Jct. Continuing on the Elsdon Line the train will move 5.9 miles to Thornton Jct. With dwell time this move will take about forty-eight (48) minutes per train. Using the Elsdon Line will save over three (3) hours of transit time a day.

Today, the trains moving from the Bedford Park Intermodal Terminal primarily move over the IHB's Franklin Park Branch. Trains moving via the IHB exit the west end of Bedford Park Intermodal Terminal and travel over the Franklin Park Branch for 12.1 miles to Blue Island Jct. From Blue Island Jct. the trains move over the Barr Subdivision for 4.4 miles to Dolton. At Dolton, the trains then operate over the CSXT/UP Joint Line to Thornton Jct. for 7.7 miles. With dwell time this move takes about ninety-five (95) minutes per train. There are about 3.7 trains

each day that currently use this route that would be rerouted as a result of the Proposed Transaction. If this Application is approved, trains will move from the east end of the Bedford Park Intermodal Terminal 7.5 miles east to the Elsdon Line and then south to Blue Island Jct. Continuing on the Elsdon Line the train will move 5.9 miles to Thornton Jct. With dwell time this move will take about forty-eight (48) minutes per train. Using the Elsdon Line will save over three (3) hours of transit time a day.

As a result of the Proposed Transaction, CSXT will reroute a total of 13.7 trains per day from the Villa Grove Subdivision north of Thornton Jct. west onto the Elsdon Line. Instead of continuing through and past UP's Yard Center and Dolton Yard Intermodal Facility, 13.7 CSXT trains will turn west onto the Elsdon Line at Thornton, Jct.

Blue Island Subdivision. B&OCT routes about three (3) trains a day between Barr Yard and the east end of Clearing Yard. At present, to transfer trains from B&OCT's Barr Yard to BRC's Clearing Yard, trains must operate from B&OCT's Barr Yard north via the Blue Island Subdivision for 8.3 miles, crossing BRC and NSR mainlines (at grade) at a location referred to as Forest Hill, at the southern end of the 59th Street Intermodal Terminal. B&OCT must operate the transfer job north and clear of the BRC and NSR crossings. The train must be far enough north of the crossings so that the crew can transfer the locomotive(s) from the north end of the train to the south end. After transferring the locomotives, the B&OCT train operates over BRC tracks into Clearing Yard. With dwell, this move takes about one hundred minutes (100). With the Elsdon Line, B&OCT will operate from the west of Barr Yard to the Elsdon Line (through Blue Island Junction) and then operate north 7.5 miles on the Elsdon Line to a connection with the BRC. With dwell, this move is anticipated to take sixty (60) minutes. Using the Elsdon Line will save about two (2) hours a day.

It is important to note that CSXT has routing flexibility to route trains through the Chicago Terminal over various routes. Such alternative routings are based on route congestion, potential conflicts, route maintenance, or other matters that may impact train performance. For example, CSXT currently routes a majority of its east/west intermodal trains via the IHB. However, based on daily conditions, CSXT has and does on occasion route traffic via the BRC to ensure fluid and consistent train operations. In addition, CSXT may and does operate trains destined to or from the 59th Street Intermodal Terminal via the BRC, especially those operating to the Eastern United States.

If the Proposed Transaction is approved, the Elsdon Line provides another route structure that, in conjunction with the other routes available to CSXT, provides flexibility and efficiencies that will enable the more efficient movement of trains through the Chicago Terminal.

(vii) State whether any governmental financial assistance is involved in the proposed transaction and, if so, the form, amount, source, and application of such financial assistance.

No governmental financial assistance is involved in the proposed transaction.

(8) Environmental data (exhibit 4). Submit information and data with respect to environmental matters prepared in accordance with 49 CFR part 1105. In major and significant transaction, applicants shall, as soon as possible, and no later than the filing of a notice of intent, consult with the Board's Section of Environmental Analysis for the proper format of the environmental report.

Concurrent with the filing of this Application, CSXT is submitting a PDEA to the Board's Office of Environmental Analysis ("OEA"). CSXT requested permission to follow the PDEA approach, which was approved by OEA. See the letters in Exhibit 4A.

CSXT solicited comments for use in developing the PDEA. See Exhibit 4B.

CSXT will cooperate with OEA in developing an Environmental Assessment that will be distributed for public comment.

1180.8. Operational Data

(c) For minor transactions: Operating plan-minor (exhibit 15). Discuss any significant changes in patterns or types of service as reflected by the operating plan expected to be used after consummation of the transaction. Where relevant, submit information related to the following:

CSXT intends to operate trains more frequently on the Elsdon Line than are currently operated by GTW by diverting CSXT trains from the Blue Island Subdivision, Villa Grove Subdivision and Franklin Park Branch to the Elsdon Line. See Exhibit 15.

CSXT does not expect to modify how it operates its trains moving between Indianapolis and the Chicago Terminal. CSXT currently operates these trains over the Elsdon Line (from its connection at or near Munster, IN) to Thornton Jct.

(1) Traffic level density on lines proposed for joint operations.

CSXT plans to shift 25 trains per day to various segments of the Elsdon Line. The following Table shows the current volume of CSXT traffic on the Elsdon Line and the future volume of CSXT traffic over the Elsdon Line and the lines where the volume of traffic will be reduced.

Table-1. Changes In CSXT Train Volume Affecting the Line and Other Nearby Corridors

Segment No.	Length (miles)	Begin Station	End Station	Change
GTW-01	5.1	Griffith	Munster	+4
GTW-02	5.8	Munster	Thornton Jct	+4
GTW-03	2.0	Thornton Jct	CN Jct	+17.7
GTW-04	3.9	CN Jct	Blue Island Jct	+15.7
GTW-05	7.5	Blue Island Jct	Hayford	+19.5
GTW-06	3.1	Hayford	Elsdon (Corwith)	0.0
CSXT-01	3.4	Dyer	Munster	0.0
CSXT-02	7.4	Blue Island Jct	Forrest Hill	0.0
CSXT-03	0.5	Forrest Hill	59th St Yard	0.0
BRC-01	2.6	80th St	Forrest Hill	-4.0
BRC-02	1.7	Forrest Hill	Hayford	-7.0
UP-02	3.4	Thornton Jct	Dolton	-13.7
UP-03	7.0	Dolton	80th St	-4.0
IHB-01	6.0	Blue Island Jct	Ridge	-16.0
IHB-02	5.8	Ridge	Argo (CP Canal)	-16.0

(2) Impacts on commuter or other passenger service operated over a line which is to be downgraded, eliminated, or operated on a consolidated basis.

No adverse impacts on commuter or other passenger service are anticipated. No lines will be downgraded, eliminated, or operated on a consolidated basis. This transaction will help to remove freight trains from a portion of the Chicago to Indianapolis to Washington, DC Amtrak route.

(3) Operating economies, which include, but are not limited to, estimated savings.

CSXT expects operating economies as a result of the transaction. Acquisition of the Elsdon Line will enable CSXT to have greater control over the handling of its trains to, from, and through the Chicago Terminal, thus reducing CSXT's reliance on its rail partners and enabling CSXT to operate more efficiently to, from, and through the Chicago Terminal. This increased control will not only improve the speed at which CSXT's trains operate within the Chicago Terminal, but improve the velocity at which trains operate across other parts of CSXT's network. CSXT estimates that it will save at least 25 hours a day in transit time when trains are

rerouted over the Elsdon Line. In addition, to transit time improvements after implementation of the operating plan from less freight congestion and conflicting freight movements, use of the Elsdon Line will result, on average, in a reduction of about 7 miles per train. As a result of the reduced transit times of certain trains through the Chicago Terminal, CSXT expects annual savings in excess of $2 million.

These Chicago-specific savings also provide network efficiencies as trains can operate more fluidly to the largest freight gateway in North America, allowing for better planning and utilization of resources, such as locomotives, freight cars, and human resources. CSXT expects additional cost savings from improved fluidity moving to and from the Chicago Terminal, as well as additional value because of reduced delays incurred on CSXT's network outside of the Chicago Terminal on account of the Chicago Terminal congestion, performance, or conflicts.

(4) Any anticipated discontinuances or abandonments.

CSXT does not anticipate discontinuing service over or abandoning any of its rail lines as a result of the Proposed Transaction.

CONCLUSION

CSXT respectfully requests the Board to accept the Application, determine that this is an application for a minor transaction, and grant this Application subject to the conditions for the protection of employees in *New York Dock Ry.—Control—Brooklyn Eastern Dist.*, 360 I.C.C. 60 (1979), as modified by *Wilmington Term. RR, Inc.-Pur. & Lease-CSX Transp., Inc.*, 6 I.C.C.2d 799 (1990).

Respectfully submitted,

Peter J. Shudtz, Esq.
Steven C. Armbrust, Esq.
CSX Transportation, Inc.
500 Water Street J-150
Jacksonville, FL 32202
(904) 359-1229

Louis E. Gitomer, Esq.
Melanie B. Yasbin, Esq.
Law Offices of Louis E. Gitomer, LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou@lgraillaw.com

Attorneys for: CSX Transportation, Inc.

Dated: August 13, 2012

VERIFICATION

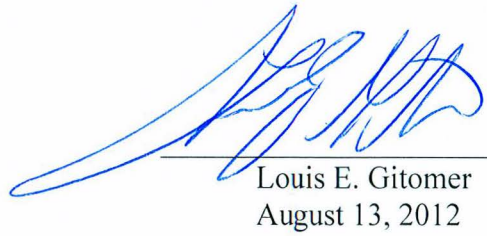
I, Christopher Maffett, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Application.



Christopher Maffett
August 6, 2012

CERTIFICATE OF SERVICE

I hereby certify that I have caused the Application in Finance Docket 35522, *CSX Transportation, Inc.—Acquisition—Grand Trunk Western Railroad Company,* to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and the Governors, Public Service Commission, and Departments of Transportation of the States of Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, and the District of Columbia.



Louis E. Gitomer
August 13, 2012

INDEX TO APPENDIXES AND EXHIBITS

Appendixes

Appendix 1 Impacts of the proposed transaction upon carrier employees.

Appendix 2 Opinion of Counsel for CSX Transportation, Inc.

Exhibits

Exhibit 1 Maps. Color Exhibit at end of Volume 1.
- Exhibit 1A – Elsdon Line
- Exhibit 1B – CREATE
- Exhibit 1C – CSXT System Map
- Exhibit 1D – GTW System Map

Exhibit 2 Agreement between CSXT and GTW. See Volume 2.

Exhibit 4 Environmental Information.
- Exhibit 4A – Waiver to Prepare PDEA
- Exhibit 4B – Consultation Letters
- Exhibit 4C – Public Comments
- Exhibit 4D – Summary of Meetings

Exhibit 15 Minor Transaction Operating Plan.

Exhibit 22 Verified Statement of Lawrence L. Ratcliffe

APPENDIX 1-Impacts of the proposed transaction upon carrier employees.

CSX Transportation Inc.

Employees Affected by the Proposed Transaction

Current Location	Job Classification / Craft	Jobs Transferred	Jobs Abolished	Jobs Created	Year
Chicago	Foreman -BMWED	N/A	0	1	2013
Chicago	Welder - BMWED	N/A	0	1	2013
Chicago	Welder Helper -BMWED	N/A	0	1	2013
Chicago	Machine Operator -BMWED	N/A	0	1	2013
Chicago	Trackman -BMWED	N/A	0	1	2013
Chicago	Inspectors -BMWED	N/A	0	2	2013
Chicago	Bridge Mechanic/ Carpenter -BMWED	N/A	0	1	2013
Chicago	Electrician -IBEW	N/A	0	1	2013
Chicago	Plumber -SMWA	N/A	0	1	2013
Chicago	Roadmaster -non-contract supervisor	N/A	0	1	2013

APPENDIX 1-Impacts of the proposed transaction upon carrier employees.

Grand Trunk Western Railroad Company

Employees Affected by the Proposed Transaction

CSXT understands that maintenance of the GTW property subject to this transaction is performed under agreement by employees of Illinois Central Railroad Company ("IC"), and that no more than four (4) IC maintenance-of-way positions (tower operators) on GTW's Elsdon Line will be abolished as a result of the Proposed Transaction. These jobs are expected to be eliminated in 2013. CSXT further understands, however, that all affected IC employees will have other equivalent positions available to them elsewhere in the Chicago terminal area.

Appendix 2-Opinion of Counsel for CSX Transportation, Inc.

Steven C. Armbrust
Assistant General Counsel
CSX Transportation, Inc.
500 Water Street, J150
Jacksonville, FL 32202
(904) 359-1229

August 13, 2012

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: **Finance Docket No. 35522, *CSX Transportation, Inc. –Acquisition— Grand Trunk Western Railroad Company***

Dear Ms. Brown:

As counsel for CSX Transportation, Inc. ("CSXT"), I am familiar with the Application of CSXT to acquire an exclusive, perpetual non-assignable operating easement over approximately 22.37 miles of the Grand Trunk Western Railroad Company between Munster, IN milepost 31.07, and Elsdon, IL, milepost 8.7 and am of the opinion that the transaction described in said Application meets the requirements of law and will be legally authorized and valid, if approved by the Board.

Very truly yours,

Steven C. Armbrust

EXHIBIT 1-MAPS.
See Color Exhibits at end of Volume 1

EXHIBIT 2- AGREEMENT BETWEEN CSXT AND GTW

See Volume 2

EXHIBIT 4-ENVIRONMENTAL DOCUMENTS

EXHIBIT 4A – WAIVER TO PREPARE PDEA

LAW OFFICES OF
LOUIS E. GITOMER, LLC.

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TOWSON, MARYLAND 21204-4022
(410) 296-2250 • (202) 466-6532
FAX (410) 332-0885

May 20, 2011

Ms. Victoria Rutson
Director
Office of Environmental Assessment
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

RE: Finance Docket No. 35522, *CSX Transportation, Inc.—Acquisition and Operation—Grand Trunk Western Railroad Company*

Dear Ms. Rutson:

CSX Transportation, Inc. ("CSXT") seeks your approval to prepare a Preliminary Draft Environmental Assessment ("PDEA") in connection with the environmental review of the Proposed Transaction, as defined below.

CSXT proposes to file a minor application under 49 U.S.C. §11323 with the Surface Transportation Board (the "Board") on or about July 1, 2011 seeking authority to acquire from the Grand Trunk Western Railroad Company ("GTW") an exclusive, perpetual, non-assignable railroad operating easement (the "Elsdon Easement") over approximately 22.3 miles of GTW's Elsdon Subdivision extending from milepost 31.0± located at or near the CSXT connection at Munster, IN to milepost 8.7±, located at or near Elsdon, IL, which connects to the southern end of the BNSF Railway Company's Corwith Yard as shown on Exhibit A hereto (the "Acquisition"). CSXT also proposes to acquire trackage rights over GTW between CN's connection to CSXT at Wellsboro, IN at or near Milepost 71.1 and Griffith, IN at or near Milepost 36.1 on GTW's South Bend Subdivision, a distance of approximately 35 miles on Exhibit A hereto (the "Trackage Rights"). Together, the Acquisition and the Trackage Rights are referred to as the Proposed Transaction.

CSXT conferred with the Office of Environmental Assessment ("OEA") on February 17, 2011. As a result of that consultation, CSXT proposes that, with OEA's guidance, CSXT prepare a PDEA for the Proposed Transaction. The PDEA will be prepared by CSXT's environmental consultants, HDR Engineering, Inc. ("HDR"), under guidance provided by OEA. The PDEA will serve as the basis for the environmental documentation to be prepared by OEA. Preparation of such a PDEA would be consistent with the regulations of the Council on Environmental Quality at 40 C.F.R. §1506.5(b), which specifically contemplate preparation of an environmental assessment ("EA") by an applicant.

CSXT's objective in preparing the PDEA is to submit a document of such quality and accuracy as to conform fully with OEA's requirements for such documents. CSXT anticipates that OEA would verify the information submitted in the PDEA and independently evaluate the environmental impacts of the Proposed Transaction. In this manner, CSXT expects that OEA's independent verification and evaluation would confirm that the PDEA could be adopted, with a minimum of revision, as OEA's own EA. OEA would then issue its EA for public review and comment within a 30-day period and subsequently make final recommendations to the Board.

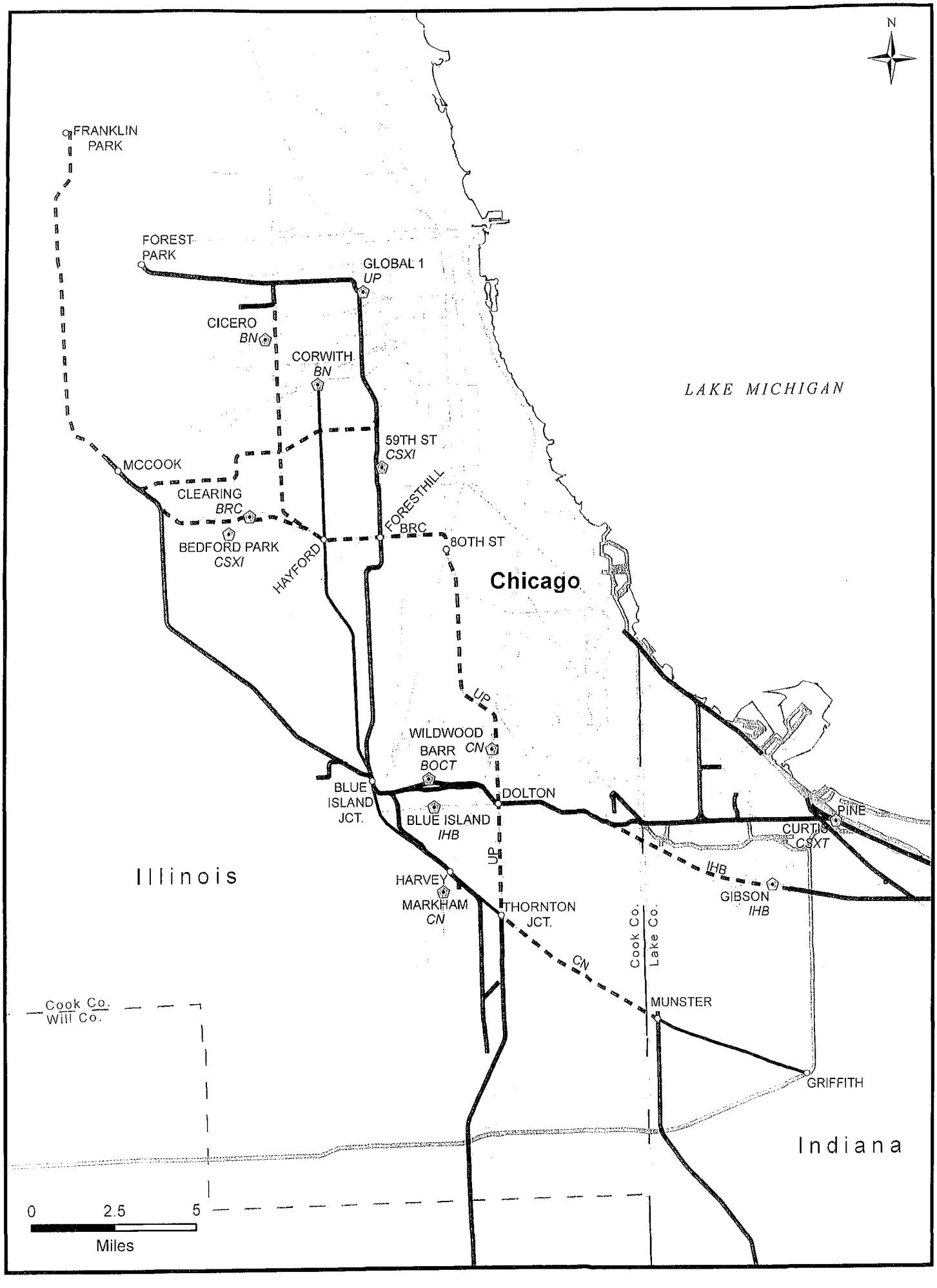
Please let me know if (i) the PDEA approach set forth in this letter conforms with your understanding, and (ii) CSXT may proceed to work, consistent with that approach and in consultation with your office and HDR, on a PDEA regarding the Proposed Transaction. We look forward to working together with OEA on this environmental review process.

Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Enclosures


N
FRANKLIN PARK
FOREST PARK
GLOBAL 1
UP
CICERO
BN
CORWITH
BN
LAKE MICHIGAN
59TH ST
CSXI
MCCOOK
CLEARING
BRC
FORESTHILL
BRC
BEDFORD PARK
CSXI
HAYFORD
80TH ST
Chicago
UP
WILDWOOD
BARR
BOCT
CN
BLUE ISLAND JCT.
DOLTON
BLUE ISLAND
IHB
PINE
CURTIS
CSXT
IHB
Illinois
HARVEY
MARKHAM
CN
UP
THORNTON JCT.
GIBSON
IHB
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Lake Co.
CN
Cook Co.
Will Co.
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GRIFFITH
Indiana
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#EO-1639
PTW

SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

May 24, 2011

Louis E. Gitomer, Esq.
600 Baltimore Avenue, Suite 301
Towson, MD 21204

RE: Finance Docket No. 35522, CSX Transportation, Inc. – Acquisition and Operation – Grand Trunk Western Railroad Company; Approval of Request to Submit a Preliminary Draft Environmental Assessment

Dear Mr. Gitomer:

I am responding to your letter of May 20, 2011, in which you request that CSX Transportation (CSXT) prepare a Preliminary Draft Environmental Assessment (PDEA) for submission to the Surface Transportation Board's (Board) Office of Environmental Analysis (OEA) in lieu of the environmental and historic reports required under the Board's environmental rules at 49 C.F.R. §§1105.7 and 1105.8. For the reasons set forth below, I am granting your request.

Your letter indicates that on or about July 1, 2011, CSXT plans to file a minor application with the Board under 49 U.S.C. §11323. Specifically, you state that CSXT will seek Board authority to acquire from the Grand Trunk Western Railroad Company (GTW) an exclusive, perpetual, non-assignable railroad operating easement (the Elsdon Easement) over approximately 22.3 miles of GTW's Elsdon Subdivision (the Acquisition).[1] You also state that CSXT proposes to acquire trackage rights over GTW on approximately 35 miles of GTW's South Bend Subdivision (Trackage Rights).[2]

Based on prior discussions, OEA concurs with your request to submit a PDEA. The PDEA will serve as an administrative draft for OEA, which is responsible for ensuring the Board's compliance with the National Environmental Policy Act. OEA will independently review the PDEA and make appropriate recommendations to the Board, including recommendations to mitigate potential environmental impacts. OEA will then issue a Draft Environmental Assessment (EA) based upon the PDEA for a 30-day public

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[1] Extends from milepost 31.0 located at or near the CSXT connection at Munster, IN to milepost 8.7, located at or near Elsdon, IL, which connects to the southern end of the BNSF Railway Company's Corwith Yard.

[2] Between the CN connection to CSXT at Wellsboro, IN at or near milepost 71.1 and Griffith, IN, at or near milepost 36.1.

review and comment period. Following the public review and comment period, OEA will prepare a Final EA containing OEA's final recommendations to the Board.

The Council on Environmental Quality (CEQ) regulations at 40 C.F.R. §1506.5(b) specifically contemplate that an agency may permit an applicant to prepare an EA. The agency, however, must make its own evaluation of the environmental issues and take responsibility for the scope and content of the EA. Therefore, as stated above, OEA will conduct an independent analysis and verification of the EA, including any proposed mitigation measures. OEA has ultimate responsibility for the environmental document; therefore, the extent to which OEA may adopt all or portions of the PDEA as the Draft EA will be determined after you have submitted the PDEA to, and it has been reviewed by, OEA.

If during the environmental review process it becomes clear that potentially significant adverse environmental effects would result from the project and could not be adequately mitigated, OEA would then be required under CEQ regulations and the Board's environmental rules at 49 C.F.R. 1105(6)(a) to prepare a more detailed Environmental Impact Statement (EIS). Should this occur, OEA will inform you of that decision. OEA would then use the PDEA as an informational submittal and determine if it has the resources to prepare an EIS in a timely and expeditious manner, or whether it would be more appropriate for the applicant to retain a third-party contractor to prepare the EIS under OEA's direct control and supervision to assist OEA in the environmental review process.

Thank you for initiating early consultation for the proposed undertaking. If you have any questions or would like to discuss this matter further, please contact Diana Wood of my staff at (202) 245-0302 or email at woodd@stb.dot.gov.

Sincerely,

Victoria Rutson
Director
Office of Environmental Analysis

EXHIBIT 4B – CONSULTATION LETTERS

May 25, 2011

Mr. Randall Blankenhorn
Chicago Metropolitan Agency for Planning
Executive Office
233 South Wacker Drive #800
Chicago, IL 60606

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Blankenhorn:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. John Barrett
Citizen Potawatomi Nation
1601 S Gordon Cooper Drive
Shawnee, OK 74801

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Barrett:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr.Kevin Keller
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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Donald Peloquin
City of Blue Island
Mayor's Office
13051 S Greenway
Blue Island, IL 60406

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Peloquin:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Hon. Rahm Emanuel
City of Chicago Mayor's Office
121 N LaSalle Street
Room 509
Chicago, IL 60602

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Hon. Emanuel:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Eric Kellogg
City of Harvey Village Hall
15320 Broadway
Harvey, IL 60426

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Kellogg:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Terry Wells
Village of Phoenix Village Hall
650 E. Phoenix Drive
Phoenix, IL 60426

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Wells:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Donald Schupek
Village of Posen Village Hall
2440 Walter Zimny Drive
Posen, IL 60469

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Schupek:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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4435 Main Street
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Kansas City, Missouri 64111
or by email to:
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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Ms. Toni Preckwinkle
Cook County
County Board of Commissioners
118 N. Clark Street Room 537
Chicago, IL 60602

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Ms. Preckwinkle:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
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csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Steven Bylina
Cook County
Forest Preserve District
536 N Harlem Avenue
River Forest, IL 60305

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Bylina:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Thomas Easterly
State of Indiana
Department of Environmental Management
Office of the Commissioner
100 N Senate Avenue
Room IGCN 1301
Indianapolis, IN 46204

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Easterly:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Kansas City, Missouri 64111
or by email to:
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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. George Weber
State of Illinois
Department of Transportation, Bureau of Railroads
DOT Administration Building, Room 302
Springfield, IL 62764

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Weber:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Kenneth Meshiguad
Hannahville Indian Community Council
N14911 Nannahville B1 Road
Wilson, MI 49896

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Meshiguad:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Ms. Shauna Kelley
Illinois Commerce Commission
Transportation Bureau
527 E Capitol Avenue
Springfield, IL 62701

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Ms. Kelley:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Ms. Anne Haaker
State of Illinois
Historic Preservation Agency
1 Old State Capitol Plaza
Springfield, IL 62701

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Ms. Haaker:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Dr. James Glass
State of Indiana Department of Natural Resources
Division of Historic Preservation & Archeology
402 W Washington Street
Room W274
Indianapolis, IN 46204

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Dr. Glass:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Ms. Venetta Keefe
State of Indiana Department of Transportation
Transportation Bureau
100 N Senate Avenue
IGN-N, Room N-955
Indianapolis, IN 46204

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Ms. Keefe:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Michael Riley
State of Indiana
Department of Transportation
100 N Senate Avenue
IGN-N, Room N-955
Indianapolis, IN 46204

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Riley:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Andrew Norris
State of Indiana
Department of Intergovernmental Affairs
200 W Washington Street
Room 206
Indianapolis, IN 46204

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Norris:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr.Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Gerry Scheub
Lake County Commissioner
2293 N. Main Street
Building A, 3rd Floor
Crown Point, IN 46307

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Scheub:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Ms. Frances DuPey
Lake County Commissioner
2293 N. Main Street
Building A, 3rd Floor
Crown Point, IN 46307

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Ms. DuPey:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Roosevelt Allen, Jr.
Lake County Commissioner
2293 N. Main Street
Building A, 3rd Floor
Crown Point, IN 46307

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Allen:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Suite 1000
Kansas City, Missouri 64111
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csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Alexander Clifford
METRA
Office of the Executive Director
547 W. Jackson Blvd
Chicago, IL 60661

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Clifford:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Commander Robert E. Bailey, Jr.
Ninth Coast Guard District
Marine Safety Unit Chicago
555 Plainfield Road, Suite A
Willowbrook, IL 60527

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Commander Bailey:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Kansas City, Missouri 64111
or by email to:
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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Gerald R. Hanas
Northern Indiana Commuter Transportation District
33 East U.S. Highway 12
Chesterton, IN 46304

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Hanas:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. John Swanson
Northwestern Indiana Regional Planning Commission
6100 Southport Road
Portage, IN 46368

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Swanson:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Pat Quinn
State of Illinois
Office of the Governor
100 W Randolph Street, Suite 16-100
Chicago, IL 60601

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Quinn:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Thomas J. Ross
PACE
550 W. Algonquin Road
Arlington Heights, IL 60005

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Ross:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Ms. Trayce Stanhoff
Prairie Band of Potawatomi Nation
16281 Q Road
Mayetta, KS 66509

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Ms. Stanhoff:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Joseph Costello
Regional Transportation Authority
175 W Jackson Blvd
Suite 1650
Chicago, IL 60604

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Costello:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Ed Paesel
South Suburban Mayors and Managers Association
1904 West 174th Street
East Hazel Crest, IL 60429

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Paesel:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Suite 1000
Kansas City, Missouri 64111
or by email to:
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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Michael W. Franke
State & Commuter Partnerships, Central (Amtrak)
National Railroad Passenger Corporation
525 W. Van Buren Street
Chicago, IL 60607

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Franke:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Douglas Scott
State of Illinois
Environmental Protection Agency
100 W Randolph Street
Suite 11-300
Chicago, IL 60601

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Scott:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,



Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Mike Molnar
State of Indiana Lake Michigan Coastal Program
402 W Washington Street
Room W267
Indianapolis, IN 46204

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Molnar:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Tom DeGiulio
Town of Munster
Town Manager's Office
1005 Ride Road
Munster, IN 46321

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. DeGiulio:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Colonel Vincent V. Quarles
U.S. Army Corps of Engineers
Chicago District
111 N. Canal Street, Suite 600
Chicago, IL 60606

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Colonel Quarles:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

CSXT is soliciting your input to assist us with the identification of possible economic, social, or environmental effects that should be considered in preparation of environmental documentation. It is anticipated that the STB's Office of Environmental Analysis (OEA) will use this information in preparing an Environmental Assessment ("EA") for the proposed transaction. The EA will be prepared pursuant to the National Environmental Policy Act and related environmental laws, including the National Historic Preservation Act. On behalf of CSXT, we request your input by June 15, 2011. Replies should be addressed to:

Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Bill Moran
U.S. Department of Agriculture
Natural Resources Conservation Service
Crown Point Service Center
928 S Court Street, Suite C
Crown Point, IN 46307

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Moran:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr.Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Robert Jankowski
U.S. Department of Agriculture
Natural Resources Conservation Service
1201 S Gouger Road
New Lenox, IL 60451

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Jankowski:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr.Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Kenneth Westlake
U.S. Environmental Protection Agency
Office of Enforcement and Compliance Assurance
77 W Jackson Boulevard, Mail Code B-19J
Chicago, IL 60604

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Westlake:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Ms. Elizabeth McCloskey
U.S. Fish and Wildlife Service
Northern Indiana Ecological Services Sub-Office
P.O. Box 2016
Chesterton, IN 46304

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Ms. McCloskey:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr.Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,



Kevin Keller
Project Manager

Attachment

May 25, 2011

Ms. Louise Clemency
U.S. Fish and Wildlife Service
Chicago Field Office
1250 S Grove Street, Suite 103
Barrington, IL 60010

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Ms. Clemency:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. James Sexton
Village of Evergreen Park Village Hall
9418 S. Kedzie
Evergreen Park, IL 60805

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Sexton:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Norman Abbott
Village of Lansing Village Hall
3141 Ridge Road
Lansing, IL 60438

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Abbott:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Dennis Magee
Village of Merrionette Park Village Hall
3165 W 115th Street
Merrionette Park, IL 60803

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Magee:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Don DeGraff
Village of South Holland
Village Hall
16226 Wausau Avenue
South Holland, IL 60473

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. DeGraff:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

May 25, 2011

Mr. Jack Swan
Village of Thornton
Village Hall
115 E Margaret Street
Thornton, IL 60476

Re: Finance Docket No. 35522, CSX Transportation, Inc.-Acquisition-Grand Trunk Western Railroad Company

Dear Mr. Swan:

CSX Transportation, Inc. ("CSXT") expects to be filing on July 1, 2011 with the Surface Transportation Board (the "STB") an application pursuant to 49 U.S.C. §11323 to acquire a 22.3-mile rail line from the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"). The proposed project does not include railroad line construction. The application process will include a Preliminary Draft Environmental Assessment that will discuss land use, hazardous material sites, socioeconomics, geology & soils, water resources, biological resources, cultural resources, environmental justice, transportation (including the local road network and grade crossing delay & safety), air quality & climate, noise & vibration, energy resources, and proposed mitigation. See the attached Chapters 1 and 2 from the Preliminary Draft Environmental Assessment for information on what the transaction entails.

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Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111
or by email to:
csxtgrandtrunk@hdrinc.com

Sincerely,

Kevin Keller
Project Manager

Attachment

EXHIBIT 4C – PUBLIC COMMENTS

United States Department of the Interior
Fish and Wildlife Service

Bloomington Field Office (ES)
620 South Walker Street
Bloomington, IN 47403-2121
Phone: (812) 334-4261 Fax: (812) 334-4273

June 2, 2011

Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street, Suite 1000
Kansas City, Missouri 64111

Project No.: Finance Docket No. 35522
Project: CSX Transportation, Inc. Proposed Acquisition of Grand Trunk Western Railroad
Location: Munster, Lake County, Indiana

Dear Mr. Keller:

This responds to your letter dated May 25, 2011, requesting our comments on the aforementioned project.

These comments have been prepared under the authority of the Fish and Wildlife Coordination Act (16 U.S.C. 661 et. seq.) and are consistent with the intent of the National Environmental Policy Act of 1969, the Endangered Species Act of 1973, and the U. S. Fish and Wildlife Service's Mitigation Policy.

CSX Transportation, Inc. (CSXT) is proposing to acquire the right to operate over a 22.3 mile portion of the Grand Trunk Western (GTW) Railroad Company's Elsdon Subdivision track between Munster, Indiana, Mile Post 31.0, and Elsdon, Illinois, MP 8.7; the Canadian National Railway Company (CN) owns the GTW and therefore is the other party in this proposed transaction. These comments refer only to the section of GTW track within Indiana, about 0.27 mile.

The existing CSXT Monon Subdivision connects with the GTW Elsdon Subdivision at MP 31 in Munster, just north of 45th Street and about 0.27 mile east of the Indiana-Illinois State Line. Commercial/industrial properties are to the south and a golf course is along the north side of the GTW at this interconnection and west to the State Line; northeast of the connection is an electric substation. Therefore, there are no wetlands or other significant habitats within the small section of track that would be affected by the proposed purchase.

However, we are confused about information on the proposed transaction provided with your letter, primarily Chapter 2 of the Working Draft Environmental Assessment. It is stated several times that the proposed acquisition of track would be from MP 31 west into Illinois, but additional information provided in the discussion, on Figure 1.2-1, Figure 2.1-1, and in Table 2.1-1, seem to indicate that the proposed acquisition actually extends east 5.1 miles to Griffith. Both Figure 1.2-1 and Figure 2.1-1 depict the "CSXT Acquisition" beginning at Griffith.

The GTW track between Griffith and Munster passes through Hoosier Prairie State Nature Preserve, owned by the Indiana Division of Nature Preserves. DNP has been working with CN about management concerns along the section of track through the nature preserve, including use of herbicides along the tracks by CN and access for prescribed burning by DNP. Therefore, if ownership or management of this length of track through Hoosier Prairie is going to change, DNP will need to be informed and coordinated with. Clarification about what is proposed between Griffith and Munster is therefore necessary.

ENDANGERED SPECIES

The proposed project is within the range of the Federally endangered Indiana bat (Myotis sodalis) and Karner blue butterfly (Lycaeides melissa samuelis) and the threatened Pitcher's thistle (Cirsium pitcheri) and Mead's milkweed (Asclepias meadii). The Karner blue butterfly was once present at Hoosier Prairie but is no longer extant. There is no known habitat for any of the other species within the general project area. Therefore, we concur that the proposed project is not likely to adversely affect these endangered and threatened species.

This precludes the need for further consultation on this project as required under Section 7 of the Endangered Species Act of 1973, as amended. However, should new information arise pertaining to project plans or a revised species list be published, it will be necessary for the Federal agency to reinitiate consultation.

We appreciate the opportunity to comment at this early stage of project planning. For further discussion, please contact Elizabeth McCloskey at (219) 983-9753 or elizabeth_mccloskey@fws.gov.

Sincerely yours,

Elizabeth S. McCloskey acting for

Scott E. Pruitt
Supervisor

cc: Christie Stanifer, Environmental Coordinator, Division of Water, Indianapolis, IN
Tom Post, Indiana Division of Nature Preserves, Medaryville, IN

Village of Lansing
Cook County, Illinois
3141 Ridge Road Lansing, Illinois 60438
708-895-7200 Fax: 708-895-6878

Mayor
Norm Abbott

Clerk
Patricia L. Eidam

Trustees
Julie Butler
Anthony DeLaurentis
Terry Kapteyn
Daniel Lyzenga
Michael Skrbina
Mikal Stole

June 2, 2011

Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street, Suite 100
Kansas City, MO 64111

RE: CSX Transportation, Inc. Acquisition of Grand Trunk Western Railroad

Dear Mr. Keller,

I am in receipt of your letter requesting input to assist you with identification of possible economic, social or environmental effects that should be considered with regard to the above reference acquisition. I met recently with representatives from CSX to discuss the acquisition and what it would mean for our Village.

The only concerns I have at this time are the condition of several of the crossings located within Lansing. These crossings are in extremely poor condition and are severely in need of attention. They are a hazard to the vehicles when driving over them and are very unsightly with tall weeds and garbage strewn about. It is my hope that CSXT will be more cooperative than GTW Railroad has been in getting our crossings repaired and maintained. It is also my hope that CSXT will consider making one of the crossings located in a residential area a quiet zone crossing. This would definitely improve the quality of life for some of the residents in our Village.

I appreciate the fact that you are seeking the input of local community leaders and look forward to working with everyone toward a smooth transition. Please let me know if you have any questions or concerns.

Sincerely,

Norman F. Abbott
Mayor

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue East, P.O. Box 19276, Springfield, Illinois 62794-9276 • (217) 782-2829
James R. Thompson Center, 100 West Randolph, Suite 11-300, Chicago, IL 60601 • (312) 814-6026

PAT QUINN, GOVERNOR DOUGLAS P. SCOTT, DIRECTOR

217-782-0547

June 2, 2011

Mr. Kevin Keller
HDR Engineering, Inc
4435 Main Street
Suite 1000
Kansas City, Missouri 64111

Dear Mr. Keller:

We have had an opportunity to review the proposed acquisition for Grand Trunk Western Railroad Company.

The Agency has no objections to the project; however if one or more acres are disturbed, a construction site activity stormwater NPDES permit will be required from the Division of Water Pollution Control. Please contact Al Keller at 217-782-0610 for additional information.

If any demolition is necessary, demolition/asbestos notification will be required at least 10 working days prior to the start of the project. You may contact Alan Grimmett with questions, 217-557-1438.

Solid and hazardous waste must be properly disposed of or recycled.

Sincerely,

Lisa Bonnett
Interim Director

CITY OF BLUE ISLAND

13051 GREENWOOD
BLUE ISLAND, ILLINOIS 60406

OFFICE OF THE MAYOR
DONALD E. PELOQUIN

(708) 597-8602 • (708) 396-7030
Fax (708) 597-1221

June 10, 2011

Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111

Re: Finance Docket No. 35522
CSX Transportation, Inc. – Acquisition – Grand Trunk Western Railroad Co.

Dear Mr. Keller:

I am writing regarding the proposed CSXT acquisition of the Grand Trunk Western Railroad. Blue Island has always been a railroad town and realizes the benefits of the rail industry. Unfortunately, the City and its residents have seen no real economic benefits to counter the negatives. The railroads in our town have 23 grade crossings and a speed limit of about 15 m.p.h. at the Broadway interlocking. Blue Island under the new federal law also has roughly 1200 train whistles a day. This new rule is creating a great hardship on our residents and the community.

I would like to see the CSXT work with the local municipality to reduce the number of train whistles blown in our community. We would also like to work with CSXT to help develop old industrial sites with existing rail spurs to become new intermodal hubs. Many of the local elected officials believe that the intermodal traffic generated by the railroads could become our new manufacturing industry in this region. I can better explain the opportunities in person if you feel the need. Please feel free to call me at City Hall, 708-396-7030 or on my cell 708-878-5425 to answer any of your questions.

Respectfully yours,

Donald E. Peloquin
Mayor

DEP:ls

SSMMA

SOUTH SUBURBAN MAYORS & MANAGERS ASSOCIATION

June 14, 2011

Blue Island
Burnham
Calumet City
Calumet Park
Chicago Heights
Country Club Hills
Crete
Dixmoor
Dolton
East Hazel Crest
Flossmoor
Ford Heights
Glenwood
Harvey
Hazel Crest
Homewood
Lansing
Lynwood
Markham
Matteson
Midlothian
Mokena
Monee
New Lenox
Oak Forest
Olympia Fields
Orland Hills
Orland Park
Palos Heights
Park Forest
Phoenix
Posen
Richton Park
Riverdale
Robbins
Sauk Village
South Chicago Heights
South Holland
Steger
Thornton
Tinley Park
University Park

Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street, Suite 1000
Kansas City, MO 64111

RE: Finance Docket No. 35522, CSX Transportation Inc.
Acquisition – Grand Trunk Western Railroad Company

Dear Mr. Keller:

On behalf of the South Suburban Mayors and Managers Association (SSMMA), representing 42 communities in southern Cook and Will Counties in Illinois, thank you for the opportunity to comment briefly on the matter referenced above.

SSMMA and our sister economic development agency, the Chicago Southland Economic Development Corporation, have been very active in numerous transportation and economic development projects and activities in the south suburban area. We look forward to working with you on a continuing basis as you examine the various potential impacts of the proposed acquisition.

In general, we have three major areas of interest and concern.

1) Whistle blowing and noise impacts to adjacent communities - We need to explore the potential of establishing "quiet zones" along the line to minimize these impacts.

2) We would be quite interested to work with CSX to explore ways to maximize potential economic development and job creation opportunities created by this acquisition. We believe that there could be many opportunities to achieve redevelopment or development of industrial sites that could be served by CSX. Many of the communities along the line are economically disadvantaged and desperately need these development opportunities.

3) We strongly suggest that you work with Metra, SSMMA and our communities to determine the potential impacts on both existing and proposed commuter rail lines in our area. As you are aware, the Rock Island District, the Metra Electric District and the proposed Southeast Commuter Rail Line may be impacted either positively or negatively by this acquisition. This is a critical issue for our communities and our area.

1904 W. 174th Street
East Hazel Crest, Illinois 60429
www.ssmma.org
708-206-1155
Fax 708-206-1133

Please feel free to contact me if you need additional information in this matter and we look forward to actively working with you as this analysis moves forward.

Sincerely,

Edward W. Paesel
Executive Director

EWP/rak
cc: Mayor Don DeGraff, SE Commuter Rail Board
Mayor Rich Hofeld, President SSMMA
Mayor Dave Owen, Transportation Chair, SSMMA
Congressman Jesse Jackson, Jr.
Congressman Bobby Rush
Mike Scholefield, Southland EDC
Bud Fleming, SSMMA
Reggie Greenwood, SSMMA

Illinois Department of Transportation
Office of the Secretary
2300 South Dirksen Parkway / Springfield, Illinois / 62764
Telephone 217/782-5597

June 22, 2011

Mr. Kevin Keller, Project Manager
HDR Engineering, Inc.
4435 Main Street, Suite 1000
Kansas City, Missouri 64111

Dear Mr. Keller:

Thank you for your letter of May 25, 2011 to Governor Pat Quinn regarding CSX Transportation, Inc's expected filing with the Surface Transportation Board (STB) seeking the STB's approval of CSX's acquisition of control over a 22.3 mile rail line from the Grand Trunk Western Railroad Company (GTW) between Munster, Indiana and Elsdon, Illinois. Governor Quinn has asked that we respond.

You wrote that CSX's application for STB approval will include a Preliminary Draft Environmen-tal Assessment. If the STB's Office of Environmental Analysis (OEA) is pre-paring the Environmental Assessment (EA) for this proposed transaction pursuant to the National Environmental Policy Act (NEPA), the information you are soliciting from the state now will be presented during the NEPA process.

It appears that CSX's acquisition of the GTW rail line contemplates changes in freight volumes in some areas of the line. Therefore, I request that you coordinate the grade crossing impacts of the acquisition with the Illinois Department of Transportation (IDOT) Division of Highways, or local authority, based on the jurisdiction of the roadway. The area you currently operate over north of 127th Street is located in a Quiet Zone. Based upon the new traffic volumes on the GTW rail line, are you considering implementing a Quiet Zone there as well?

IDOT is also involved in the process of preparing a Tier 1 Environmental Impact Statement for the Chicago to St. Louis passenger corridor. I have attached the "Notice of Intent" for this project for your use as you begin your analysis. I also ask that you consider the proposed Southeast Commuter Service and the additional conflicts that CSX's proposed new freight volumes will have on Metra's Southwest Service when preparing your EA.

Thank you for the opportunity to comment on this matter. If you have any questions or need additional information, please contact Joseph E. Shacter, Director of Public and Intermodal Transportation, located at the James R. Thompson Center, 100 W. Randolph Street, Suite 6-600, Chicago, Illinois, 60601, or telephone him at (312) 793-2116.

Sincerely,

Gary Hannig
Secretary

Attachment

cc: Governor Pat Quinn

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

Environmental Impact Statement for the Chicago, IL to St. Louis, MO High Speed Rail Program Corridor

AGENCY: Federal Railroad Administration (FRA), U.S. Department of Transportation (DOT).

ACTION: Notice of Intent to Prepare an Environmental Impact Statement.

SUMMARY: FRA is issuing this notice to advise the public that FRA with the Illinois Department of Transportation (IDOT) will jointly prepare a Tier 1 Environmental Impact Statement (EIS) for the Chicago, IL to St. Louis, MO High Speed Rail Corridor Program in compliance with the National Environmental Policy Act of 1969 (NEPA). This study will analyze a range of reasonable corridor-level route alternatives between Chicago and Joliet, and will examine additional improvements between Joliet and St. Louis to support additional passenger trains. The EIS will consider increasing the number of frequencies of high-speed passenger rail service, as well as increasing the currently planned maximum speed of such service, in the Chicago to St. Louis Corridor (Corridor). FRA is issuing this notice to solicit public and agency input into the development of the scope of the EIS and to advise the public that outreach activities conducted by FRA and IDOT will be considered in the preparation of the EIS. Alternatives under consideration include taking no action, as well as several build alternatives between Chicago and Joliet, IL, through the City of Springfield, and for the approach to St. Louis, MO.

DATES: Two agency scoping meetings and five public scoping meetings will be held during March, 2011. Public scoping meetings will be advertised locally and are scheduled for the following cities on the dates indicated below from 4 p.m.–7 p.m.

- March 1, 2011: Joliet, IL
- March 2, 2011: Bloomington-Normal, IL
- March 3, 2011: Springfield, IL
- March 8, 2011: Carlinville, IL
- March 9, 2011: Alton, IL

Agency scoping meetings will be held March 1, 2011 in Joliet, IL and March 3, 2011 in Springfield, IL at 10 a.m. Detailed information on the meeting locations is available on the following Web site: *http://www.idothsr.org.* Persons interested in providing written comments on the scope of the EIS should do so by March 18, 2011. Written comments on the scope of the EIS should be provided to IDOT by March 18, 2011 at the address below.

ADDRESSES: Written comments on the scope of this study should be sent to Mr. George Weber, Acting Deputy Director, Department of Intermodal and Public Transit, Illinois Department of Transportation, 100 West Randolph Street, Suite 6–600, Chicago, Illinois 60601, telephone (312) 793–4222.

FOR FURTHER INFORMATION CONTACT: Ms. Wendy Messenger, Office of Railroad Development, Federal Railroad Administration, 1200 New Jersey Avenue, SE., (Mail Stop 20), Washington, DC 20590, telephone (202) 493–6396; or Mr. George Weber, telephone (312) 793–4222 at the above address. Information and documents regarding the environmental review process will be made available through the following Web site: *http://www.idothsr.org.*

SUPPLEMENTARY INFORMATION: FRA, in cooperation with IDOT, will prepare a Tier 1 EIS for the High Speed Rail program from Chicago, IL to St. Louis, MO. The objectives of the proposed Project are to meet current and future regional travel needs through significant improvements to the level and quality of passenger rail service along the Corridor. Specifically, the EIS will consider increasing the frequency of high-speed passenger trains between Chicago and St. Louis and will consider increasing train speeds above the 110 mph maximum speed currently planned in the Corridor. The proposed service improvements examined in this EIS will build upon the approximately $1.1 billion of improvements currently being completed in the Corridor by IDOT and FRA pursuant to a grant/cooperative agreement funded by the American Recovery and Reinvestment Act (ARRA) (this work is based upon a 2003 EIS for the Corridor and a 2004 Record of Decision). Those improvements, which include infrastructure improvements, communications and signaling installation, stations improvements, and rolling stock equipment procurement, will increase passenger rail speeds from 79 mph to 110 mph for the existing Corridor services.

The proposed Tier 1 EIS described in this notice will examine a range of reasonable corridor-level alternative routes between Chicago and Joliet, and will examine additional improvements between Joliet and St. Louis to support additional passenger trains while accommodating the anticipated growth in freight rail traffic. The EIS will assess: Changing the existing rail corridor from one track to two tracks; increasing the number of high-speed passenger trains; potential corridor route alternatives between Chicago and Joliet, IL, through the City of Springfield, and for the approach to St. Louis, MO; and the associated transportation and environmental impacts. Train speed increases above the 110 mph maximum speed currently planned in the Corridor may be considered in the alternatives analysis. It is anticipated that the EIS will examine the viability of Chicago-Joliet corridors utilizing the Canadian National (CN) and Metra Rock Island District (RID), as well as other reasonable corridors between Chicago and Joliet that could support high speed rail passenger service.

IDOT and FRA propose to not examine the Norfolk Southern-Canadian National alignment between Dwight and Chicago in the Tier 1 EIS. This alignment was considered in the 2003 EIS for the Corridor to serve a proposed South Suburban Airport. IDOT and FRA propose to not examine this alignment because it would divert intercity passenger rail service from the larger populations currently served in the Chicago-Joliet corridor, and the South Suburban Airport area is served by an existing commuter rail service to Chicago. Additionally, the Norfolk Southern Railroad does not support the introduction of high-speed passenger rail to its facilities because of limited existing infrastructure and a limited ability to expand capacity in the corridor. The agencies have concluded that it is not a reasonable alternative for meeting the Project purpose and need. Elimination of the Norfolk Southern-Canadian National alignment will result in a single corridor to be studied between Dwight and Joliet utilizing the Union Pacific (UP) Railroad.

The No-Build Alternative will represent the no action alternative and will be used as a baseline for comparison of all alternatives. The No-Build Alternative represents other transportation modes, such as auto, air travel, intercity bus, and existing rail, and the physical characteristics and capacities as they exist at the time of the Tier 1 EIS, with planned and funded improvements that will be in place at the time the Project would become operational.

Environmental Review Process: The EIS will be developed in accordance with Council on Environmental Quality (CEQ) regulations (40 CFR part 1500 *et seq.*) implementing the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 *et seq.*), and FRA's Procedures for Considering Environmental Impacts (64 FR 28545; May 26, 1999). The FRA and IDOT will

use a tiered process, as provided for in 40 CFR 1508.28 and in accordance with FRA guidance, in the completion of the environmental review of the Project. "Tiering" is a staged environmental review process applied to environmental reviews for complex projects. The Tier 1 EIS will address broad corridor-level issues and alternatives. Subsequent phases or tiers will analyze site-specific component projects and alternatives based on the decisions made in Tier 1.

Tier 1: The Tier 1 assessment will result in a NEPA document with the appropriate level of detail for corridor-level decisions and will address broad overall issues of concern, including but not limited to:

- Confirm the purpose and need for the proposed action.
- Define the study area appropriate to assess reasonable alternatives.
- Identify a comprehensive set of goals and objectives for the corridor in conjunction with Project stakeholders. These goals and objectives will be crafted to allow comprehensive evaluation of all aspects of the Project necessary to achieve the goals, including train operations, vehicles, and infrastructure.
- Identify the range of reasonable alternatives to be considered, consistent with the current and planned use of the corridor and the existing services within and adjacent to the study area, including changing the existing rail corridor from one track to two tracks, considering alternative corridors between Chicago and Joliet and in the St. Louis area, and considering a no action/no build alternative.
- Develop alternatives evaluation criteria to identify alternatives that meet the purpose and need of the proposed action and those that do not.
- Identify the general alignment(s) of the reasonable alternatives.
- Identify right-of-way requirements for the reasonable alternatives.
- Identify the infrastructure and equipment investment requirements for the reasonable alternatives.
- Identify the operational changes required for the reasonable alternatives.
- Describe the environmental impacts associated with the proposed changes in passenger rail train frequency, speed, and on-time performance.
- Characterize the environmental consequences of the reasonable alternatives.
- Establish the timing and sequencing of independent actions to maintain a state of good repair and to implement the proposed action.
- Evaluate and consider the potential for environmental impacts associated with the reasonable alternatives.
- Identify a preferred alternative for corridor route alignment.
- Address component projects for Tier 2 NEPA documentation as described below.

Tier 2: The second tier assessment(s) will address component projects to be implemented within the overall rail corridor improvement alternative selected in the Tier 1 EIS, and will incorporate by reference the data and evaluations included in the Tier 1 EIS. The Springfield Rail Corridor is the only current activity presently identified as a Tier 2 level evaluation to be included in this Tier 1 EIS; it will be combined with the Tier 1 EIS but may be separately actionable to determine site-specific as well as corridor-level improvements within its study limits and is described below.

Springfield Railroad Corridor: Freight traffic through Springfield is expected to increase significantly over the next several years, and IDOT's plans for increasing the number of frequencies of high-speed passenger train service between Chicago and St. Louis as well as the maximum speed of the passenger train service would also have an impact on Springfield. This study will analyze alternatives for accommodating the growing freight and passenger rail traffic through Springfield.

There are currently three north-south railroad corridors through Springfield. Generally, these corridors exist along Third Street (Union Pacific), Tenth Street (primarily Norfolk Southern), and Nineteenth Street (primarily Canadian National). There are 73 at-grade crossings along these three corridors in the study area, which create traffic congestion and safety issues when trains traverse the city. The Union Pacific Railroad is constructing a new intermodal rail yard near Joliet, Illinois, which is anticipated to generate increased freight traffic on the Third Street corridor. The combination of increased passenger trains and increased Union Pacific freight trains would likely require a second track on the Third Street corridor to accommodate the greater number of trains per day.

Build alternatives to accommodate this increase in rail traffic will be studied. In addition, the No-Build Alternative will represent the no action alternative and will be used as a baseline for comparison of all alternatives. One build alternative involves adding a second track on the Third Street corridor to handle up to 40 freight and passenger trains per day. Another build alternative will consider moving the Third Street corridor trains, and possibly the Nineteenth Street corridor trains, to the Tenth Street corridor, where additional tracks would be built, which would consolidate Springfield's rail traffic into one corridor. Other reasonable alternatives will also be considered, such as relocating rail traffic to other or new corridors.

Related Projects: There are three ongoing rail improvement programs that relate to the Project being studied in this EIS and may be considered for indirect or cumulative impacts on the region.

The Chicago Region Environmental and Transportation Efficiency Program (CREATE) is a cooperative effort between the U.S. Department of Transportation, the State of Illinois, the City of Chicago, the Metropolitan Rail Corporation (Metra), the National Railroad Passenger Corporation (Amtrak), and six freight railroads to improve freight and passenger rail efficiency and to reduce rail/highway traffic conflicts. There are six projects specifically identified by CREATE (P1, P2, P3, EW2, P5 and P6) that may involve and affect high speed rail service within the Chicago-Joliet portion of the corridor, depending on the corridor recommendations of this EIS study. More information is available at the CREATE Web site at *http://www.createprogram.org/.*

The Chicago-St. Louis 220 mph High Speed Rail Express is a project concept being pursued by IDOT. This service, at speeds up to 220 mph, may utilize existing rail corridors, a new corridor, or a combination of both, and could serve different travel markets. The 220 mph concept is intended as a complementary service to the Chicago-St. Louis high speed rail service that is being evaluated by this EIS. A feasibility study was prepared in 2009 by the Midwest High Speed Rail Association; this study indicated that a completely grade-separated route could be established by modifying existing rail corridors to connect Chicago, Champaign, Decatur and Springfield, Illinois with St. Louis, Missouri, with a one-way terminal-to-terminal trip time of approximately two hours, utilizing a maximum speed of 220 mph. Also in 2009, an Expression of Interest was prepared by the French National Railways (SNCF) in response to the FRA's Request for Expression of Interest dated December 11, 2008. The SNCF proposed a high-speed rail route to be located adjacent to existing rail corridors and sharing existing rail corridors in urban approaches at lower speeds. IDOT intends to further study the 220 mph project concept, including

development of an investment-grade business plan and the preparation of a separate Tier 1 EIS.

The Midwest Regional Rail Initiative (MWRRI) is an effort led by the Wisconsin Department of Transportation and supported by eight other Midwestern States to upgrade Amtrak service in those States, with maximum speeds of 79 to 110 mph depending on the level of improvements made. A Chicago-St. Louis corridor is included in MWRRI's September 2004 Executive Report and November 2006 Benefit Cost and Economic Analysis. Additional corridors proposed by MWRRI include: Chicago-Green Bay, Wisconsin; Chicago-Minneapolis, Minnesota; St. Louis-Kansas City, Missouri; Chicago-Cincinnati, Ohio; Chicago-Cleveland, Ohio; Chicago-Detroit, Michigan; Chicago-Port Huron, Michigan; Chicago-Carbondale, Illinois; Chicago-Quincy, Illinois; and Chicago-Omaha, Nebraska. Several other feeder corridors connecting smaller municipalities to the primary corridors are also included. More information is available at *http://www.dot.wisconsin.gov/projects/rail.htm*.

Public Involvement: Letters describing the proposed action and soliciting comments will be sent to appropriate Federal, State, and local agencies, and to private organizations and citizens who have previously expressed or are known to have interest in this proposal. A minimum of two public informational meetings will be held during the study. In addition, a public hearing will be held on the Draft EIS. Public notice will be given of the time and place of the meetings and of the hearing. The Draft EIS will be available for public and agency review and comment prior to the public hearing.

To ensure that the full range of issues related to this proposed action are addressed and that all significant issues are identified, comments and suggestions are invited from all interested parties. Comments or questions concerning this proposed action and the EIS should be directed to IDOT or FRA at the addresses provided above.

Scoping and Comments: FRA encourages broad participation in the EIS process during scoping and review of the resulting environmental documents. Comments are invited from all interested agencies and the public to ensure the full range of issues related to the proposed action, and the reasonable alternatives, are addressed and all significant issues are identified. In particular, FRA is interested in identifying areas of environmental concern where there might be a potential for significant impacts. Public agencies with jurisdiction are requested to advise FRA and IDOT of the applicable permit and environmental review requirements of each agency, and the scope and content of the environmental information that is germane to the agency's statutory responsibilities in connection with the proposed Project. Public agencies are requested to advise FRA if they anticipate taking a major action in connection with the proposed Project and if they wish to cooperate in the preparation of the EIS. Public scoping meetings have been scheduled as an important component of the scoping process for both the State and Federal environmental review. The scoping meetings described in this Notice will also be the subject of additional public notification.

FRA is seeking participation and input of all interested Federal, State, and local agencies, Native American groups, and other concerned private organizations and individuals on the scope of the EIS. This Project is a federal undertaking with the potential to affect historic properties. As such, it is subject to the requirements of section 106 of the National Historic Preservation Act of 1966 (NHPA) (16 U.S.C. 470(f)). In accordance with regulations issued by the Advisory Council on Historic Preservation, 36 CFR part 800, FRA intends to coordinate compliance with section 106 of the NHPA with the preparation of the EIS, beginning with the identification of consulting parties through the scoping process, in a manner consistent with the standards set out in 36 CFR 800.8.

Issued in Washington, DC, on February 9, 2011.

Mark E. Yachmetz,

Associate Administrator for Railroad Policy and Development.

[FR Doc. 2011-3248 Filed 2-11-11; 8:45 am]

BILLING CODE 4910-06-P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Reports, Forms and Record Keeping Requirements; Agency Information Collection Activity Under OMB Review

AGENCY: National Highway Traffic Safety Administration, DOT.

ACTION: Notice.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for review and comment. The ICR describes the nature of the information collections and their expected burden. The **Federal Register** Notice with a 60-day comment period was published on September 2, 2010 (75 FR 54000). The agency received no comments.

DATES: Comments must be submitted on or before March 16, 2011.

ADDRESSES: Send comments, within 30 days, to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725-17th Street, NW., Washington, DC 20503, Attention NHTSA Desk Officer.

Comments are invited on: Whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility; the accuracy of the Department's estimate of the burden of the proposed information collection; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology. A comment to OMB is most effective if OMB receives it within 30 days of publication.

FOR FURTHER INFORMATION CONTACT: Ms. Deborah Mazyck at the National Highway Traffic Safety Administration, Office of International Policy, Fuel Economy and Consumer Programs, 1200 New Jersey Avenue, SE., West Building, Room W43-443, Washington, DC 20590. Ms. Mazyck's telephone number is (202-366-4139).

SUPPLEMENTARY INFORMATION:

National Highway Traffic Safety Administration

Title: 49 CFR Part 583—Automobile Parts Content Labeling.

OMB Number: 2127-0573.

Type of Request: Request for public comment on a previously approved collection of information.

Abstract: Part 583 establishes requirements for the disclosure of information relating to the countries of origin of the equipment of new passenger motor vehicles. This information will be used by NHTSA to determine whether manufacturers are complying with the American Automobile Labeling Act (49 U.S.C. 32304). The American Automobile Labeling Act requires all new passenger motor vehicles (including passenger

Illinois Historic
Preservation Agency

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Cook County
Elsdon to Munster, IN
Acquisition of Rail Line, CSX Transportation, Inc.
From Elsdon Milepost 8.7 to Munster, IN Milepost 31.0
STB-35522
IHPA Log #027053111

June 24, 2011

Kevin Keller
HDR Engineering, Inc.
4435 Main St., Suite 1000
Kansas City, MO 64111

Dear Mr. Keller:

We have reviewed the documentation submitted for the referenced project(s) in accordance with 36 CFR Part 800.4. Based upon the information provided, no historic properties are affected. We, therefore, have no objection to the undertaking proceeding as planned.

Please retain this letter in your files as evidence of compliance with section 106 of the National Historic Preservation Act of 1966, as amended. This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer

DNR Indiana Department of Natural Resources

Mitchell E. Daniels, Jr., Governor
Robert E. Carter, Jr., Director

Division of Historic Preservation & Archaeology•402 W. Washington Street, W274 · Indianapolis, IN 46204-2739
Phone 317-232-1646•Fax 317-232-0693 · dhpa@dnr.IN.gov

HISTORIC PRESERVATION AND ARCHAEOLOGY

June 28, 2011

Kevin Keller
HDR Engineering, Inc.
4435 Main Street, Suite 1000
Kansas City, Missouri 64111

Federal Agency: Surface Transportation Board

Re: Project information regarding the acquisition of a 22.3-mile rail line from the Grand Trunk Western Railroad Company between Munster, Indiana (Milepost 31.0) and Elsdon, Illinois (Milepost 8.7) (Docket no. 35522; DHPA #11780)

Dear Mr. Keller:

Pursuant to Section 106 of the National Historic Preservation Act (16 U.S.C. § 470f) and 36 C.F.R. Part 800, the staff of the Indiana State Historic Preservation Officer ("Indiana SHPO") has conducted an analysis of the materials dated May 25, 2011 and received on May 31, 2011 for the above indicated project in Munster, Lake County, Indiana.

Based upon the documentation available to the staff of the Indiana SHPO, we have not identified any historic buildings, structures, districts, or objects listed in or eligible for inclusion in the National Register of Historic Places within the probable area of potential effects.

In terms of archaeology, no currently known archaeological resources eligible for inclusion in the National Register of Historic Places have been recorded within the proposed project area.

However, it is our understanding that this review is in regards to acquisition only. If construction activities are proposed in the future that involve a Federal undertaking, we will resume identification and evaluation procedures.

If any archaeological artifacts or human remains are uncovered during earthmoving activities, state law (Indiana Code 14-21-1-27 and 29) requires that the discovery must be reported to the Department of Natural Resources within two (2) business days. In that event, please call (317) 232-1646. Be advised that adherence to Indiana Code 14-21-1-27 and 29 does not obviate the need to adhere to applicable federal statutes and regulations.

At this time, it would be appropriate for the Surface Transportation Board to analyze the information that has been gathered from the Indiana SHPO, the general public, and any other consulting parties and make the necessary determinations and findings. Please refer to the following comments for guidance:

1) If the Surface Transportation Board believes that a determination of "no historic properties affected" accurately reflects its assessment, then it shall provide documentation of its finding as set forth in 36 C.F.R. § 800.11 to the Indiana SHPO, notify all consulting parties, and make the documentation available for public inspection (36 C.F.R. §§ 800.4[d][1] and 800.2[d][2]).

2) If, on the other hand, the Surface Transportation Board finds that an historic property may be affected, then it shall notify the Indiana SHPO, the public and all consulting parties of its finding and seek views on effects in accordance with 36 C.F.R. §§ 800.4(d)(2) and 800.2(d)(2). Thereafter, the Surface Transportation Board may proceed to apply the criteria of adverse effect and determine whether the project will result in a "no adverse effect" or an "adverse effect" in accordance with 36 C.F.R. § 800.5.

A copy of the revised 36 C.F.R. Part 800 that went into effect on August 5, 2004, may be found on the Internet at www.achp.gov for your reference. If you have questions about archaeological issues please contact Cathy Draeger-Williams at (317) 234-3791 or cdraeger-williams@dnr.IN.gov. If you have questions about buildings or structures please contact Chad Slider at (317) 234-5366 or cslider@dnr.IN.gov. Additionally, in all future correspondence regarding the above indicated project, please refer to DHPA #11780.

Very truly yours,

James A. Glass, Ph.D.
Deputy State Historic Preservation Officer

JAG:CWS:CDW:cdw

cc: David C. Navecky, Environmental Protection Specialist, Surface Transportation Board

AMTRAK

June 30, 2011

Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street
Suite 1000
Kansas City, Missouri 64111

Dear Mr. Keller:

This refers to your letter of May 25, 2011 regarding the proposed CSX Transportation, Inc. ("CSXT") acquisition of a 22.3-mile portion of Canadian National Railway's ("CN")/Grand Trunk Western Railroad Company's ("GTW") Elsdon Subdivision rail line between Munster, IN, milepost 31.0, and Elsdon, IL, milepost 8.7 (the "Elsdon Sub"), Finance Docket No. 35522. Amtrak would like to offer the following information on current passenger operations on the Elsdon Sub as related to the economic, social, and environmental effects of the proposed transaction:

Currently, Amtrak operates passenger service on a segment of the line between Munster, IN (MP 31.0) and Thornton Jct, IL (MP 25.2), a total of 5.8 miles. The trains are the *Cardinal* passenger service 3 days per week between New York and Chicago and the *Hoosier State* passenger service the remaining 4 days per week between Indianapolis and Chicago. The combined service consists of one train each way per day on this segment, currently scheduled to operate westbound from 8:37am to 8:46am Central time and eastbound from 6:40pm to 6:48pm Central time.

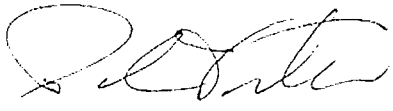
Amtrak's long range plans include up to 5 additional roundtrips between Chicago and Cincinnati via Indianapolis via portions of the Elsdon Sub. These plans are part of the Midwest Regional Rail Initiative.

In calendar 2010, the Cardinal/Hoosier State service on this segment experienced 2,768 minutes of host responsible delays per 10,000 train miles, and over 60% of those delays due to Freight Train Interference. The proposed transaction indicates that the daily amount of freight trains on the Munster-Thornton Jct segment would decrease by almost 1 train per day. In addition the proposal includes elimination of 12 daily trains on the Joint UP/CSXT segment between Thornton Jct and 80th Street, Chicago, which also currently hosts the Cardinal/Hoosier State service.

To the degree that delays to Amtrak trains are reduced and additional Amtrak frequencies are accommodated as a result of this proposal, Amtrak ridership may potentially increase due to people switching from other modes to train travel, thereby providing environmental benefits.

We believe that attaining these potential benefits would require CSXT to maintain the current condition of the infrastructure (FRA Class 4) as well as provide priority dispatching and operating protocols for Amtrak trains.

Sincerely,



Paul Vilter
AVP Host Railroads

Cc: Mike Franke

Metra
547 W. Jackson Blvd. Chicago, Illinois 60661 Telephone: 312-322-6900 TTY# 1-312-322-6774

July 15, 2011

Mr. Kevin Keller
HDR Engineering, Inc.
4435 Main Street, Suite 1000
Kansas City, Missouri 64111
csxtgrandtrunk@hdrinc.com

Dear Mr. Keller:

Thank you for the opportunity to review and provide comment on the proposed CSX Transportation Acquisition of the "Elsdon Sub" of the Grant Trunk Western Railroad Company (STB Finance Docket No. 35522). We have several questions and concerns related to this acquisition:

Questions:

1. Does this transaction constitute a transfer of ownership rights or only rights to operate service over the line (i.e. trackage rights)?
2. Does this transaction transfer operational control of the entire Elsdon Subdivision to CSX or simply the line from Munster to Elsdon?
3. What is the overall impact of traffic routing in the region?
4. Will additional traffic need to operate on or cross Metra's Milwaukee West Line or other Metra lines as a result of this transaction?
5. Will interchange with the BNSF at Corwith be increased as a result of this transaction?
6. Will additional traffic on or crossing the BNSF result from this transaction?

Concerns:

The Chicago Terminal is the most congested in the country, and small changes can have large impacts to operations. Close day-to-day coordination is needed between all railroads to continue a smooth traffic flow. Metra has concerns regarding the impacts of the proposed acquisition on Metra existing and proposed future commuter rail service. As the accompanying documentation accurately states, Metra currently operates 30 trains per weekday over the SouthWest Service (SWS) Line. The proposed acquisition would increase the number of trains crossing this line by 37% going from a total of 25.5 crossing trains to 36.0 crossing trains between the Ridge and Ashburn Interlockings. This may have a negative impact on Metra's ability to operate on-time service. In addition, the queuing of freight traffic north of the Ashburn Interlocking may be a concern. It is not clear whether sufficient track length exists to queue a freight train north of the crossing, which may result in challenges coordinating movements through Ashburn Crossing.

Metra is the registered service mark for the Northeast Illinois Regional Commuter Railroad Corporation.

As a condition of the approval of this transaction, Metra requests that CSXT negotiate in good faith with NS to transfer operational control of the Ashburn Interlocking to Metra in order to ensure that passenger operations are given priority over freight operations through the crossing. In the absence of this result, control of the Ashburn Interlocking should remain with NS. We do not believe that commuter rail traffic in this area is best served with the Ashburn Interlocking controlled by CSXT.

In addition to the Impacts on the SWS, Metra has proposed initiating commuter operations on the UP/CSX Villa Grove Sub as part of its SouthEast Service (SES) project. The proposed SES Line has completed Alternatives Analysis and is awaiting a request to begin Preliminary Engineering. If trains that previously operated straight through the Thornton Junction will now be switching from the Villa Grove Sub to the Eldson Sub, this will slow operations, making it more difficult to operate passenger service on this segment. Metra requests that as a condition of the approval of this transaction a commitment be made to evaluate and mitigate any reduced capacity to operate commuter service on the Villa Grove Sub that results from this transaction.

We appreciate the opportunity to provide feedback on this proposed transaction, and we look forward to working with the CSX and the Grand Trunk as the evaluation of this transaction proceeds.

Sincerely,

Alexander D. Clifford
Executive Director/CEO

cc: Lynnette Ciavarella
George Hardwidge

Department of Community Development Services

Division of Engineering

August 1, 2011

Mr. Mark Wollschlager
HDR Engineering, Inc.
701 Zenia Avenue South
Suite 600
Minneapolis, MN 55416-3636

Re: City of Greenwood, Indiana Comments
Finance Docket No. 35523

Dear Mr. Wollschlager:

The City of Greenwood ("City") herewith provides comments requested in your July 11, 2011 letter to Mayor Charles E. Henderson which solicited the City's input to assist with the identification of possible economic, social, or environmental effects that may result from the CSX Transportation, Inc. ("CSXT") acquisition of a perpetual non-exclusive overhead freight operating easement of 106.5 miles of the Louisville & Indiana Railroad Company ("LIRC") between Indianapolis, IN, milepost 4.0 and Louisville, KY, milepost 110.5 (the "Line"). This Line is located within the municipal limits of the City between County Line Road (boundary between Greenwood and Indianapolis) and a point approximately ½ mile south of Pushville Road (County Road 700 North). The Line is approximately 4.6 miles in length within the City municipal boundary.

It is understood from your letter that CSX intends to rehabilitate the Line to allow an increase in speed of freight trains at up to 49 mph and increase loading of rail cars at up to 286,000 lbs. CSXT will also reroute trains from other lines in the Midwest to the Line. The City has a number of concerns related the impact of this project on safety, traffic delays, environment (including noise), and the regional transit plan.

1. City streets currently cross the Line at seven (7) locations ("Crossings"), not including County Line Road which is under the jurisdiction of Indianapolis. The Crossings are, in some cases, equipped with automated warning flashers and bells to signal the approach of a train. None of the Crossings have gates to prevent motorists from crossing the Line when a train is approaching. Because both the speed of the trains and the frequency of use will increase, the City believes that CSXT should be required to upgrade ALL Crossings within the City municipal boundary to include automated warning flashers and bells (where not currently installed), install automated gates to prevent crossing of the Line at all Crossings, and upgrade all pavement within the Line right-of-way to meet INDOT standards for rail crossings of State highways.

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2. The Line passes through a number of residential neighborhoods which will be adversely impacted by the additional number of trains, the higher rate of speed at which those trains will travel, and an expected increase in the number of cars per train. The additional noise will disturb those residents. The City believes that CSXT should install barriers along the Line right-of-way within residential neighborhoods that will minimize noise impacts to residents, or develop policies and procedures in consultation with the City to minimize noise impacts (e.g. speed reduction, scheduling).

3. Unauthorized pedestrian access to the Line may result in personal injury or death. The City suggests that access barriers (e.g. chain link fence) be installed in those residential areas where pedestrians may attempt to cross the Line.

4. Six (6) of the local roads and streets crossed by the Line are oriented east-west. Automobile traffic within the City generally suffers from congestion during peak hours along those east-west corridors. An increase in the frequency of trains will adversely impact traffic movement within the City unless efforts are made to coordinate the scheduling of freight movement along the Line to minimize the traffic impacts. The City suggests that CSXT be required to obtain the approval of City officials for scheduling of trains and any deviation from said schedule.

5. The City is in the design and right-of-way acquisition phases of a project that will improve Worthsville Road from a 2-lane County Road to a 4-lane section with raised median, turn lanes, and multi-use pathways. Improvements to the Line by CSXT should include the design and construction within the Line right-of-way necessary for the Worthsville Road project.

6. The Indianapolis Metropolitan Planning Organization ("MPO") and other organizations in the region have developed a mass transit plan which proposes the addition of passenger rail service on the Line between Indianapolis and Franklin, Indiana. The City is concerned that, by increasing freight traffic on the Line, passenger service would not be possible or would be significantly reduced. The City believes that passenger rail is a critical component of the overall transit strategy in the region, and should be preserved. The City therefore suggests that a provision for passenger rail on the Line be included as a part of any approval granted to CSXT.

7. The Line currently does not provide any freight service to the City, nor is infrastructure in place to allow such service. The City suggests that a rail spur be constructed as a condition of approval to serve industrial users in the southern part of the City, specifically between Worthsville and Pushville Roads.

I trust that the comments provided herewith will be considered in the review by the Surface Transportation Board of CSXT's application. Should you have any questions, please contact me.

Sincerely,

Mark A. Richards

Mark A. Richards, P.E.
Directory, Community Development Services
and City Engineer

cc: Charles E. Henderson, Mayor
Brent Corey, President – Greenwood Common Council
Stephen Watson, Greenwood RDC Counsel
Lori Miser, Indianapolis MPO

EXHIBIT 4D – SUMMARY OF MEETINGS

EXHIBIT 4D – CSXT ENVIRONMENTAL OUTREACH MEETINGS

May 4, 2011

Lansing, IL with Mayor Norman Abbott.

South Holland, IL with Mayor Don De Graff; Pam Mahon, Village Manager; and Assistant Village Manager Jason Huisman.

Blue Island, IL with Mayor Don Peloquin and Staff Assistant Mark Miller.

Harvey, IL with Mayor Eric J. Kellogg, police chief, fire chief, public works director, media relations, legal counsel, Thornton School board president, local clergy, job training, and planning director.

May 5, 2011

14th Ward with Alderman Ed Burke.

Evergreen Park, IL with Mayor Jim Sexton and Bill Lorenz, Public Works.

18th Ward, City of Chicago with Alderman Lona Lane.

EXHIBIT 15-MINOR TRANSACTION OPERATING PLAN.

CSXT will be responsible for dispatching the Elsdon Line and will also control, among other locations, Blue Island Jct. and Munster interlockers and certain route options at Thornton Jct. GTW is retaining overhead and local trackage rights over the Elsdon Line and CSXT is granting GTW's Affiliates trackage rights over the Elsdon Line.

CSXT will operate over the Elsdon Line seven days per week with trains entering/exiting the Elsdon Line from/to the Barr Subdivision (owned by the B&OCT) at Blue Island Jct., Monon Subdivision at Munster, IN, and Villa Grove Subdivision at Thornton Jct. Because of the lack of sidings or the capability to chamber a train south of Hayford, IL, CSXT will operate over the Elsdon Line without stopping. CSXT will not operate trains into or out of the Chicago Terminal over the Elsdon Line unless the route and CSXT's partner can accept the train without delay or interruption.

Barr Subdivision. CSXT will operate trains to the eastern United States in one of two ways – over the Elsdon Line from Munster, IN or over the Elsdon Line from Blue Island Jct.

Trains operating via Munster will exit from the east end of Clearing Yard or Bedford Park Intermodal Terminal and travel via the Elsdon Line 10.7 miles to Munster. At Munster, trains will move over GTW trackage for about forty (40) miles to Wellsboro, IN, where the trains will enter/exit CSXT's Garrett Subdivision. There are four (4) trains per day that will use this route. With dwell time, this move takes approximately ninety minutes (90) per train.

Trains operating via Blue Island Jct. will exit the east end of Clearing Yard and Bedford

Park Intermodal Terminal and travel via the Elsdon Line to Blue Island Jct. At Blue Island Jct. the trains enter the Barr Subdivision and move over the Barr Subdivision through Dolton. There are about eleven (11) trains per day that will use this route. With dwell time, this move takes approximately one (1) hour per train.

Monon Subdivision. Trains will exit the west end of B&OCT's Barr Yard and operate over the B&OCT's Chicago Heights Branch to a connection with the Elsdon Line near CN Jct. At CN Jct., the trains will operate to the Munster, IN where they will operate over CSXT's Monon Subdivision.

Villa Grove Subdivision. About nine (9) trains per day will exit from the east end of the Clearing Yard or Bedford Park Intermodal Terminal and travel via the Elsdon Line 7.5 miles to Blue Island Jct., continuing on the Elsdon Line, the trains will move 5.9 miles to Thornton Jct. At Thornton Jct., the trains enter the Villa Grove Subdivision. With dwell time, this move takes approximately one (1) hour per train.

Trains moving from the 59 Street Intermodal Terminal will travel over the Blue Island Subdivision for 8.3 miles to Blue Island Jct. Trains will continue on the Elsdon Line for 5.9 miles from Blue Island Jct. to Thornton Jct. At Thornton Jct., the trains enter the Villa Grove Subdivision. There are four (4) trains per day that will use this route. With dwell time, this move takes approximately (1) hour per train.

CSXT will continue to use existing routes and rights to ensure that trains are handled in the most cost effective and efficient manner.

EXHIBIT 22

VERIFIED STATEMENT OF LAWRENCE L. RATCLIFFE

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35522

CSX TRANSPORTATION, INC.—ACQUISITION—GRAND TRUNK WESTERN RAILROAD COMPANY

VERIFIED STATEMENT OF LAWRENCE L. RATCLIFFE

My name is Lawrence L. Ratcliffe. I am Director Network Planning for CSX Transportation, Inc. ("CSXT"). The purpose of this Verified Statement is to explain CSXT's proposed operations, the competitive impact, and the benefits of the Proposed Transaction.

CSXT is seeking authority to acquire an exclusive, perpetual non-assignable railroad operating easement over approximately 22.37 miles of the Grand Trunk Western Railroad Company ("GTW") between Munster, IN, milepost 31.07, and Elsdon, IL, milepost 8.7 (the "Elsdon Line") in Chicago and its immediate environs. A map is attached as Appendix A.

I have over 30 years of experience in the rail industry and have served in my current position since 2004. As Director Network Planning, my responsibilities include analysis and planning of CSXT's rail network to position CSXT with rail infrastructure necessary to meet current and future volume and service requirements. My prior railroad work experience has included field transportation operations, field engineering work, facility design, service design, joint facility negotiations and administration, capital planning, network operations, and strategic planning. My business address is 500 Water Street, Jacksonville, Florida 32202.

SUMMARY

CSXT is seeking approval from the Surface Transportation Board for CSXT to acquire an easement that will allow CSXT to operate over, maintain and dispatch the 22.37-mile railroad

line owned by GTW between Munster, IN, milepost 31.07, and Elsdon, IL, milepost 8.7 (the "Proposed Transaction"). The Proposed Transaction is part of CSXT's efforts to drive operational excellence, to improve network efficiency, and to create greater capacity and improved service in order to meet current and future customer needs. CSXT will use the Elsdon Line to reroute its own rail traffic within the Chicago Terminal. CSXT does not expect to divert traffic from other railroads. CSXT expects to improve the efficiency of its operations in the Chicago Terminal by reducing the time it takes trains to move within the Chicago Terminal and by reducing congestion within the Chicago Terminal.

The Proposed Transaction will not adversely impact competition. To the contrary, it will provide CSXT and other Class I railroads with improved efficiencies that enhance the ability of each railroad to compete not only with one another, but also with other modes of transportation, such as long haul trucking companies.

Today, CSXT operates in the Chicago Terminal over its own lines and over lines of other railroads. CSXT controls the maintenance, dispatching and capital upgrades on its own lines except where otherwise explicitly provided by agreement. However, as explained later, virtually all CSXT train movements within the Chicago Terminal, at one point or another require the use of other railroads' lines. In doing so CSXT must coordinate dispatching with at least one other railroad and in some cases with several railroads. Although the railroads coordinate dispatching, this coordination inevitably leads to added costs and added delays beyond those that CSXT has built into its schedules. Moreover, CSXT does not control maintenance or capital expenditures on the lines of other railroads. The Proposed Transaction will allow CSXT to control operations over an underutilized railroad line, which will eliminate the need for coordinated dispatching for

many CSXT train movements and will give CSXT the ability to control maintenance and capital improvements on the Elsdon Line.

Access to the Elsdon Line will enable CSXT to reduce reliance on other railroads' lines and to have greater control over the handling of its trains to, from, and through the Chicago Terminal. As a result, CSXT will be able to operate more efficiently to, from, and through the Chicago Terminal – CSXT's largest terminal and gateway. The Proposed Transaction will create an overall more reliable, efficient and competitive rail network. The Proposed Transaction will also generate beneficial regional impacts. By providing CSXT with the ability to move its trains off of highly congested lines to an underutilized line, the overall rail freight operations in the Chicago Terminal will benefit from improved reliability and efficiency.

CSXT's trains that currently operate to and from the east have an average train length of approximately 6,000 feet and average weight of 6,300 tons per train. CSXT trains that operate to and from the south have an average train length of approximately 5,400 feet and average weight of 5,500 tons per train. CSXT will reroute some existing trains over various segments of the Elsdon Line. Such rerouting will not change the train length, tonnage, or commodity profile of those trains.

The Elsdon Line and the Baltimore & Ohio Chicago Terminal Railroad Company's ("B&OCT")[1], Blue Island Subdivision are almost parallel lines between Blue Island Jct. and 47th Street, and are separated at various points by 0 to 1.75 miles.

Using information contained in CSXT's R-1 Annual Report filed with the Board, the per hour cost of operating a train in the Chicago Terminal has been calculated based on locomotive costs, car costs, fuel costs, and other costs. Based on these costs, it is conservatively estimated that it costs CSXT $248 per hour to operate a train in the Chicago Terminal. If CSXT were to

[1] B&OCT is a wholly owned subsidiary of CSXT.

save only 25 hours per day operating through the Chicago Terminal, annual savings would be in excess of $2 million per year.

Once the Proposed Transaction becomes effective, CSXT plans, within twenty-four months, to reroute approximately 25 existing trains per day from other lines that CSXT uses in the Chicago Terminal to various segments of the Elsdon Line. As a result of this Transaction CSXT will be able to provide better customer service, enhanced access to existing markets, and improved service reliability by rerouting traffic over the Elsdon Line.

THE PROPOSED TRANSACTION WILL IMPROVE CONNECTIVITY BETWEEN CSXT'S SOUTHERN AND EASTERN LINES AND THE CHICAGO TERMINAL

CSXT is a Class I railroad that operates about 80 trains per day into, out of, and within the Chicago Terminal.[2] Acquiring operational control of the Elsdon Line will allow CSXT to reduce delays and increase the fluidity of its train movements, and also reduce air emissions in the Chicago Terminal and beyond.[3]

CSXT enters the Chicago Terminal from one of six corridors located to the east, south, and west of Chicago as shown on the map in Exhibit A. The routes are [clockwise from the northeast] known as the Grand Rapids Subdivision, the Barr Subdivision, the Porter Subdivision, the Monon Subdivision, the Villa Grove Subdivision[4], and the New Rock Subdivision. As a result of the Proposed Transaction, existing traffic will be rerouted to segments of the Elsdon Line from the Barr Subdivision, the UP's Villa Grove Subdivision, the Indiana Harbor Belt

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[2] These include trains operated by the B&OCT.

[3] CSXT anticipates that it will be able to reduce the number of trains delayed (stopped and moved into sidings or slowed) seeking to enter the Chicago Terminal by improving its operational efficiency in the Chicago Terminal. However, CSXT is unable to quantify the savings due to the ripple effect of delays in Chicago throughout CSXT's railroad.

[4] The segment of the Villa Grove Subdivision between Woodland Jct., IL and Dolton, IL - a distance of about 66 miles - is jointly owned by CSXT and Union Pacific Railroad and is referred to as the CSXT/UP Joint Line. The portion of this route north of Dolton is owned and opeated by UP and is also referred to as the UP Villa Grove Subdivision.

Railroad Company ("IHB") Franklin Park Branch[5] and various other railroads' lines resulting in improved service on those subdivisions and routes.

The Grand Rapids Subdivision is part of CSXT's route between Michigan and Chicago. The route consists of CSXT's trackage between Grand Rapids, MI and Porter, IN (the CSXT Grand Rapids Subdivision) and trackage rights over the Norfolk Southern Railway Company's ("NS") Chicago Line between Porter, IN and various connections to other rail lines in the Chicago Terminal. CSXT trains operating via the Grand Rapids Subdivision can switch between trackage rights on the NS Chicago Line and CSXT's Barr Subdivision[6] near Pine Jct., IN and between the NS Chicago Line and Belt Railway of Chicago ("BRC") trackage near 96th Street. The Grand Rapids Subdivision is an FRA Class 4 or lower line where freight train speed limits are between 15 to 50 mph. Amtrak's Pere Marquette train operates daily service over the Grand Rapids Subdivision between Grand Rapids, MI, and Chicago, IL. CSXT operates 4 to 6 freight trains per day over this route.

As a result of the Proposed Transaction no trains will be rerouted to or from the Grand Rapids Subdivision. CSXT expects to continue to operate to and from the Grand Rapids Subdivision in the same manner with the same number of trains as it does today, but the Transaction will provide CSXT with the flexibility of an alternate route to and from BRC's Clearing Yard west of Dolton, IL on an ad hoc basis should daily congestion make operation via a portion of the Elsdon Line preferable.

The Barr Subdivision extends between Willow Creek, IN, and Blue Island Jct., IL. It is FRA Class 4 and lower and freight train speed limits are between 20 and 60 miles per hour. The Barr Subdivision allows CSXT to operate between points east of Chicago and (a) B&OCT's Barr

[5] The portion of this line between Blue Island Jct, IL and McCook, IL is owned by the B&OCT and is dispatched by IHB under a joint facilities agreement.
[6] The Barr Subdivision is owned by the B&OCT west of Pine Jct. and owned by CSXT east of Pine Jct.

Yard (a major classification yard in Chicago), (b) the IHB's Blue Island Yard (c) the Bedford Park Intermodal Facility, (d) CSX's 59th Street Intermodal Terminal, (e) BRC's Clearing Yard, and (f) connections with other Chicago railroads. CSXT operates approximately 50 trains per day over this route. The Barr Subdivision extends through Dolton, IL where it crosses the busy UP Villa Grove Subdivision at grade. The IHB controls the movement of all trains through Dolton, IL and CSXT must secure IHB permission to operate through the Dolton, IL interlocking on the Barr Subdivision. The Dolton crossing is one of the most congested railroad intersections in the Chicago Terminal.

Currently, CSXT routes East/West trains from/to BRC's Clearing Yard or Bedford Park Intermodal Terminal via the IHB or the BRC. Trains moving via the IHB exit the west end of Clearing Yard/Bedford Park Intermodal Terminal and travel over the Franklin Park Branch for 12.1 miles to Blue Island Jct. From Blue Island Jct. the trains move over the Barr Subdivision for 4.4 miles to Dolton, and then move approximately forty-six (46) miles to Wellsboro, IN.[7] With dwell time this move takes about one-hundred and seventy (170) minutes per train. There are four (4) trains per day that currently use this route that would be impacted by acquisition of the Elsdon Line. If this Application is approved, CSXT will move trains from Clearing Yard/ Bedford Park Intermodal Terminal via the Elsdon Line. Specifically, trains will leave the East end of the Clearing Yard/Bedford Park Intermodal Terminal and travel 7.4 miles south over the Elsdon Line to Blue Island Jct. From Blue Island Jct. the trains move east over the Elsdon Line to Munster, and then over the CN until reaching Wellsboro, IN, a distance of about forty (40)

[7] This move is over the Barr Subdivision is between Blue Island Jct. and Willow Creek and the Garrett Subdivision is between Willow Creek and Wellsboro.

miles.[8] With dwell time this move is expected to take about ninety (90) minutes per train. Using the Elsdon Line will save over five (5) hours of transit time a day.

The Porter Subdivision extends between Porter, IN and Ivanhoe, IN – approximately 2 miles east of IHB's Gibson Yard. The line extending west of Ivanhoe, IN is operated by the IHB. The Porter Subdivision operates at FRA Class 3 or lower with a freight train speed limit at or below 40 mph. The Porter Subdivision – in conjunction with the IHB operated line west of Ivanhoe – provides CSXT access to IHB's Gibson Yard and a route parallel to the Barr Subdivision that also provides access to and from (a) B&OCT's Barr Yard, (b) IHB's Blue Island Yard (c) the Bedford Park Intermodal Facility, (d) CSX's 59th Street Intermodal Terminal, (e) BRC's Clearing Yard, and (f) connections with other Chicago railroads. CSXT operates 2 to 4 trains a day over the Porter Subdivision. No trains would be rerouted to or from the Porter Subdivision as a result of the Proposed Transaction. Therefore, the Proposed Transaction would have no effect on the Porter Subdivision.

The Monon Subdivision is the northern portion of CSXT's route between Indianapolis, IN and Chicago, IL. The Monon Subdivision's north end terminates at Munster, IN at connection with the Elsdon Line. CSXT operates two freight trains per day plus local service on the Monon Subdivision. In addition, Amtrak operates two trains a day over the Monon Subdivision. The Monon Subdivision is FRA Class 3 or lower and freight trains operate at 20 to 40 mph and passenger trains operate at 20 to 60 mph. Today, all train movements leaving the Monon Subdivision (northward) must first secure GTW dispatcher approval prior to entering the Elsdon Line. Likewise train movements from the Chicago Terminal to the Monon Subdivision (southward) are dispatched by the GTW until reaching the Monon Subdivision.

[8] In the future CSXT plans to seek Board authority to acquire trackage rights between Wellsboro, IN and Munster, IN to expedite east/west movements.

Under the Proposed Transaction, CSXT will dispatch the Elsdon Line and will no longer have to secure GTW dispatcher approval prior to operating over the Elsdon Line. By dispatching both the Monon Subdivision and the Elsdon Line, CSXT will be able to efficiently integrate the two lines into a coordinated operation.

The Proposed Transaction would have no effect on the number, frequency, or length of trains operating over CSXT's Monon Subdivision, but it will reduce delays caused by fragmented ownership and dispatching.

The Villa Grove Subdivision is CSXT's route to and from the Chicago Terminal from the south. The subdivision extends between Villa Grove, IL and Canal Street (Chicago) and also serves as UP's main line between the Chicago Terminal and the south. CSXT uses the Villa Grove Subdivision between Woodland Jct., IL and 80th Street (Chicago). The approximately 66-mile portion of the Villa Grove Subdivision between Woodland Jct, IL and Dolton, IL is jointly owned, 50/50, by CSXT and UP ("CSXT/UP Joint Line"). The CSXT/UP Joint Line crosses the Elsdon Line at grade at Thornton Jct., IL where currently the only connection is in the northeast quadrant (for moves south on the Villa Grove Subdivision to east on the Elsdon Line and west on the Elsdon Line to north on the Villa Grove Subdivision). It is an FRA Class 4 or lower line where the trains operate at between 20 and 60 mph. The Villa Grove Subdivision handles between 15 and 20 CSXT trains per day and approximately 20 UP trains per day. In addition, Amtrak operates daily passenger service on the subdivision north of Thornton Jct. UP dispatches the Villa Grove Subdivision.

Rerouting trains to and from the south to the Elsdon Line at Thornton Jct.[9] will enable CSXT to operate more quickly and more efficiently to and from (1) the BRC's Clearing Yard,

[9] CREATE project B-16 will create an additional connection in the southwest quadrant between the UP/CSXT Joint Line segment of the Villa Grove Subdivision and the Elsdon Line at Thornton Jct. that will allow trains moving

(2) CSX's intermodal terminals at Bedford Park and 59th Street, and (3) connections with other carriers in the Chicago Terminal. This increase in efficiency will be realized because the proposed rerouting will permit CSXT trains to avoid: (1) congestion at Yard Center and Dolton Yard Intermodal Facility (UP rail yards between Thornton Jct. and Dolton), (2) conflicts with Amtrak passenger operations, (3) conflicts with freight cross traffic at the four at-grade rail crossings at Dolton, IL, and (4) the need to operate over (i) the UP north of Dolton, IL and (ii) the BRC west of 80th Street.

Clearing Yard and Bedford Park Intermodal Terminal are located on the BRC west of the BRC connection to the Villa Grove Subdivision at 80th Street. The 59th Street Intermodal Terminal is located on the B&OCT Blue Island Subdivision north of the BRC line. CSXT must secure permission from the railroads that dispatch the lines – UP, IHB, and BRC – prior to operating to and from Clearing Yard, Bedford Park Intermodal Terminal, and the 59th Street Intermodal Terminal. As these routes handle trains for many railroads in addition to those listed above, CSXT must compete with other priorities and operations of the dispatching railroads in order to secure permission to operate.

Between Thornton Jct. and Dolton on the Villa Grove Subdivision (approximately 3 miles) UP operates two major yards – Yard Center and Dolton Yard Intermodal Facility. Yard Center is a major UP freight car classification terminal. Trains entering, leaving, and working at Yard Center and the UP Dolton Intermodal Facility adversely impact CSXT train performance because the yard operations cause delays to overhead CSXT movements on the Villa Grove Subdivision. The maximum operating train speed through this area is 20 miles per hour.

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from the south to move west on the Elsdon Line and trains moving east on the Elsdon Line to move south at Thornton Jct.

As a result of the Proposed Transaction, CSXT will reroute an average of 13.7 trains per day from the portion of the Villa Grove Subdivision that is north of Thornton Jct. onto the Elsdon Line. Instead of continuing by Yard Center and Dolton Yard Intermodal Facility, the 13.7 CSXT trains will operate on the Elsdon Line north (west) of Thornton Jct. This shift to the Elsdon Line will also remove 13.7 trains that pass through Dolton today. The Proposed Transaction will not reduce the number of trains that other railroads operate over the Villa Grove Subdivision.

Also as a result of the Proposed Transaction, four (4) trains that currently use the BRC west of 80th Street and three point seven (3.7) trains that use the IHB Franklin Park Branch to move between the South and (a) the CSX 59th Street Intermodal Terminal, (b) the BRC Clearing Yard, and (c) the Bedford Park Intermodal Terminal will shift to the Elsdon Line via Thornton Jct.

The New Rock Subdivision extends between Blue Island Jct., IL and Utica, IL. The segment between Blue Island Jct. and Joliet, IL is owned and operated by METRA, the Chicago area transit agency, with CSXT enjoying trackage rights over this segment. CSXT leases the New Rock Subdivision between Joliet, IL and Utica, IL. The New Rock Subdivision handles 2 CSXT trains per day and 2 Iowa Interstate Railroad Ltd. trains per day. No trains would be routed to or from the New Rock Subdivision, so the Proposed Transaction would have no effect on the New Rock Subdivision.

The Franklin Park Branch is part of the critical IHB belt line around Chicago that extends between Blue Island Jct., IL and Franklin Park, IL. The segment between Blue Island Jct., IL and McCook, IL is owned by the B&OCT and dispatched by the IHB under a joint facility agreement. While not a route to or from Chicago per se, it is part of a major corridor

around Chicago that is used by most Chicago railroads. CSXT's use of this route will be reduced as a result of the Proposed Transaction, which will in turn provide improved efficiency for all the railroads that use this route.

As a result of the Proposed Transaction, CSXT will be able to reroute traffic from the segments of the Villa Grove Subdivision, from segments of the BRC, and from segments of the IHB Franklin Park Branch to the Elsdon Line. Rerouting this traffic will let CSXT reduce its use of rail lines controlled by other railroads to move traffic to and from yards and terminals in Chicago.

CSXT trains operate to and from the East via the Barr Subdivision or the Porter Subdivision/IHB east of Dolton. The Barr Subdivision and the Porter/IHB routes converge just east of Dolton, IL. At Dolton, westbound trains may operate via the UP Villa Grove Subdivision north to 80th Street and then west on the BRC to BRC's Clearing Yard, the Bedford Park Intermodal Terminal, or the 59th Street Intermodal Terminal. At Dolton trains may also continue on the Barr Subdivision to Blue Island Jct. where they may operate northwest on 12.1 miles of the IHB Franklin Park Branch to 71st Street where they move east on the BRC to enter the west end of BRC's Clearing Yard or the Bedford Park Intermodal Terminal. While each train has a scheduled route, the route used on any given day depends on train traffic and congestion within the Chicago Terminal at the time of operation. The CSXT trains that operate over the Barr Subdivision include all train types and commodities, including intermodal, unit train ethanol, unit train coal, unit train grain, automobiles, and mixed manifest trains. The Proposed Transaction will permit trains to operate on the Elsdon Line between Blue Island Jct. and Hayford, IL where trains can access the east end of BRC Clearing Yard and the Bedford Park intermodal Terminal. Trains routed via the Elsdon Line will avoid using the UP Villa

Grove Subdivision, the BRC route to Clearing, and the IHB Franklin Park Branch thereby improving efficiency of the train movements through reduced congestion and faster transit times. By shifting fifteen point three (15.3) trains to the Elsdon Line, CSXT expects to save over 12 hours of transit time a day.

From the South, CSXT operates over the Villa Grove Subdivision that is jointly owned with the UP for 66 miles between Woodland Jct., IL and Dolton, IL. This rail line enables CSXT to connect to the B&OCT's Barr Subdivision at Dolton or to continue north on the UP Villa Grove Subdivision to 80th Street where it connects to the BRC. Currently, all trains from the south must operate over this CSXT/UP Joint Line to Dolton. CSXT operates 15 to 20 trains a day over this line segment. Similar to CSXT's eastern route, trains on the Villa Grove Subdivision handle all types of commodities. Trains from the south operate to Barr Yard, Clearing Yard, Bedford Park Intermodal Terminal, 59th Street Intermodal Terminal, and connections to other carriers. Using the Elsdon Line, via the CREATE Project B-16 connection, trains will be able to enter the Elsdon Line at Thornton Jct. and operate 13.4 miles directly to Hayford, IL at the east end of Clearing Yard or Bedford Park Intermodal Terminal. This movement will permit CSXT trains to avoid using the congested UP Villa Grove Subdivision north of Thornton Jct. and the BRC west of 80th Street.

Trains moving south from Clearing Yard and Bedford Park Intermodal Terminal currently move over the BRC for 8.3 miles from the east end of Clearing Yard to 80th Street. From 80th Street trains move 7.7 miles south on the UP Villa Grove Subdivision to Dolton where they continue on the CSXT/UP Joint Line segment of the Villa Grove Subdivision through Thornton Jct. and continue south to Woodland Jct. Today, with dwell time, the move between Clearing Yard and Dolton takes about 1.6 hours per train. There are 4 trains that currently use

this route that would be rerouted over the Elsdon Line under the Proposed Transaction. Using the Elsdon Line, trains will move from the east end of Clearing Yard or Bedford Park Intermodal Terminal 13.4 miles over the Elsdon Line via Blue Island Jct. to Thornton Jct. where trains will enter the CSXT/UP Joint Line segment of the Villa Grove Subdivision for movement to Woodland Jct. and south. With dwell time this move will take about 0.8 hours per train. Using the Elsdon Line will save over 3 hours of transit time a day.

Trains moving between the Villa Grove Subdivision and the 59th Street Intermodal Terminal currently move via the Blue Island Subdivision between 59th Street and Blue Island Jct. a distance of 8.3 miles and over 4.4 miles of the Barr Subdivision between Blue Island Jct. and connection with the Villa Grove Subdivision at Dolton. Including dwell time this move takes about 1.4 hours per train. There are 4 trains that currently use this route that would be impacted by acquisition of the Elsdon Line. As a result of the Proposed Transaction, trains will move 8.3 miles via the Blue Island Subdivision between 59th Street Intermodal Terminal and Blue Island Jct. and 5.9 miles on the Elsdon Line between Blue Island Jct. and Thornton Jct. With dwell time this move will take about 0.6 hours per train. Using the Elsdon Line will save approximately 3 hours a day.

The Elsdon Line is free of a majority of conflicts with the operations of other freight railroads. While the new route would continue to require UP permission to access the Villa Grove Subdivision south of Thornton Jct., CSXT anticipates greater fluidity because it would enter and exit the Elsdon Line at Thornton Jct., south of three major sources of congestion: UP's Yard Center, UP's Dolton Intermodal Terminal, and the Dolton interlocking.

CSXT conservatively expects to save about 25 hours of transit time per day within the Chicago Terminal by rerouting trains from some of its existing routes to the Elsdon Line. CSXT

will save $248 for each hour saved in routing its traffic within the Chicago Terminal. Considering CSXT's trains operate 365 days per year, CSXT estimates it will save in excess of $2 million a year as a result of diverting traffic to the Elsdon Line as a result of the Proposed Transaction.[10]

THE PROPOSED TRANSACTION WILL ENHANCE COMPETITION

Based on my knowledge of the railroad industry, the Proposed Transaction will not have any anticompetitive effects. The Proposed Transaction is unlikely to cause a substantial lessening of competition or to create a monopoly or restraint of trade. Currently, along the Elsdon Line, no shippers (including transloading and transfer facilities) are jointly served by GTW and CSXT.

Under the Proposed Transaction, CSXT will reroute overhead traffic for some of its other routes in the Chicago Terminal to the Elsdon Line. Any local shippers on the Elsdon Line will continue to be served by GTW as well as be able to secure transportation services from CSXT under the Easement.[11]

There will not be a reduction in product or geographic competition. The product is freight transportation being provided within the geographic area of the Chicago Terminal. There will be no reduction in the number of providers of freight transportation in the Chicago Terminal. All railroad users of the Elsdon Line will continue to use the Elsdon Line. Where CSXT reroutes traffic from its other routes to the Elsdon Line, there will be reduced congestion and increased efficiencies in the aftermath of the Proposed Transaction. The increased efficiency from the

[10] CSXT expects its savings to be greater because the times provided in this statement for the existing trains are based on schedule operations and no delays. It is unusual for trains in the Chicago Terminal to operate without some type of additional delay caused by congestion and dispatching.

[11] Because there are no local shippers currently on the Elsdon Line, CSXT is only providing overhead service at this time.

Proposed Transaction will allow railroads, including CSXT, to provide better service or expand the volume of service provided.

The Proposed Transaction will not result in a reduction in the number of rail carriers serving any shipper. And this Proposed Transaction will not alter the competitive balance between CSXT and GTW or its affiliates, or between CSXT and any other Class I railroad. All of the railroads operating in the Chicago Terminal today will continue to serve the Chicago Terminal. All rail carriers that currently operate over the Elsdon Line will continue to do so after CSXT acquires the permanent operating easement. GTW will retain trackage rights over the Elsdon Line and CSXT will grant GTW's affiliates trackage rights over the Elsdon Line.[12]

The Proposed Transaction also enhances the benefits of two specific projects (project identifications are WA-10 and B-16) being constructed as part of the Chicago Regional Environmental and Transportation Efficiency Project ("CREATE").

CREATE is a public-private partnership between the U.S. Department of Transportation, the State of Illinois, City of Chicago, METRA commuter rail, and Class I railroad companies located in the Chicago Terminal with a primary goal of creating efficiency in the Chicago Terminal's rail infrastructure in order to reduce train delays and congestion in the area. To that end, the WA-10 project will create a connection between the B&OCT Blue Island Subdivision and the GTW Elsdon Line near Blue Island Jct. that will facilitate bi-directional movement. No connection exists today between the Elsdon Line and the Blue Island Subdivision. The B-16 project will create an additional connection between the UP/CSXT Joint Line segment of the Villa Grove Subdivision and the Elsdon Line in the southwest quadrant at Thornton Jct. that will allow trains moving from the south to move west on the Elsdon Line and trains moving east on

[12] GTW has granted trackage rights over the Elsdon Line to its affiliates. Instead of accepting assignment of existing agreements, CSXT and GTW's affiliates will enter a new trackage rights agreement.

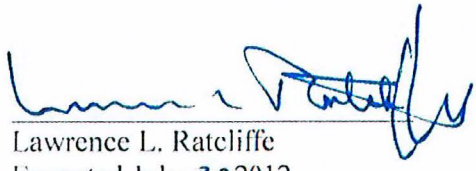
the Elsdon Line to move south at Thornton Jct. The WA-10 and B-16 projects will construct the physical facilities to more efficiently move freight to, from, and through the Chicago Terminal for all rail carriers. They will open the Elsdon Line to more efficient access from other lines. CSXT's ability to reroute about 25 trains per day by using the Elsdon Line rather than other carriers' tracks, enhances CREATE's vision of reducing congestion on the Beltway and Western Avenue corridors,[13] while at the same time reducing CSXT's existing freight train activity on many other lines, in the aftermath of the Proposed Transaction. CREATE and the Proposed Transaction will allow the railroads in the Chicago Terminal to use their lines more efficiently. The CREATE Project has been in development since June 16, 2003, well before CSXT and GTW entertained the idea of CSXT acquiring the Easement over the Elsdon Line. The construction of the WA-10 and B-16 are under way and are expected to be completed regardless of whether CSXT acquires the Elsdon Line.

CONCLUSION

The Proposed Transaction provides a more flexible and efficient freight rail route for CSXT traffic moving between the Southern and Eastern United States and the Chicago Terminal and for traffic moving between yards in the Chicago Terminal. The Proposed Transaction will not reduce competition. The Proposed Competition will increase efficiency and result in annual savings to CSXT from that efficiency in excess of $2 million.

[13] The Beltway and Western Avenue corridors follow existing rail lines and corridors. The Beltway corridor encompasses the IHB line between Dolton and Franklin Park. The Western Avenue corridor follows the GTW line between Thornton Jct. and Blue Island Jct. and the B&OCT line between Blue Island Jct. and Western and California Avenues. The Western Avenue corridor also includes the Villa Grove Subdivision between Thornton Jct. and approximately 80th Street.

I, Lawrence L. Ratcliffe, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.



Lawrence L. Ratcliffe
Executed July 30 2012

EXHIBIT A-MAP


SCHILLER PARK
FRANKLIN PARK
PROVISO YARD
FOREST PARK
CICERO
GLOBAL 1
UP
ROCKWELL STREET
CICERO
BN
CORWITH
BN
Milepost 8.7 Elsdon, IL
BENSENVILLE
59TH ST
CSXI
MCCOOK
CLEARING
CANAL
CLEARING
BRC
CHICAGO 59TH STREET RAMP
FORESTHILL
BRC
WILLOW SPRINGS
BEDFORD PARK
CSXI
CHGO BEDFORD PARK
HAYFORD
FOREST HILL
80TH ST
Chicago
Lake Michigan
100TH STREET
RIDGE
WILDWOOD
BARR
CN
BOCT
BLUE ISLAND
BLUE ISLAND JCT.
BLUE ISLAND YARD
BARR YARD
GIBSON IHB
BLUE ISLAND
IHB
DOLTON
MICHIGAN AVENUE YARD
PINE
EAST CHICAGO BUCKET
CURTIS
CSXT
CURTIS YARD
IHB
GIBSON
IHB
Illinois
CN
JCT.
MARKHAM
CN
UP
YARD
CENTER
THORNTON
JCT.
Cook Co.
Lake Co.
CN
THORNTON
Milepost 31.07 Munster, IN
MUNSTER
Cook Co.
Will Co.
GRIFFITH
DYER
Indiana
0
2
4
Miles
Major Yard/Terminal
Other Rail Yard
Station
CSXT/B&OCT Rail Network
CSXT/B&OCT Trackage Rights
CN Elsdon Sub
EJ&E/CN
Other Railroads
Project Location and Existing Travel Routes

EXHIBIT 1-MAPS

EXHIBIT 1A – ELSDON LINE



CREATE

KEEPING THE GO IN CHICAGO

EXHIBIT 1B – CREATE



Note: Does not include Viaduct Improvement Program locations, Safety Improvement Program or Common Operational Picture

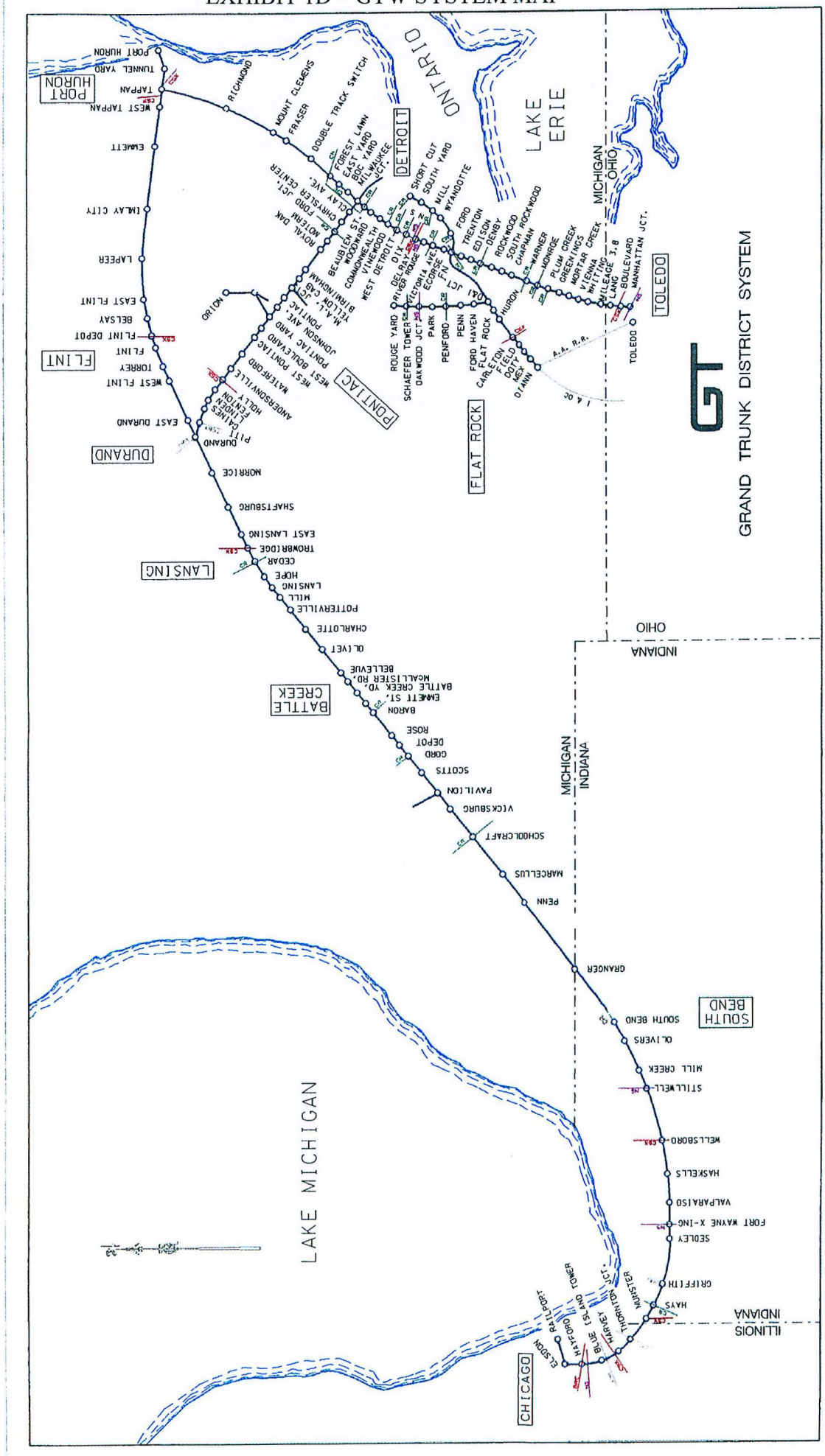
6/8/2011

CSX SYSTEM MAP

EXHIBIT 1C – CSXT SYSTEM MAP



EXHIBIT 1D – GTW SYSTEM MAP



CSXT-2

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35522

CSX TRANSPORTATION, INC.—ACQUISITION—
GRAND TRUNK WESTERN RAILROAD COMPANY

APPLICATION

VOLUME 2 OF 3

EXHIBIT 2- AGREEMENT BETWEEN CSXT AND GTW

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Attorneys for: CSX Transportation, Inc.

Dated: August 13, 2012

EXHIBIT 2

Agreement for Exchange of Perpetual Easements
Exhibit A – Leewood Easement Map
Exhibit B – Leewood Easement Non-Operating Parcels
Exhibit C –Elsdon Easement Map
Exhibit D – Elsdon Easement Non-Operating Parcels
Exhibit E – Elsdon Easement Agreement
- Exhibit A – Easement Premises
- Exhibit B – Maps of Easement Premises
- Exhibit C – Excluded Non-Operating Parcels
- Exhibit D – Existing Third Party Agreements
- Exhibit E – Retained Trackage Rights Agreement
  - Exhibit A - Map
- Exhibit F – Affiliate Trackage Rights Agreement
  - Exhibit A – Map

Exhibit F – Leewood Easement Agreement
- Exhibit A – Easement Premises
- Exhibit B – Maps of Easement Premises
- Exhibit C – Excluded Non-Operating Parcels
- Exhibit D – Existing Third Party Agreements
- Exhibit E – Retained Trackage Rights Agreement
  - Exhibit A – Map

Exhibit G – Assumption Agreement
Exhibit H – CSXT Assumed Third Party Agreements
Exhibit I – GTW Reserved Fiber Optic & Billboard Agreements
Exhibit J – GTW Assumed Third Party Agreements
Exhibit K – CSXT Reserved Fiber Optic & Billboard Agreements

AGREEMENT FOR EXCHANGE OF PERPETUAL EASEMENTS BETWEEN CSX TRANSPORTATION, INC. AND GRAND TRUNK WESTERN RAILROAD COMPANY

This Agreement for Exchange of Perpetual Easements (the "Agreement") is entered into as of this 13th day of August, 2012, by and between **CSX TRANSPORTATION, INC.**, a Virginia corporation (hereinafter referred to as "CSXT"), whose address is c/o CSX Real Property, Inc. - J915, 6737 Southpoint Drive S, Jacksonville, Florida 32216-6177 and the **GRAND TRUNK WESTERN RAILROAD COMPANY**, a Michigan corporation (hereinafter referred to as "GTW"), whose address is 17641 South Ashland Avenue, Homewood, IL 60430. As used in this Agreement, the term "Party," "Grantor," or "Grantee" refers to either CSXT or GTW, as the context requires, and the term "Parties" refers collectively to both of CSXT and GTW.

WHEREAS, the Parties desire to enter into an agreement governing the Easement Exchange, as more particularly described herein;

WITNESSETH, that for and in consideration of the mutual covenants herein described, the Parties agree as follows:

1. EASEMENT EXCHANGE.

1.1 CSXT hereby agrees to convey to GTW, subject to Article 7, an exclusive, perpetual non-assignable (except as provided herein) railroad operating easement (the "Leewood Easement") over both: (i) approximately two and one-tenth (2.1) miles of CSXT's Memphis Terminal Subdivision extending from milepost 00F371.4±, at or near Leewood, Tennessee to milepost 00F373.4±, at or near Aulon, Tennessee as more fully described on Exhibit A hereto (the "Leewood Premises") and (ii) the Leewood Appurtenances, as defined below. For avoidance of doubt, the Leewood Easement shall, subject to Article 7, provide the right to use all

the appurtenances on the Leewood Premises, including all of the ballast, rail, ties, bridges, culverts, signals, gates and other railroad operating structures and fixtures affixed to the Leewood Premises (the "Leewood Appurtenances"). Notwithstanding any provision of this Agreement to the contrary, the Leewood Premises shall not include the non-operating parcels, which are described on Exhibit B hereto. Attached hereto are Exhibit A–Leewood Easement Map, and Exhibit B – Leewood Easement Non-Operating Parcels. On and after the Date of Exchange (as herein defined) and until the date on which such Easement is reconveyed pursuant to Article 14, GTW shall: (a) assume control of and responsibility for dispatching and track maintenance for the Leewood Exchange Property (as defined in 1.3 below), including all interlockings, control points, and connections that are subject to the Leewood Easement, including, without limitation, those at Leewood and Aulon; (b) subject to Article 1.4, make any capital improvements for the Leewood Easement, including replacement of the Leewood Appurtenances, as it may from time to time determine; (c) constitute the "host railroad" under 49 C.F.R. § 236.1003 for all purposes relating to the implementation of Positive Train Control under the Rail Safety Improvement Act of 2008; and (d) be deemed the owner of the line segment for purposes of any determination of its rights and responsibilities under the Third Amended and Restated Shared Use Agreement dated August 17, 2011 between and among PTC-220, LLC and certain wholly-owned subsidiaries of the seven U.S. Class 1 rail carriers and any other agreement governing the actions and/or obligations of Members of PTC-220, LLC.

1.2 GTW hereby agrees to convey to CSXT, subject to Article 7, an exclusive, perpetual, non-assignable (except as provided herein) railroad operating easement (the "Elsdon Easement") over both: (i) approximately twenty-two and thirty-seven hundredths (22.37) miles of GTW's Elsdon Subdivision extending from milepost 31.07 located at the CSXT connection at

Munster, Indiana to milepost 8.7±, located at or near Elsdon, Illinois, which connects to the southern end of the BNSF Railway Company's ("BNSF") Corwith Yard as more fully described on Exhibit C hereto (the "Elsdon Premises") and (ii) the Elsdon Appurtenances, as defined below. For avoidance of doubt, the Elsdon Easement shall, subject to Article 7, include the right to use all the appurtenances on the Elsdon Premises, including all of the ballast, rail, ties, bridges, culverts, signals, gates, and other railroad operating structures and fixtures affixed to the Elsdon Premises (the "Elsdon Appurtenances"). Notwithstanding any provision of this Agreement to the contrary, the Elsdon Premises shall not include the non-operating parcels, which are described on Exhibit D hereto. Attached hereto are Exhibit C – Elsdon Easement Map, and Exhibit D – Elsdon Easement Non-Operating Parcels. On and after the Date of Exchange (as herein defined)and until the date on which such Easement is reconveyed pursuant to Article 14, CSXT shall: (a) assume control of and responsibility for dispatching and track maintenance for the Elsdon Exchange Property (as defined in 1.3 below), including all interlockings, control points, and connections that are subject to the Elsdon Easement, including without limitation those at Munster; (b) subject to Article 1.4 make any capital improvements for the Elsdon Easement, including the interlocking at or near the CSXT connection at Munster and the Blue Island and Thornton Junction interlockings and including the replacement of the Elsdon Appurtenances, as it may from time to time determine; and (c) constitute the "host railroad" under 49 C.F.R. § 236.1003 for all purposes relating to the implementation of Positive Train Control under the Rail Safety Improvement Act of 2008 and be deemed the owner of the line segment for purposes of any determination of its rights and responsibilities under the Third Amended and Restated Shared Use Agreement dated August 17, 2011 and any other agreement governing the actions and/or obligations of Members of PTC-220, LLC.

1.3 The exchange of the Elsdon Easement and the Leewood Easement by GTW and CSXT shall be referred to as the "Easement Exchange." As used in this Agreement, the term "Easement" refers to either the Elsdon Easement or the Leewood Easement, as the context requires. As used in this Agreement, the term "Premises" refers to either the Elsdon Premises, the Leewood Premises, or both, as the context requires. As used in this Agreement, the term "Appurtenances" refers to either the Elsdon Appurtenances, the Leewood Appurtenances, or both, as the context requires. As used in this Agreement, the term "Exchange Properties" refers to the Elsdon Premises, the Elsdon Appurtenances, the Leewood Premises, and the Leewood Appurtenances, and the term "Exchange Property" refers to either the Elsdon Premises and the Elsdon Appurtenances or the Leewood Premises and the Leewood Appurtenances. For avoidance of doubt, the conveyance of the Elsdon Appurtenances and the Leewood Appurtenances shall occur solely as a result of the grant of the respective Easements, and not as an exchange of the Elsdon Appurtenances for the Leewood Appurtenances.

1.4 During the term of the Easement, each Grantee shall be permitted to make additions, replacements, or renewals to or retirements from all or part of the Appurtenances that are subject to its Easement at its sole cost and expense (the "Grantee Improvements"). Any Grantee Improvements shall be conveyed to the Grantor upon the reconveyance of the Easement made in accordance with Article 14.1 of this Agreement. Any retirements shall be excluded from the Appurtenances and shall be released to the Grantor or, as otherwise agreed upon, Grantee shall pay Grantor the current fair market value for said salvage.

1.5 During the term of each Easement, the Grantor of such Easement shall not seek authority to abandon the respective Premises.

1.6 This Agreement represents the full agreement between the Parties, and the Easement Exchange will be completed without any expectation of additional consideration from either Party.

2. VALUATION.

GTW and CSXT shall treat the conveyance by GTW of the Elsdon Easement in exchange for the conveyance by CSXT of the Leewood Easement pursuant to this Agreement as a like-kind exchange described in section 1031 of the Internal Revenue Code of 1986, as amended, and shall prepare all U.S., state, and local income tax returns consistent with such treatment and shall not take any position inconsistent therewith except as otherwise required by law. Notwithstanding the foregoing, each Party may independently of each other determine the value of the Elsdon Easement and the Leewood Easement for such tax treatment.

3. CLOSING.

Unless otherwise mutually agreed to by the Parties, the Easement Exchange shall occur on the later of (i) ten (10) business days following the successful completion or waiver of the Contingencies outlined in Article 5, or (ii) March 31, 2013 (such date, the "Date of Exchange").

4. EXCHANGE AND CLOSING DELIVERIES.

Concurrently on the Date of Exchange, (i) GTW shall convey to CSXT the Elsdon Easement in the form attached hereto as Exhibit E – Elsdon Easement Agreement, and (ii) CSXT shall convey to GTW the Leewood Easement in the form attached hereto as Exhibit F – Leewood Easement Agreement. Each Easement Agreement shall be in proper form for recordation in the appropriate jurisdictions where the respective property is located.

(a) At the Date of Exchange, GTW shall deliver to CSXT duly executed counterpart originals of each of the following documents:

(i) The Elsdon Easement Agreement;

(ii) An Assumption Agreement, in the form attached hereto as Exhibit G - Assumption Agreement, acknowledging that the Elsdon Easement is subject to the CSXT Assumed Third Party Agreements (as defined hereafter);

(iii) The Leewood Easement Agreement;

(iv) An Assumption Agreement, in the form attached hereto as Exhibit G - Assumption Agreement, acknowledging that the Leewood Easement is subject to the GTW Assumed Third Party Agreements (as defined hereafter);

(v) A closing statement, in form and substance mutually acceptable to CSXT and GTW; and

(vi) Such other documents and agreements as may be reasonably necessary to implement the transactions contemplated hereby.

(b) At the Date of Exchange, CSXT shall deliver to GTW duly executed counterpart originals of each of the following documents:

(i) The Leewood Easement Agreement;

(ii) An Assumption Agreement, in the form attached hereto as Exhibit G - Assumption Agreement, acknowledging that the Leewood Easement is subject to the GTW Assumed Third Party Agreements (as defined hereafter);

(iii) The Elsdon Easement Agreement;

(iv) An Assumption Agreement, in the form attached hereto as Exhibit G - Assumption Agreement, acknowledging that the Elsdon Easement is subject to the CSXT Assumed Third Party Agreements (as defined hereafter);

(v) A closing statement, in form and substance mutually acceptable to CSXT and GTW; and

(vi) Such other documents and agreements as may be reasonably necessary to implement the transactions contemplated hereby.

5. CONTINGENCIES.

The Easement Exchange is contingent upon the effectiveness of and satisfaction of conditions imposed on all regulatory approvals, exemptions, or other authority concerning the acquisition and operation of Easements, or the establishment of rights as required to carry out this Agreement received by CSXT and GTW.

6. AD VALOREM AND PERSONAL PROPERTY TAXES.

The Grantee of each Easement shall be responsible for the payment of property or ad valorem taxes, or other fees normally imposed on the owner or in rem with respect to their respective Premises throughout the term of the Easement, but such taxes or fees imposed upon or attributable to the value of the servient estate shall remain the responsibility of that servient estate.

7. ASSUMED AND RESERVED RIGHTS.

7.1 GTW shall convey the Elsdon Easement to CSXT subject to all applicable third-party agreements and easements, including but not limited to track leases, trackage rights agreements (excluding existing trackage rights granted over the Elsdon Exchange Property to affiliates of GTW), joint facility agreements, road crossing agreements, commitments for grade crossings, and pipe line and wire line agreements and easements within the operating corridor of the Elsdon Premises as shown on Exhibit H - CSXT Assumed Third Party Agreements attached hereto (the "CSXT Assumed Third Party Agreements") and, upon the written request of GTW,

CSXT shall, until the date on which such Easement is reconveyed pursuant to Article 14, assume all of the CSXT Assumed Third Party Agreements. Notwithstanding any provision in this Agreement to the contrary, the CSXT Assumed Third Party Agreements shall not include any fiber optic and billboard agreements or any sidetrack agreements for industries no longer receiving rail service. Within thirty (30) days after the execution of this Agreement, GTW shall provide copies of all CSXT Assumed Third Party Agreements to CSXT. If a third party consent or governmental approval to the assumption of any such agreement by CSXT is required, upon the written request of CSXT, GTW shall use commercially reasonable efforts in cooperating with and assisting CSXT in obtaining such approvals prior to the Date of Exchange.

7.2 GTW shall reserve any existing fiber optic and billboard agreements and the rights to install future fiber optic and billboard occupations provided it does not interfere with CSXT's operations pursuant to the Elsdon Easement, all as shown on Exhibit I - GTW Reserved Fiber Optic & Billboard Agreements attached hereto. CSXT shall bear no responsibility for GTW's ability to satisfy existing or future obligations related to such agreements; provided, however, that CSXT shall reasonably cooperate with GTW to allow GTW to satisfy its obligations with respect to such agreements.

7.3 GTW shall also reserve and retain trackage rights over the Elsdon Premises, as more fully described in the Elsdon Easement Agreement, and CSXT shall grant trackage rights over the Elsdon Premises to the affiliates of GTW that are using the Elsdon Premises today, as more fully described in the Elsdon Easement Agreement.

7.4 CSXT shall convey the Leewood Easement to GTW subject to all applicable third-party agreements and easements, including but not limited to track leases, trackage rights agreements, joint facility agreements, road crossing agreements, commitments for grade

crossings, and pipe line and wire line agreements and easements within the operating corridor of the Leewood Premises as shown on Exhibit J - GTW Assumed Third Party Agreements attached hereto (the "GTW Assumed Third Party Agreements") and, upon the written request of CSXT, GTW shall until the date on which such Easement is reconveyed pursuant to Article 14, assume all of the GTW Assumed Third Party Agreements. Notwithstanding any provision in this Agreement to the contrary, the GTW Assumed Third Party Agreements shall not include any fiber optic and billboard agreements or any sidetrack agreements for industries no longer receiving rail service. Within thirty (30) days after the execution of this Agreement, CSXT shall provide copies of all GTW Assumed Third Party Agreements to GTW. If a third party consent or governmental approval to assignment of any such agreement by GTW is required, upon the written request of GTW, CSXT shall use commercially reasonable efforts in cooperating with and assisting GTW in obtaining such approvals prior to the Date of Exchange.

7.5 CSXT shall reserve any existing fiber optic and billboard agreements and the rights to install future fiber optic and billboard occupations provided it does not interfere with GTW's operations pursuant to the Leewood Easement, all as shown on Exhibit K - CSXT Reserved Fiber Optic & Billboard Agreements attached hereto. GTW shall bear no responsibility for CSXT's ability to satisfy existing or future obligations related to such agreements; provided, however, that GTW shall reasonably cooperate with CSXT to allow CSXT to satisfy its obligations with respect to such agreements.

7.6 CSXT shall also reserve and retain trackage rights over the Leewood Premises, as more fully described in the Leewood Easement Agreement.

8. REGULATORY MATTERS.

8.1 Elsdon Easement Regulatory Approval.

(a) It is understood and agreed that CSXT shall use commercially reasonable efforts to make its initial CSXT STB Filings, as defined below, on or before three weeks after the execution of this Agreement. CSXT shall prepare and present to the STB all necessary or appropriate filings and other presentations (collectively, the "CSXT STB Filings") in connection with seeking the approval of the STB for the grant of the Elsdon Easement, and shall (i) prosecute the CSXT STB Filings with reasonable diligence, (ii) oppose, to the extent reasonable, any objections to, appeals from, or petitions to reconsider or reopen the approval of the STB by persons not party to this Agreement, and (iii) take reasonable further action as in the reasonable judgment of CSXT may facilitate obtaining STB approval consistent with this Agreement. Notwithstanding any provision to the contrary in this Agreement, CSXT shall not be required to take any action in connection with seeking STB approval that would cause, directly or indirectly, the transactions contemplated by this Agreement to be reviewed by the STB in any way other than as a "minor application" transaction. CSXT shall not be required to take any action as a result of an STB approval that would (1) result in the divestiture or material dilution of all or any portion of the rights to be conveyed or assigned to CSXT hereunder to a third party, including without limitation any requirement that trackage rights over the Elsdon Premises be granted to another rail carrier, (2) change the amount or nature of the consideration for the Elsdon Easement, or (3) impose on CSXT any terms or conditions (including labor protective provisions, but excluding conditions heretofore imposed by the United States Interstate Commerce Commission in *New York Dock Ry.-Control-Brooklyn Eastern Dist.*, 360 I.C.C. 60 (1979), as modified by *Wilmington Term. RR, Inc.–Pur. & Lease–CSX Transp. Inc.*, 6 I.C.C. 2d 799 (1990), and any other condition offered, volunteered, or agreed to by CSXT in its sole

discretion) that would materially adversely affect CSXT's reasonably anticipated financial benefits of the transactions contemplated by this Agreement.

(b) GTW shall cooperate with CSXT to achieve the foregoing to the extent reasonably requested by CSXT, including assisting in the preparation of all CSXT STB Filings, documents, or other public statements related to any STB proceedings or rulemaking or any other legal or legislative proceeding or deliberation that could in the reasonable opinion of CSXT affect the likelihood of obtaining STB approval. In furtherance of the foregoing, CSXT shall, subject to the terms and conditions of this Agreement, have final authority over the development, presentation, and conduct of the CSXT STB Filings, including without limitation final authority over decisions as to whether to agree to or acquiesce in conditions imposed by the STB. Except as may otherwise be required by law, GTW shall take no regulatory or legal action (or have communications with the STB) relating to the Elsdon Easement Agreement or the CSXT STB Filings without CSXT's prior consent, which consent shall not be unreasonably withheld.

(c) If a condition is imposed by the STB, other than standard labor protection, that in the unfettered discretion of CSXT is determined to diminish the benefits of the Easement Exchange, CSXT shall be permitted to terminate this Agreement and the Easement Exchange by written notice to GTW, and neither Party will have any further rights or obligations under this Agreement, and such termination shall not be deemed a default under Article 19.

8.2 Leewood Easement Regulatory Approval.

(a) It is understood and agreed that GTW shall use commercially reasonable efforts to make its initial GTW STB Filings, as defined below, on or before three weeks after the execution of this Agreement. GTW shall prepare and present to the STB all necessary or appropriate filings and other presentations (collectively, the "GTW STB Filings") in connection

with seeking the approval or exemption of the STB for the grant of the Leewood Easement, and shall (i) prosecute the GTW STB Filings with reasonable diligence, (ii) oppose, to the extent reasonable, any objections to, appeals from, or petitions to reconsider or reopen the approval or exemption of the STB by persons not party to this Agreement, and (iii) take reasonable further action as in the reasonable judgment of GTW may facilitate obtaining STB approval or exemption consistent with this Agreement. Notwithstanding any provision to the contrary in this Agreement, GTW shall not be required to take any action in connection with seeking STB approval or exemption that would cause, directly or indirectly, the transactions contemplated by this Agreement to be reviewed by the STB in any way other than as a "minor application" or petition for exemption transaction. GTW shall not be required to take any action as a result of an STB approval or exemption that would (1) result in the divestiture or material dilution of all or any portion of the rights to be conveyed or assigned to GTW hereunder to a third party, including without limitation any requirement that trackage rights over the Leewood Premises be granted to another rail carrier, (2) change the amount or nature of the consideration for the Leewood Easement, or (3) impose on GTW any terms or conditions (including labor protective provisions, but excluding conditions heretofore imposed by the United States Interstate Commerce Commission in *New York Dock Ry.-Control Brooklyn Eastern Dist.*, 360 I.C.C. 60 (1979), as modified by *Wilmington Term. RR, Inc.–Pur. & Lease–CSX Transp. Inc.*, 6 I.C.C. 2d 799 (1990), and any other condition offered, volunteered, or agreed to by GTW in its sole discretion) that would materially adversely affect GTW's reasonably anticipated financial benefits of the transactions contemplated by this Agreement.

(b) CSXT shall cooperate with GTW to achieve the foregoing to the extent reasonably requested by GTW, including assisting in the preparation of all GTW STB Filings,

documents, or other public statements related to any STB proceedings or rulemaking or any other legal or legislative proceeding or deliberation that could in the reasonable opinion of GTW affect the likelihood of obtaining STB approval or exemption. In furtherance of the foregoing, GTW shall, subject to the terms and conditions of this Agreement, have final authority over the development, presentation, and conduct of the GTW STB Filings, including without limitation final authority over decisions as to whether to agree to or acquiesce in conditions imposed by the STB. Except as may otherwise be required by law, CSXT shall take no regulatory or legal action (or have communications with the STB) relating to the Leewood Easement Agreement or the GTW STB Filings without GTW's prior consent, which consent shall not be unreasonably withheld.

(c) If a condition is imposed by the STB, other than standard labor protection, that in the unfettered discretion of GTW is determined to diminish the benefits of the Easement Exchange, GTW shall be permitted to terminate this Agreement and the Easement Exchange by written notice to CSXT, and neither Party will have any further rights or obligations under this Agreement, and such termination shall not be deemed a default under Article 19.

8.3 CSXT and GTW shall concurrently, or as otherwise agreed, file the CSXT STB Filings and GTW STB Filings with the STB.

8.4 If any administrative, judicial, or legislative action or proceeding is instituted (or threatened to be instituted) challenging authorization to consummate any transaction contemplated by this Agreement as violative of applicable Law, CSXT and GTW shall use commercially reasonable efforts to cooperate to contest and resist any such action or proceeding, and to have vacated, lifted, reversed, or overturned any decree, judgment, injunction, or other order (whether temporary, preliminary, or permanent) that is in effect and that restricts, prevents,

or prohibits consummation of the transactions contemplated by this Agreement, including by pursuing all mutually agreeable avenues of administrative and judicial appeal. In the event such decree, judgment, injunction, or other order is not vacated, lifted, reversed, or overturned, either Party has the right, upon written notice to the other Party, to terminate this Agreement, and upon such termination, the Parties shall have no further rights or obligations hereunder except as otherwise expressly stated in this Agreement.

9. ASSIGNMENT, LIMITS, AND SURVIVAL.

9.1 Except as otherwise provided in this Article 9 hereof, this Agreement may not be assigned by CSXT or by GTW without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed.

9.2 In the event of a sale of substantially all of the assets or business of the Grantee, or the merger or consolidation of a Grantee into or with another firm, the Grantee may, without the prior consent of the Grantor, assign this Agreement and Grantee's Easement to such firm or corporation acquiring substantially all of the assets or business of Grantee, or merging or consolidating with Grantee; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of the Grantee under this Agreement and Easement that existed prior to such assignment.

9.3 As limited above, this Agreement shall be binding upon the Parties, their successors and permitted assigns, their heirs, and legal representatives, as the case may be.

10. REPRESENTATIONS AND WARRANTIES

10.1 To induce GTW to enter into this Agreement and to consummate the transactions contemplated hereby, CSXT hereby represents and warrants to GTW that, as of the date hereof (or other date as expressly set forth herein):

(a) CSXT is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia. CSXT has the corporate power and authority to consummate the transactions contemplated hereby.

(b) The execution, delivery and performance of this Agreement by CSXT has been duly and validly authorized by all necessary corporate action. Assuming that this Agreement is a valid and binding obligation of GTW and is validly authorized, executed, and delivered to CSXT, this Agreement constitutes a valid and binding obligation of CSXT, enforceable in accordance with its terms.

(c) There are no claims, actions, suits, proceedings, or investigations pending or, to the knowledge of CSXT, threatened against CSXT relating to the Leewood Exchange Property before any court or any governmental authority; neither CSXT nor any of its officers, directors, agents, or employees (in their capacities as such) is subject to any order, judgment, injunction, or decree relating to the Leewood Exchange Property; and, to CSXT's knowledge, no complaint has been filed, and there is no pending or threatened proceeding or investigation, involving an alleged violation of any federal, state, or local laws relating to the Leewood Exchange Property. CSXT has not received any notices, nor does CSXT have any knowledge of, any condemnation, eminent domain, zoning, or land use proceedings or other claims, causes of action, lawsuits, or legal proceedings pending, threatened, or contemplated regarding the ownership, use, or possession of the Leewood Exchange Property or any part thereof or of any sale or other disposition of the Leewood Exchange Property or any part thereof in lieu of condemnation.

(d) Upon obtaining the necessary governmental approvals, neither the execution and delivery of either this Agreement or any other agreement or instrument referred to

in this Agreement between the Parties hereto, nor the consummation of the transactions provided for herein or therein, nor the fulfillment by CSXT of the terms hereof or thereof, will (i) conflict with or result in a breach of any provision of CSXT's certificate of incorporation or by-laws, or (ii) violate any order, writ, injunction, decree, or, to the knowledge of CSXT, any statute, rule, or regulation applicable to CSXT or the Leewood Exchange Property.

(e) True and correct copies of each GTW Assumed Third Party Agreement, including all amendments and modifications thereof and waivers thereunder, have been made available to GTW. Each GTW Assumed Third Party Agreement is in full force and effect, is the valid and binding obligation of CSXT, and, to the knowledge of CSXT, each other party to such GTW Assumed Third Party Agreement. CSXT has not received any notice of default or termination with respect to any GTW Assumed Third Party Agreement.

(f) CSXT intends to provide the Leewood Easement to GTW in exchange for the Elsdon Easement without expectation of any additional consideration.

10.2 To induce CSXT to enter into this Agreement and to consummate the transactions contemplated hereby, GTW hereby represents and warrants to CSXT that, as of the date hereof (or other date as expressly set forth herein):

(a) GTW is a corporation duly organized, validly existing and in good standing under the laws of the State of Michigan. GTW has the corporate power and authority to consummate the transactions contemplated hereby.

(b) The execution, delivery, and performance of this Agreement by GTW has been duly and validly authorized by all necessary corporate action. Assuming that this Agreement is a valid and binding obligation of CSXT and is validly authorized, executed, and

delivered to GTW, this Agreement constitutes a valid and binding obligation of GTW, enforceable in accordance with its terms.

(c) There are no claims, actions, suits, proceedings, or investigations pending or, to the knowledge of GTW, threatened against GTW relating to the Elsdon Exchange Property before any court or any governmental authority; neither GTW nor any of its officers, directors, agents, or employees (in their capacities as such) is subject to any order, judgment, injunction, or decree relating to the Elsdon Exchange Property; and, to GTW's knowledge, no complaint has been filed, and there is no pending or threatened proceeding or investigation, involving an alleged violation of any federal, state, or local laws relating to the Elsdon Exchange Property. GTW has not received any notices, nor does GTW have any knowledge of, any condemnation, eminent domain, zoning, or land use proceedings or other claims, causes of action, lawsuits, or legal proceedings pending, threatened, or contemplated regarding the ownership, use, or possession of the Elsdon Exchange Property or any part thereof or of any sale or other disposition of the Elsdon Exchange Property or any part thereof in lieu of condemnation.

(d) Upon obtaining the necessary governmental approvals, neither the execution and delivery of either this Agreement or any other agreement or instrument referred to in this Agreement between the Parties hereto, nor the consummation of the transactions provided for herein or therein, nor the fulfillment by GTW of the terms hereof or thereof, will (i) conflict with or result in a breach of any provision of GTW's certificate of incorporation or by-laws, or (ii) violate any order, writ, injunction, decree, or, to the knowledge of GTW, any statute, rule, or regulation applicable to GTW or the Elsdon Exchange Property.

(e) True and correct copies of each CSXT Assumed Third Party Agreement, including all amendments and modifications thereof and waivers thereunder, have been made

available to CSXT. Each CSXT Assumed Third Party Agreement is in full force and effect, is the valid and binding obligation of GTW and, to the knowledge of GTW, each other party to such CSXT Assumed Third Party Agreement. GTW has not received any notice of default or termination with respect to any CSXT Assumed Third Party Agreement.

(f) GTW intends to provide the Elsdon Easement to CSXT in exchange for the Leewood Easement without expectation of any additional consideration.

10.3 Each Party's representations, warranties, and covenants in this Article 10 and elsewhere in this Agreement are continuing, made both as of the date hereof (or other date as expressly set forth herein) and as of the Date of Exchange, except to the extent that Grantor otherwise notifies Grantee in writing at or before closing. If either Party so notifies the other in writing at or prior to the Date of Exchange that any representation or warranty is no longer true or was untrue when made and the failure of such representation or warranty shall materially adversely affect the reasonably anticipated financial benefits of the transactions contemplated by this Agreement, the non-breaching Party may (i) terminate this Agreement by written notice to the other Party, in which case neither Party will have any further rights or obligations under this Agreement except for those that expressly survive termination (without prejudice, however, to any other rights or remedies which the non-breaching Party has at law or in equity); or (ii) waive in writing the representation or warranty and close the Easement Exchange. For purposes of this Article 10, notice or knowledge of GTW shall refer exclusively to the personal knowledge of Paul Ladue and notice or knowledge of CSXT shall refer exclusively to the personal knowledge of Christopher Maffett, in either case without any express or implied duty of inquiry.

11. DUE DILIGENCE.

11.1 Within 60 days after the date hereof, GTW shall, with respect to the Elsdon Easement, at its sole cost and expense, and CSXT shall, with respect to the Leewood Easement,

at its sole cost and expense, provide or cause to be provided to the other Party legal descriptions for the respective Easements to be conveyed, sufficient for attachment to the respective Easement Agreements and for recordation in the appropriate county records on a county-by-county basis, such legal descriptions to be in form reasonably acceptable to the other Party and consistent with the terms of this Agreement and all attachments hereto. Each Party shall have the right to review and approve, in advance, the legal descriptions of the Easement to be conveyed to it, and mutual written agreement as to the form and substance of the legal descriptions shall be a condition of closing. In the event a survey may be required to develop a legal description sufficient for recordation ("Surveys"), each Party shall be responsible for the performance and costs thereof as it relates to the Easement to be conveyed by such Party.

11.2 Within thirty (30) days after the date hereof, GTW shall, to the extent such items have not previously been delivered to CSXT, deliver to CSXT for CSXT's review true and complete copies of the CSXT Assumed Third Party Agreements, and CSXT shall, to the extent such items have not previously been delivered to GTW, deliver to GTW for GTW's review true and complete copies of the GTW Assumed Third Party Agreements.

11.3 In addition to the foregoing, until the Date of Exchange, each Party shall generally make available to the other any and all additional reports, studies, plans, drawings, property tax statements, surveys, maps, and other written materials or information such Party possesses relative to the Exchange Property to be conveyed and which may be reasonably requested by the other Party.

11.4 During the thirty (30) day period following the date hereof, each Party shall provide to the other copies of all final reports in the possession of Grantor (including, without

limitation, reports containing the results of all assessments, audits, studies, and investigations) related to environmental conditions on the Premises to be conveyed.

12. LABOR CLAIMS.

Each Party agrees to indemnify, defend, and hold harmless the other against any and all costs and payments, including, without limitation, reasonable attorneys fees and costs, in any way related to, connected with, or arising out of claims or grievances (i) made by or on behalf of its own employees pursuant to employee protective conditions imposed by a governmental authority as a condition of that agency's approval or exemption of this Agreement or the transactions contemplated hereby, or (ii) made by or on behalf of its own employees pursuant to a collective bargaining agreement. It is the intention of the Parties that each Party shall bear the costs of protection of its employees under employee protective conditions which may be imposed, and of grievances filed by its own employees arising under its collective bargaining agreements with its employees.

13. PRE-EXCHANGE COVENANTS.

13.1 Between the date hereof and the Date of Exchange, except as required by law or this Agreement or otherwise with the prior written consent of the Party to be conveyed the Easement, with respect to their respective Easements, the Parties shall: (i) continue to operate the rail property according to the ordinary course of business consistent with past practice, (ii) use all commercially reasonable efforts to preserve intact the assets and maintain the material rights, franchises, and existing relations with suppliers relating thereto, and (iii) without limiting the generality of the foregoing:

(a) not transfer any of the assets,

(b) not mortgage, encumber, or pledge any of the assets or permit or allow any of the assets to be subjected to any lien,

(c) not destroy books or records relating to the assets except in the ordinary course of business, consistent with past practice,

(d) except as defined below, not enter into any lease for real property or any other kind of contract or agreement with respect to any portion of the assets, or supplement or amend any existing lease, contract, or agreement other than (i) renewals in the ordinary course of business of an existing lease, contract, or agreement, provided further such renewal must not extend the term of such lease, contract, or agreement for more than one (1) year, (ii) new leases, transportation contracts or limited distribution tariffs, for a term of (1) one year or less; and (iii) new licenses and easement agreements and temporary crossing agreements (for a term of six (6) months or less) entered into in the ordinary course of business, consistent with past practice,

(e) be allowed to enter into fiber optic or billboard installations as long as such installations do not adversely interfere with current or future freight operations or similar such capabilities,

(f) not fail to pay, discharge, or satisfy any material claim, liability, or obligation (absolute, accrued, contingent, or otherwise) related to the assets. At the Date of Exchange, each Party shall remain liable for any unpaid bills or claims in connection with any work performed or material purchased in connection with the assets,

(g) not waive or release any material rights relating to the assets or the operation of the rail property,

(h) not grant any haulage, trackage, or other access or operating rights with respect to the rail property,

(i) not supplement or amend any existing haulage, trackage, or other access or operating rights, except as required by law, and

(j) not authorize or enter into any agreement to or otherwise take any of the foregoing actions.

13.2 Except for normal wear and tear, at all times before the Date of Exchange each Party shall maintain its respective Exchange Property in as good a condition and repair as existed on the date hereof. Each Party shall advise the other of any significant repair or improvement it makes or intends to make to keep the Exchange Property in such condition. Neither Party shall make any material alterations in their respective Exchange Property without the express written consent of the other Party, which consent may be withheld in such Party's sole discretion.

14. RECONVEYANCE.

14.1 The Easement(s) shall both be perpetual in term, subject to the following provisions for reconveyance. With respect to each Easement, Grantee shall reconvey to Grantor (or, at Grantor's option, to Grantor's designee) and Grantor shall accept such reconveyance (or cause its designee to accept such reconveyance), if: (i) Grantee requests that Grantor accept reconveyance of the Easement; (ii) Grantee initiates proceedings seeking authority to abandon the Easement Premises or discontinue operations over the Easement Premises or serves or files notice of intent to do so; or (iii) Grantee ceases to use the Easement for significant and regular railroad operations for a period of twenty-four (24) or more consecutive months, with adjustments made for extended periods of force majeure or other events beyond its control that prevent the full and peaceful enjoyment of the Easement, and Grantor requests reconveyance of the Easement to Grantor or Grantor's designee within one hundred twenty (120) days of the end of such period. For the purposes of this Agreement, "significant and regular railroad operations" means average monthly train movements over all or any portion of the Easement of four (4) or more of Grantee's or Grantee's Affiliate's trains per month with a minimum of twenty (20) cars in each train. Grantor and Grantee shall cooperate and work diligently to prepare and execute all

instruments and documents necessary to seek any required regulatory approval of reconveyance and for reconveyance itself as provided herein (the "Reconveyance Documents"). The Reconveyance Documents shall include all instruments and documents reasonably requested by the Grantor to reconvey all rights granted to and all obligations assumed by Grantee under this Agreement back to Grantor (or to a party designated by Grantor) including, without limitation, the agreements assumed by the Grantee pursuant to Article 7 hereof. In addition, if Grantee made Grantee Improvements, Grantee shall convey to Grantor (or the party designated by Grantor) such Grantee Improvements at the time of such reconveyance. Upon the reconveyance of the Easement pursuant to this Article 14.1, Grantor shall pay Grantee the consideration of ten dollars ($10.00) for the Easement, plus an amount equal to the Net Liquidation Value (the "NLV") of the Grantee Improvements and the Appurtenances that were subject to the Easement at the time of such reconveyance. NLV of the Grantee Improvements and the Appurtenances shall be determined by computing the current appraised market value of such properties for other than rail transportation purposes, less all costs of dismantling and disposition of improvements necessary to make the remaining properties available for their highest and best use and complying with applicable zoning, land use, and environmental regulations.

14.2 It shall be the right and responsibility of each Grantor to obtain any and all regulatory approvals, exemptions, or authorizations required for the reconveyance of the Easement to Grantor or to a party designated by Grantor.

15. TIME.

CSXT and GTW mutually agree to fully and timely execute such documents as are reasonably necessary by CSXT and GTW to complete the conveyance. Time is of the essence with regard to all dates or times set forth in this Agreement. All obligations are subject to Force Majeure, as defined in Article 32 hereof.

16. BROKERS.

Neither CSXT nor GTW nor any person acting on behalf of either of them has retained any finder, broker, agent, financial advisor, or other intermediary ("Intermediary") in connection with the transactions contemplated by this Agreement. CSXT shall indemnify, defend, and hold GTW harmless from and against any and all claims, liabilities, costs (including reasonable attorney's fees), expenses, damages, judgments, and causes of action arising from any Intermediary who purports to have been engaged by CSXT in connection with the transactions contemplated by this Agreement. GTW shall indemnify, defend, and hold CSXT harmless from and against any and all claims, liabilities, costs (including reasonable attorney's fees), expenses, damages, judgments, and causes of action arising from any Intermediary who purports to have been engaged by GTW in connection with the transactions contemplated by this Agreement.

17. EXPENSES.

CSXT shall be responsible for all recording fees and state and local transfer taxes, including documentary stamps associated with the acquisition of the Elsdon Easement. GTW shall be responsible for all recording fees and state and local transfer taxes, including documentary stamps associated with the acquisition of the Leewood Easement.

18. LOSS.

Until the Easement is conveyed, all risk of loss to any Exchange Property proposed under this Agreement shall be borne by the respective Grantor. Following the Date of Exchange, the risk of loss to the respective Exchange Properties shall be borne by the respective Easement holders.

19. DEFAULT.

Unless otherwise provided herein, if either Party defaults under this Agreement, the other Party may waive the default and proceed to closing, seek specific performance, or refuse to close, each without waiving any action for damages, or any other remedy permitted by law or in equity resulting from the other Party's default. Notwithstanding the foregoing, neither Party shall be required to convey an Easement or any other interest in an Exchange Property to the other Party except in a simultaneous exchange of the Leewood Easement and the Elsdon Easement.

20. DISCLOSURE; AS-IS/WHERE-IS.

CSXT and GTW each represent that there are no facts known to either which materially affect the value of their respective Exchange Property which have not been disclosed by each to the other or which are not readily observable by each as to the other's Exchange Property. Except as specifically stated in this Agreement, with respect to their respective Exchange Properties, each Party hereby specifically disclaims any warranty, guaranty, or representation, oral or written, past, present, or future, of, as to, or concerning (i) the nature and condition of the assets, including, without limitation, the water, soil, and geology, and the utility or suitability thereof, for any and all activities and uses which the Easement holder may elect to conduct thereon, (ii) the nature and extent of any right-of-way, encumbrance, reservation, or condition, or (iii) the compliance of the assets or the operation thereof with any laws, rules, ordinances, or other regulations of any governmental or other body. The conveyance of the Easements is made on an "As-Is/Where-Is" basis, and each Party expressly acknowledges in consideration of the agreements of the other Party herein, that, except to the extent expressly provided otherwise herein, nether Party makes any warranty or representation, express or implied, or arising by

operation of law, including but in no way limited to, any warranty of title or condition (including without limitation the environmental condition), habitability, merchantability, or fitness for a particular purpose of the Exchange Properties. Each Party acknowledges to the other that it has not relied on any representations made by their respective agents, brokers, attorneys, consultants, employees, officers, directors, or other representatives, in order to induce such Party to enter into this transaction, except as specifically stated in this Agreement.

21. SUCCESSORS IN INTEREST.

This Agreement shall be binding on the heirs, successors, and assigns of the respective Parties hereto.

22. NOTICE.

All communications regarding this transaction shall be made in writing and shall be deemed given when delivered in person or deposited with the U.S. Postal Service, postage prepaid for certified mail, return receipt requested, or upon transmission of a facsimile properly directed to:

CSXT: CSX Transportation, Inc.
500 Water Street, J315
Jacksonville, FL 32202
Attn: Director, Network Planning

with copies to:
CSX Transportation, Inc.
500 Water Street, J150
Jacksonville, FL 32202
Attn: Law Department

GTW: Grand Trunk Western Railroad Company
17641 South Ashland Avenue
Homewood, IL 60430
Attn: Region Director Contracts and Administration

with copies to:

Grand Trunk Western Railroad Company
17641 South Ashland Avenue
Homewood, IL 60430
Attn: Law Department

Any Party hereto may change its address or designate different or other persons or entities to receive copies by notifying the other Party in a manner described in this Article.

23. ENTIRE AGREEMENT.

This Agreement contains the entire agreement between the Parties hereto as it pertains to the subject matter contained herein and shall supersede and take precedence over any and all prior and contemporaneous agreements and understandings between the Parties hereto.

24. SURVIVAL.

The covenants, indemnities, and undertakings of CSXT and GTW set forth in this Agreement shall survive the closing, delivery, and recording of the Easement deeds described in Article 1 herein.

25. GOVERNING LAW, SUBMISSION TO JURISDICTION.

25.1 THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO THE CONFLICT OF LAWS OR CHOICE OF LAWS PRINCIPLES OF ANY JURISDICTION INCLUDING THE STATE OF ILLINOIS, SHALL GOVERN THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION OF ITS TERMS, AND THE INTERPRETATION OF THE RIGHTS AND DUTIES ARISING HEREUNDER.

25.2 Subject to Article 25.4(d) below, each of the Parties hereto consents to submit itself to the jurisdiction of any Federal or state court of competent jurisdiction in the State of Illinois in any action to enforce or in aid of the agreement to arbitrate in Article 25.4 herein or for provisional relief to maintain the status quo or prevent irreparable harm pending the appointment

of the arbitrators, and to the jurisdiction of any court of competent jurisdiction for enforcement of any award issued hereunder.

25.3 Specific Performance; Injunctive Relief. Each of the Parties hereto acknowledges, understands, and agrees that any breach or threatened breach by such Party or such Party's Affiliates of the covenants contained herein will cause irreparable injury to the other Party and that money damages will not provide an adequate remedy therefore. Accordingly, in the event of any such breach or threatened breach, a non-breaching Party shall have the right and remedy (in addition to any other rights or remedies available at Law or in equity, including money damages), subject to the provisions of Article 25.4(d), to have the provisions of this Agreement specifically enforced by, and to seek injunctive relief and other equitable remedies in, any court having competent jurisdiction. Each Party agrees to waive any requirement for the securing or posting of any bond or other security in connection with seeking such remedies.

25.4 Dispute Resolution. Each of the Parties hereto stipulates and agrees that any dispute, controversy, or claim, arising out of or relating to this Agreement or the breach or validity thereof or reconveyance ("Dispute") that is not resolved by negotiations between senior officers of the Parties within twenty (20) days after receipt by a Party of written notice of such Dispute where the value of the matter at issue is reasonably estimated to be less than $500,000 will be submitted to mandatory and binding arbitration under the following terms and conditions (unless mutually agreed otherwise in writing):

(a) Selection of Arbitrators. If the Parties are able to agree upon a single competent and disinterested arbitrator who is experienced in railroad matters and transportation law within twenty (20) days after written notice by one Party of its desire for arbitration to the other Party, then the question or controversy shall be submitted to and settled by that single

arbitrator. Otherwise, any Party (the "Notifying Party") may notify the other Party (the "Noticed Party") in writing of its request for arbitration and nominating one arbitrator. Within twenty (20) days after receipt of said notice, the Noticed Party shall appoint an arbitrator and notify the Notifying Party in writing of such appointment. Should the Noticed Party fail within twenty (20) days after receipt of such notice to name its arbitrator, said arbitrator may be appointed by the American Arbitration Association ("AAA"), which shall designate said appointment from the CPR Panel of Distinguished Neutrals, or other similar body of competent neutral arbitrators which may be agreed upon between the Parties, upon application by either Party after ten (10) days' written notice to the other Party. The two arbitrators so chosen shall select one additional arbitrator to complete the board who is experienced in railroad matters and transportation law. If the arbitrators so chosen fail to agree upon an additional arbitrator, the same shall, upon application of a Party, be appointed in the same manner hereto before stated.

(b) Conduct of Arbitration. In addition to damages, the arbitral tribunal may award any remedy provided for under applicable Law and the terms of this Agreement, including, without limitation, specific performance or other forms of injunctive relief. The arbitrators shall apply the law of the State of Illinois to the substance of the Dispute and will have no power or authority, under the rules of the AAA or otherwise, to amend or disregard any provision of this Agreement.

Upon selection of the arbitrators, said arbitrators shall, with reasonable diligence, determine the questions as disclosed in said notice of arbitration, shall give both parties reasonable notice of the time (of which the arbitrators shall be the judge) of hearing evidence and argument in Chicago, IL, may take such evidence as the arbitrators shall deem reasonable or as either party may submit with witnesses required to be sworn, and may hear arguments of counsel

or others. If an arbitrator declines or fails to act, the party (or parties in the case of a single arbitrator) by whom the arbitrator was chosen or the American Arbitration Association, as the case may be, shall appoint another to act in the arbitrator's place.

(c) Findings and Conclusions. After considering all evidence, testimony, and arguments, said single arbitrator or the majority of said board of arbitrators shall promptly state such decision or award and the reasoning for such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. The award rendered by the arbitrators may be entered as a judgment in any court in the United States of America having jurisdiction thereof and enforced as between the Parties without further evidentiary proceeding, the same as entered by the court at the conclusion of a judicial proceeding in which no appeal was taken. Until the arbitrators shall issue the first decision or award upon any question submitted for arbitration, performance under this Agreement shall continue in the manner and form existing prior to the rise of such question. After delivery of said first decision or award, each Party shall forthwith comply with said first decision or award immediately after receiving it.

(d) Temporary Equitable Relief. By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies, as may be available under the jurisdiction of such court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the Parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award Damages for the failure of any Party to respect the arbitral tribunal's orders to that effect.

(e) Costs and Attorneys Fees. Each Party shall pay all compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by CSXT and GTW.

(f) Discovery and Evidentiary Rules. The Parties may obtain discovery and offer evidence in accordance with the Federal Rules of Civil Procedure Rules 26 – 37, and Federal Rules of Evidence, as each may be amended from time to time.

26. EXHIBITS AND SCHEDULES.

All Exhibits and Schedules hereto are an integral part of this Agreement.

27. FINAL AGREEMENT.

This Agreement, together with those documents expressly referred to herein, constitute the final agreement of the Parties concerning the matters referred to herein, and supersede all prior agreements and understandings.

28. EXECUTION IN COUNTERPARTS.

This Agreement may be executed in several counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute one instrument. Counterparts of this Agreement may be exchanged via electronic facsimile machines or e-mail and any electronic facsimile of any Party's signature shall be deemed to be an original signature for all purposes; provided, however that if counterparts are so executed by facsimile machines or e-mail, then upon request of either Party original signatures will be exchanged promptly thereafter.

29. [Intentionally Omitted.]

30. WAIVER.

At any time prior to the Date of Exchange either Party hereto may extend the time for the performance of or waive compliance with any of the obligations or other acts of the other Party contained herein or waive any inaccuracies in the representations or warranties of the other Party contained herein or in any document delivered pursuant hereto. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party to be bound thereby. Except as otherwise expressly provided herein, the provisions of this Agreement may be amended only by the written agreement of the Parties hereto. Any waiver, consent, or approval of any kind or character on the part of either Party hereto with respect to any provisions or conditions of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in such instrument. No alteration, modification, or impairment shall be implied by reason of any previous waiver, extension of time, delay or omission in exercise or other indulgence.

31. FEES AND EXPENSES.

Except as otherwise expressly provided herein, each Party will bear all of its own expenses in connection with the preparation, execution, and negotiation of this Agreement and the transactions contemplated hereby.

32. FORCE MAJEURE.

Whenever a period of time is provided in this Agreement for either Party to do or perform any act or thing, said Party shall not be liable or responsible for any delays due to strikes, weather conditions, lockouts, casualties, acts of God, war, court orders, work stoppages, riots, public disorders, criminal acts of other entities, governmental regulations or control, or other such causes beyond the reasonable control of said Party; and in any such event, any time period

shall be extended for the amount of time said Party is so delayed, provided that this Article shall not be construed to affect the responsibilities of said Party hereunder to do or perform such act or thing once such delays have been removed.

33. PROHIBITION OF THIRD PARTY BENEFICIARIES.

Nothing herein expressed or implied is intended to or shall be construed to confer upon or to give any person, firm, partnership, corporation, or governmental authority other than the Parties hereto and their respective successors and assigns any right or benefit under or by reason of this Agreement.

34. LIKE-KIND EXCHANGE.

(a) To the extent so requested by CSXT, GTW agrees to cooperate with CSXT to permit CSXT to accomplish the like-kind exchange, including assignment of rights, but not the obligations, under this Agreement to a qualified intermediary, as defined in Section 1.1031-1(g) of the Treasury Regulations issued by the Treasury Department of the United States, but at no additional expense or liability to GTW for the tax-deferred exchange, and with no delay in the Date of Exchange. GTW's cooperation will include, without limitation, executing such supplemental documents as CSXT may reasonably request, which may include without limitation an assignment of CSXT's rights and obligations under this Agreement to a like-kind exchange intermediary.

(b) To the extent so requested by GTW, CSXT agrees to cooperate with GTW to permit GTW to accomplish the like-kind exchange, including assignment of rights, but not the obligations, under this Agreement to a qualified intermediary, as defined in Section 1.1031-1(g) of the Treasury Regulation issued by the Treasury Department of the United States, but at no additional expense or liability to CSXT for the tax-deferred exchange, and with no delay in the Date of Exchange. CSXT's cooperation will include, without limitation, executing such

supplemental documents as GTW may reasonably request, which may include without limitation an assignment of GTW's rights and obligations under this Agreement to a like-kind exchange intermediary.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, CSXT and GTW by their duly authorized officials have executed this Agreement as of the day and year first above written.

CSX TRANSPORTATION, INC.

By: Stephen A. Crosby
Its: Designated Signatory, President CSX Real Property, Inc.

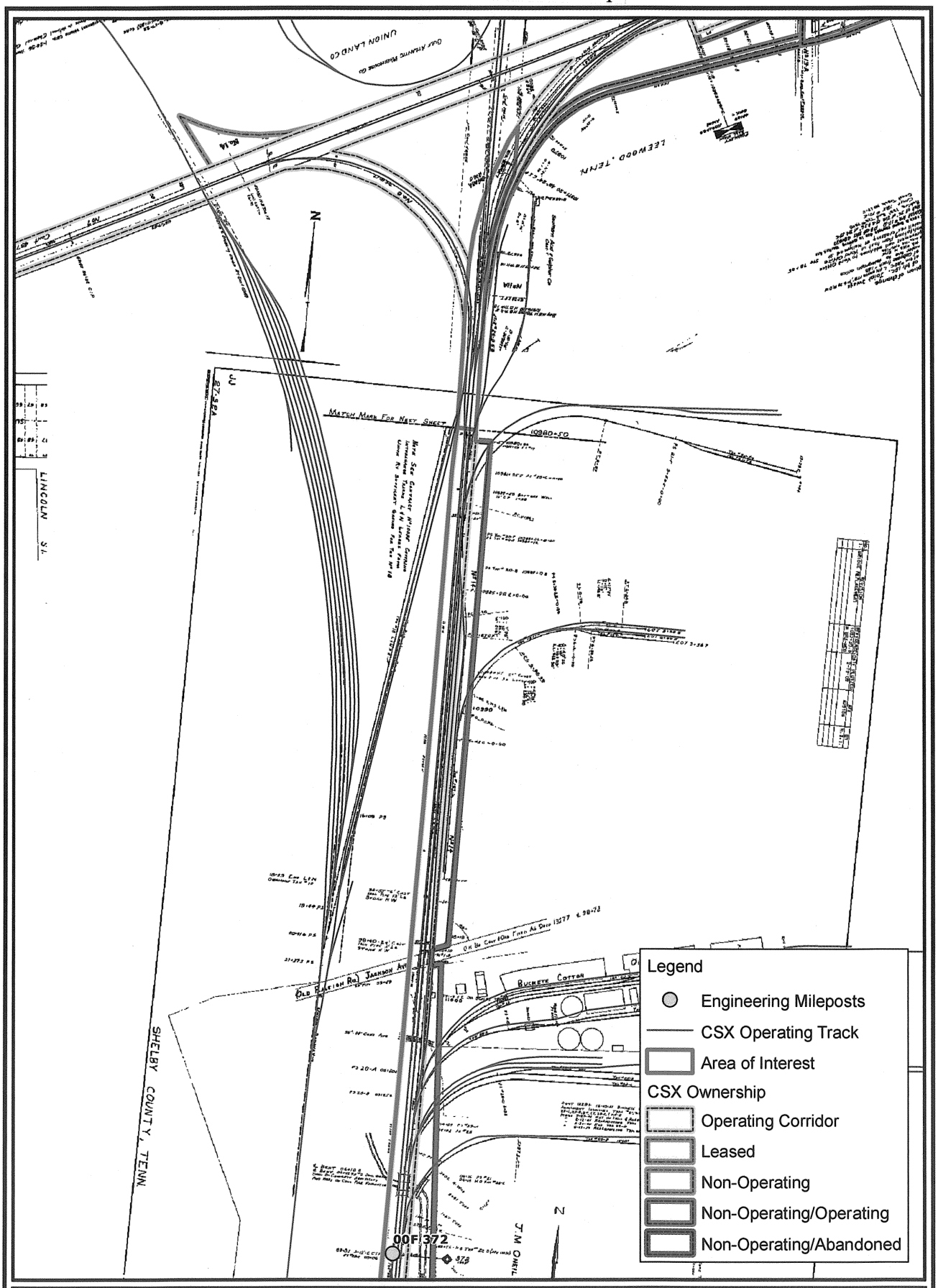
GRAND TRUNK WESTERN RAILROAD COMPANY

By: Paul E. Ladue
Region Director Contracts & Administration

EXHIBITS

Exhibit A – Leewood Easement Map
Exhibit B – Leewood Easement Non-Operating Parcels
Exhibit C –Elsdon Easement Map
Exhibit D – Elsdon Easement Non-Operating Parcels
Exhibit E – Elsdon Easement Agreement
Exhibit F – Leewood Easement Agreement
Exhibit G – Assumption Agreement
Exhibit H – CSXT Assumed Third Party Agreements
Exhibit I – GTW Reserved Fiber Optic & Billboard Agreements
Exhibit J – GTW Assumed Third Party Agreements
Exhibit K – CSXT Reserved Fiber Optic & Billboard Agreements

Exhibit A – Leewood Easement Map



CSX Transportation, Inc.
Easement Exchange with CN

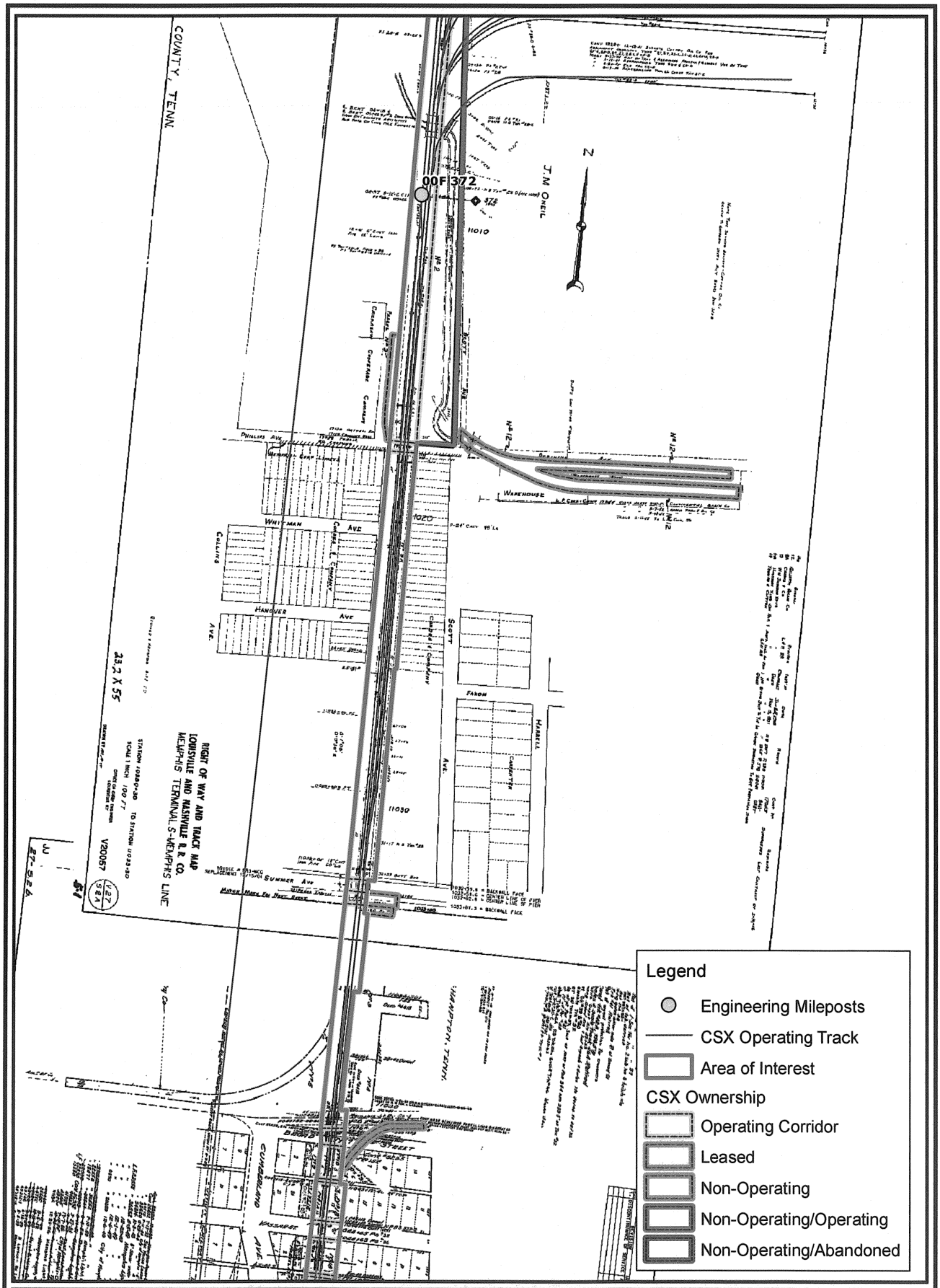
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Shelby County - Memphis, TN
Memphis Division - Memphis Terminal Subdivision
Milepost 00F 370.83 to 00F 343.40

Map 1 of 3

1 inch = 300 feet

0 100 200 300 400 500 Feet

CSX How tomorrow moves



CSX Transportation, Inc.
Easement Exchange with CN

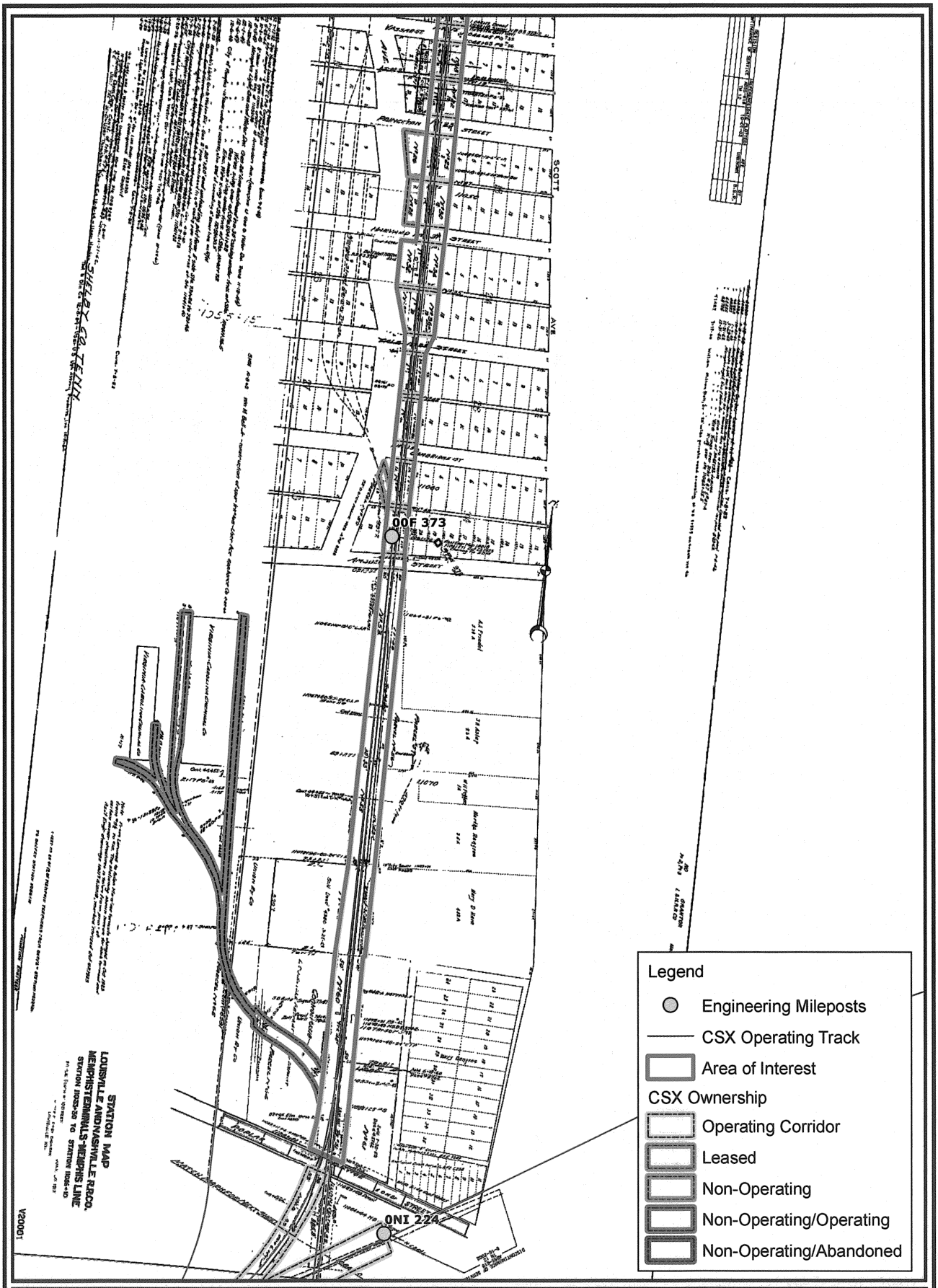
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Memphis Division - Memphis Terminal Subdivision
Milepost 00F 370.83 to 00F 343.40

Map 2 of 3

1 inch = 300 feet

0 100 200 300 400 500 Feet

CSX How tomorrow moves



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Map 3 of 3

1 inch = 300 feet

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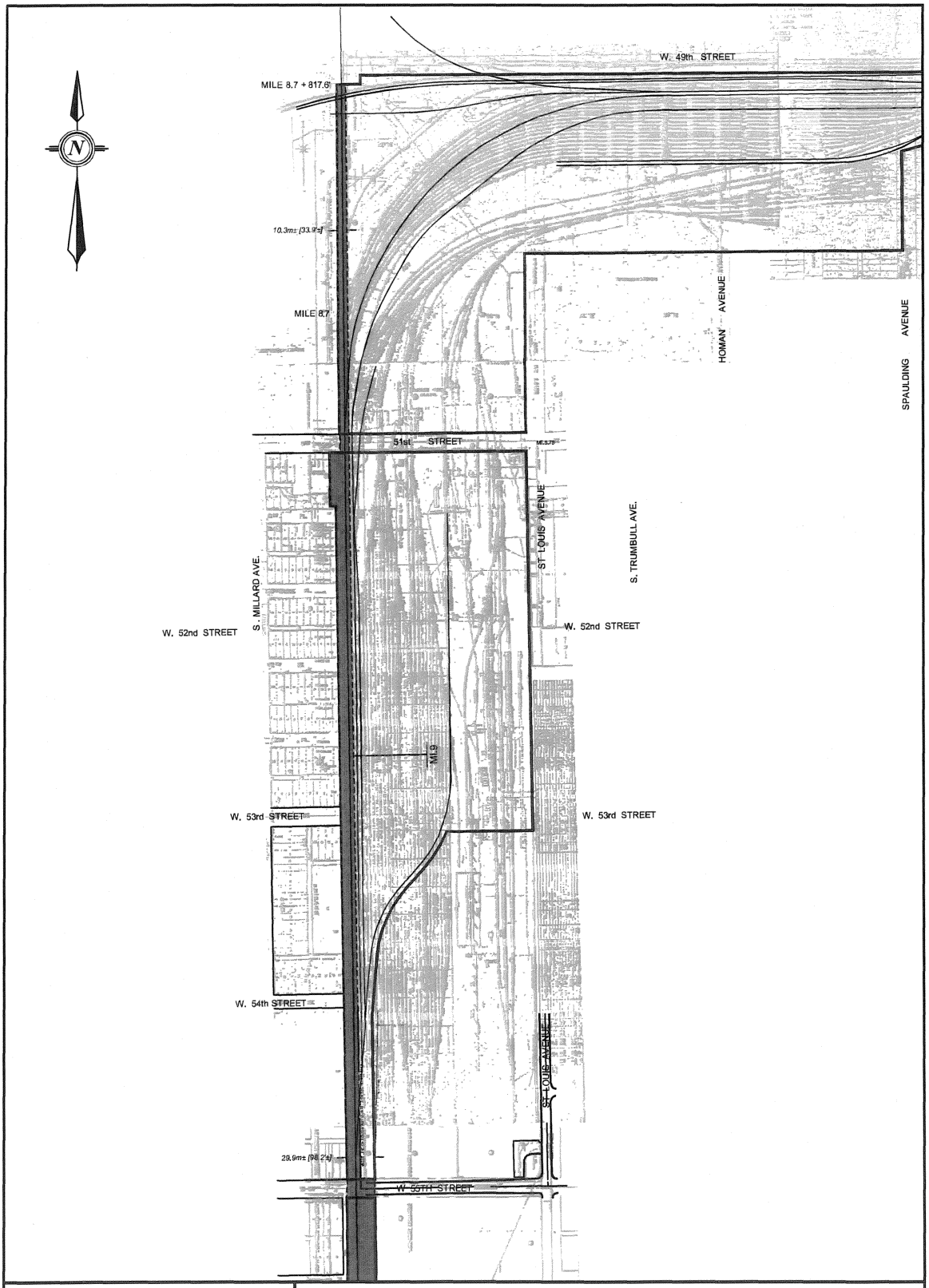
CSX How tomorrow moves

EXHIBIT B

LEEWOOD EASEMENT NON-OPERATING PARCELS

NONE

Exhibit C –Elsdon Easement Map



DESCRIPTION:

Elsdon Subdivision
State of Illinois
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Exhibit C
PAGE 1

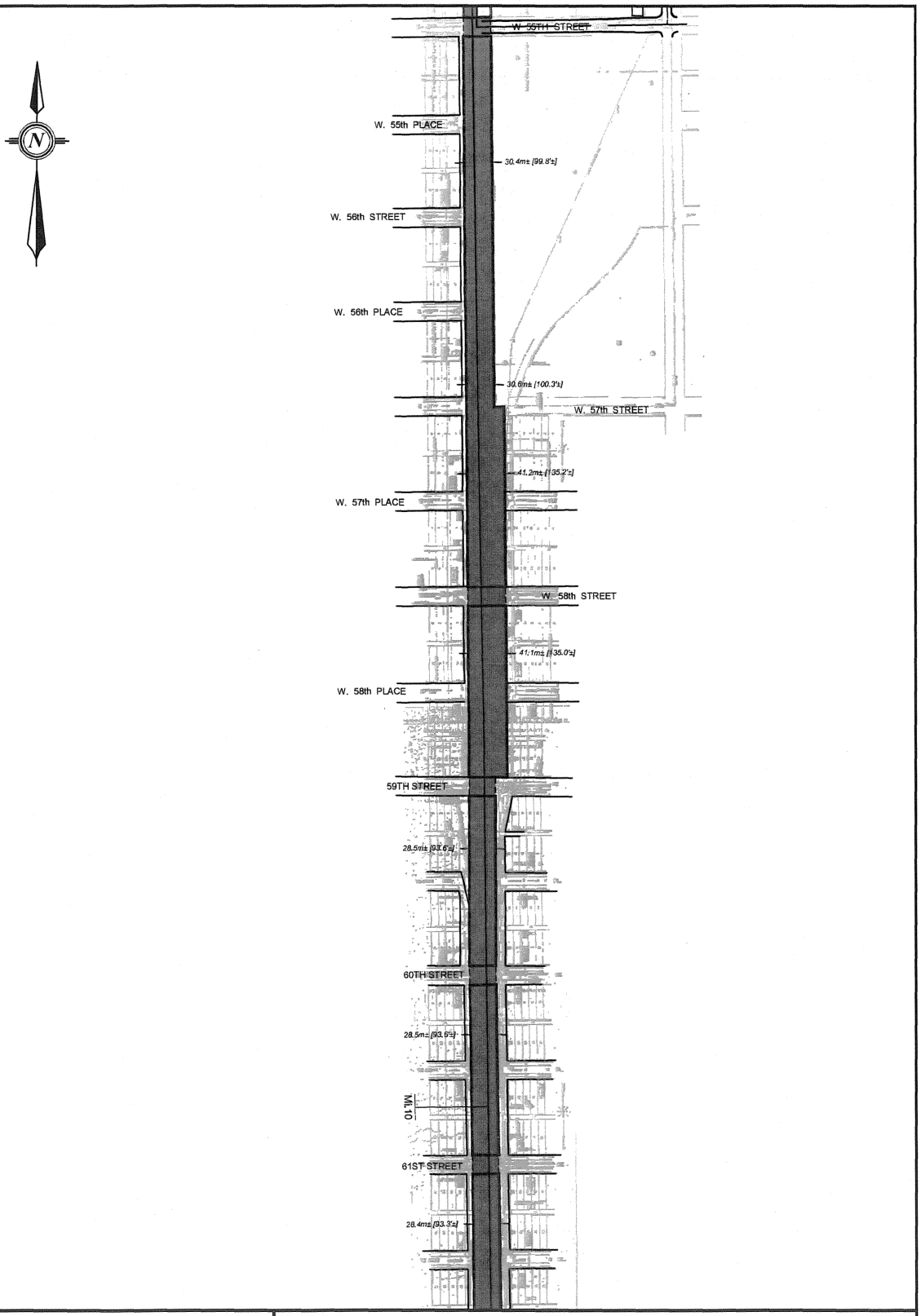
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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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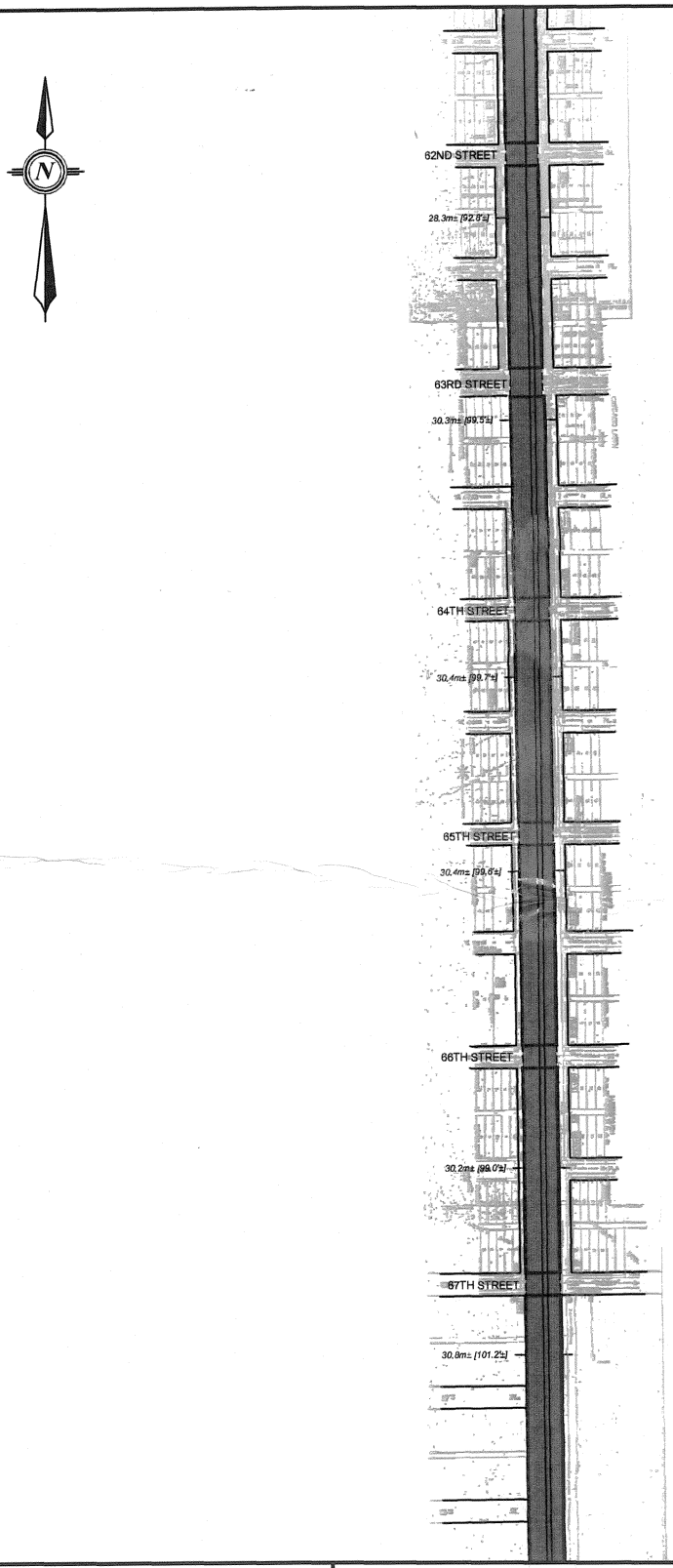
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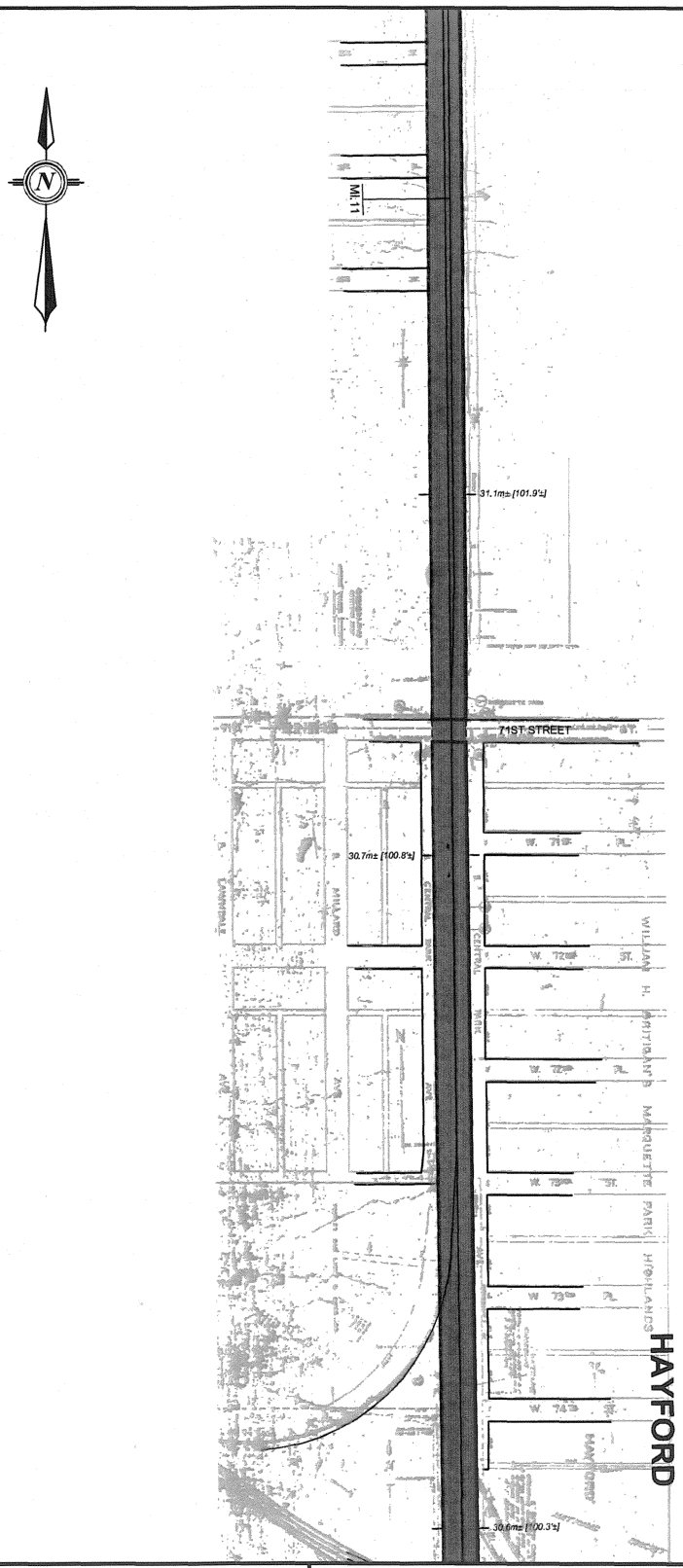
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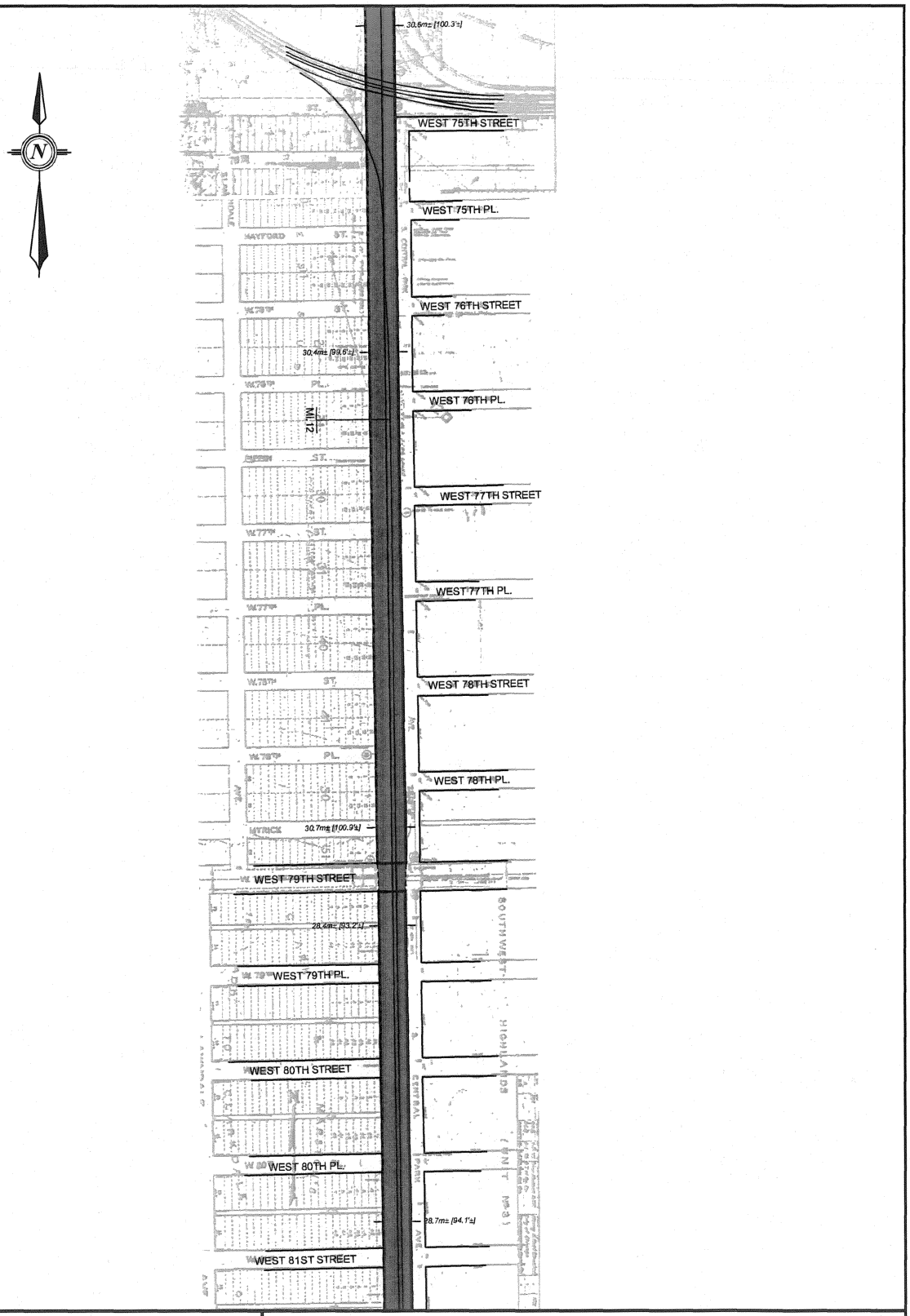
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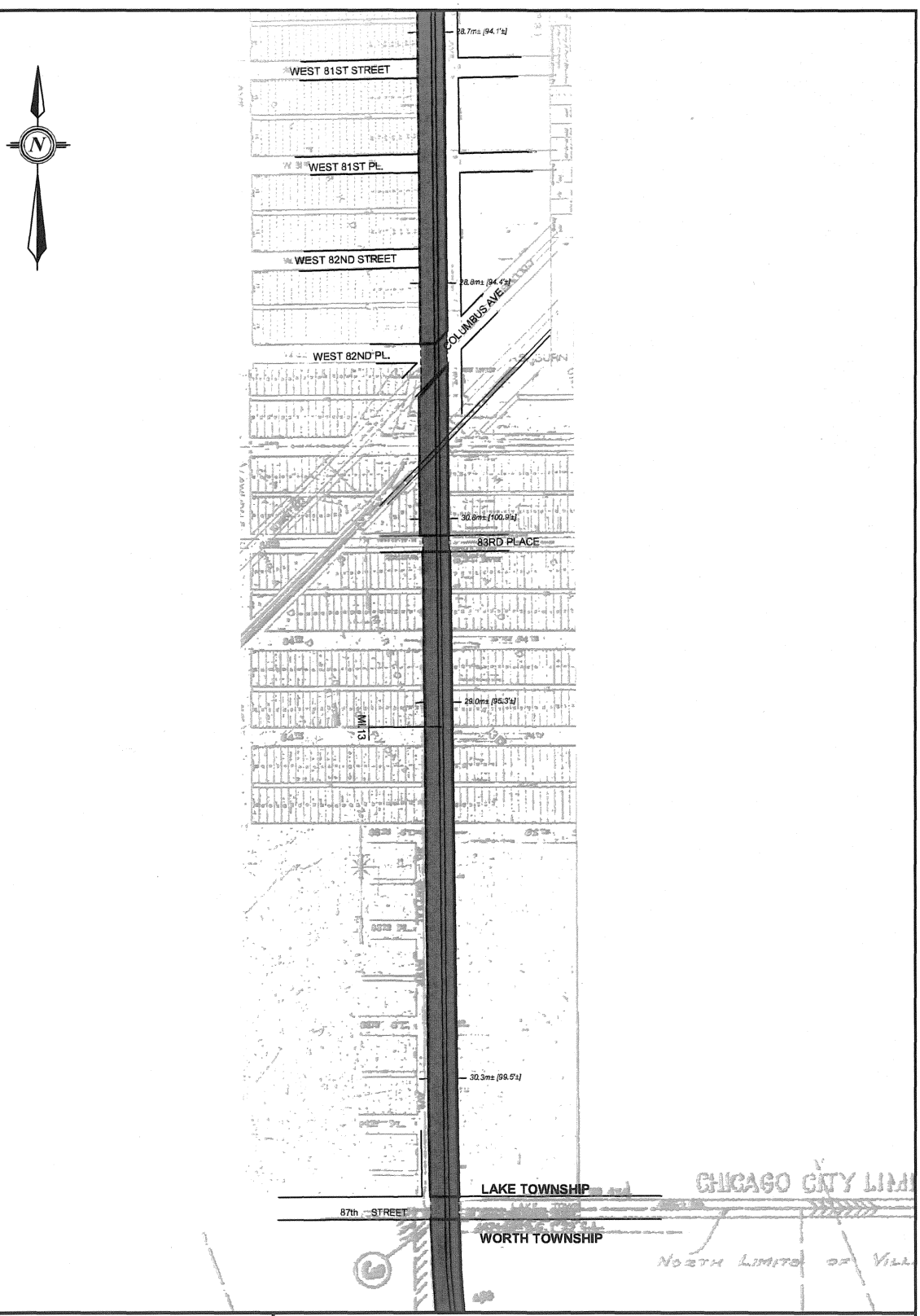
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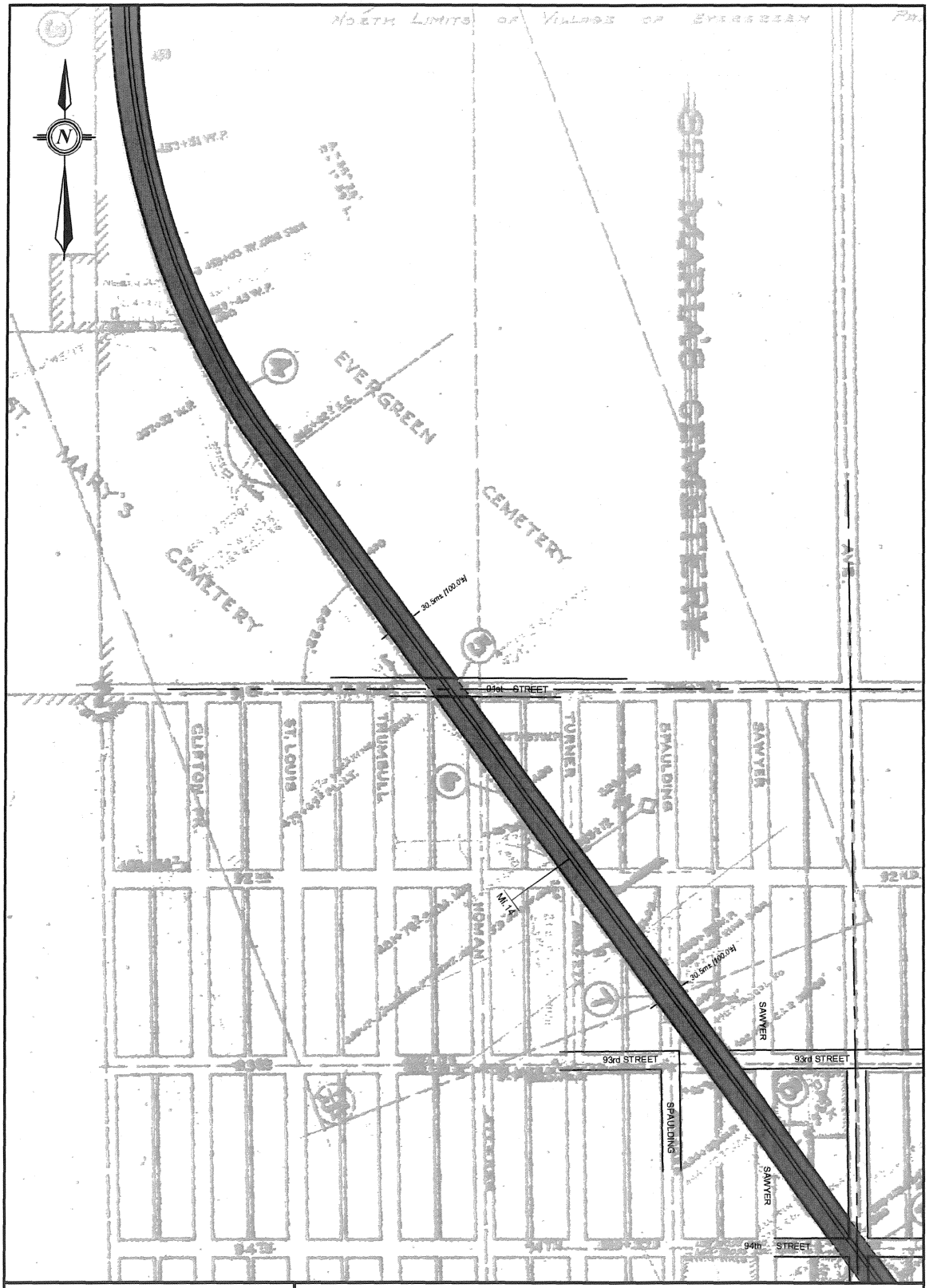
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PAGE 7

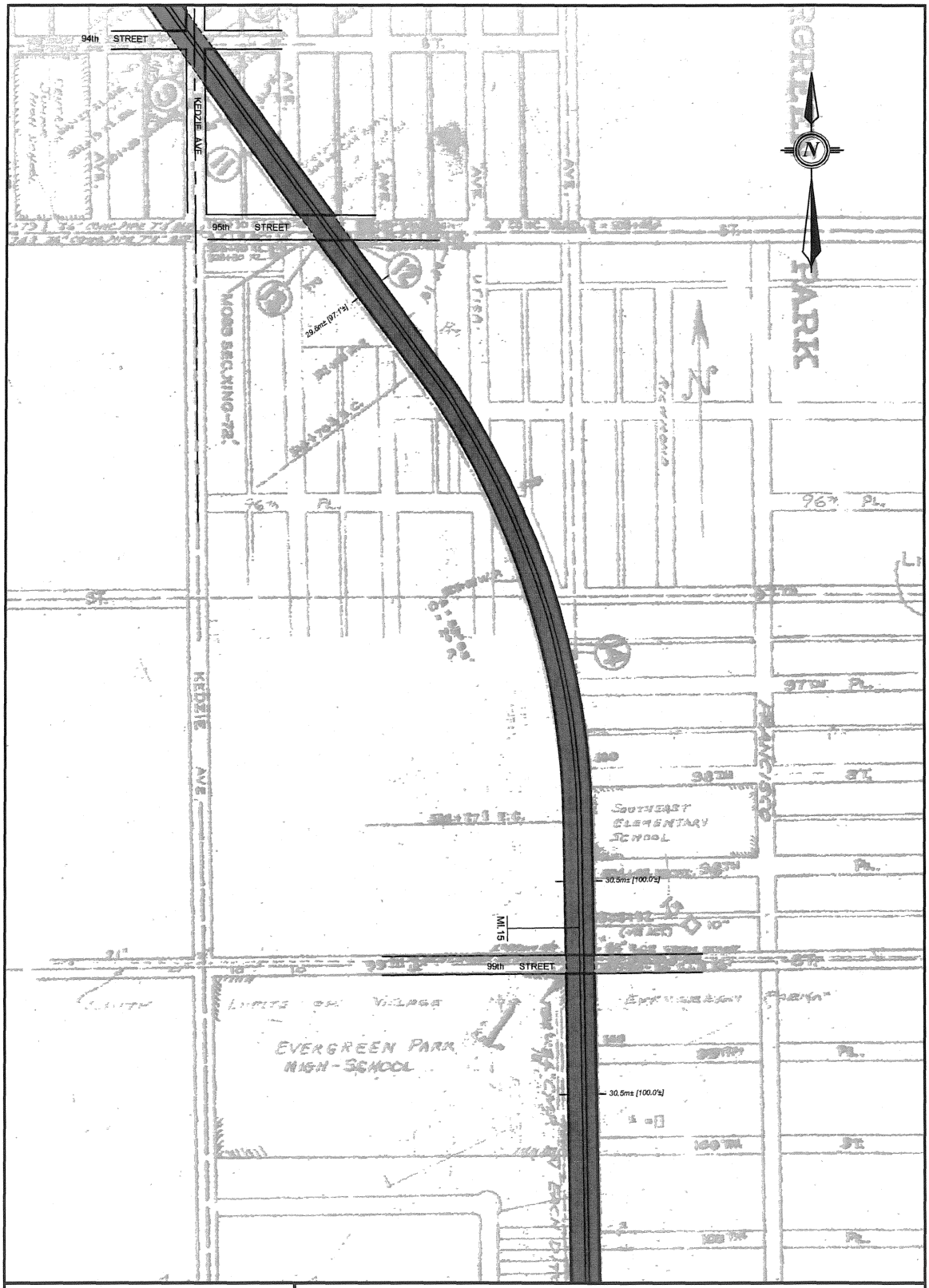
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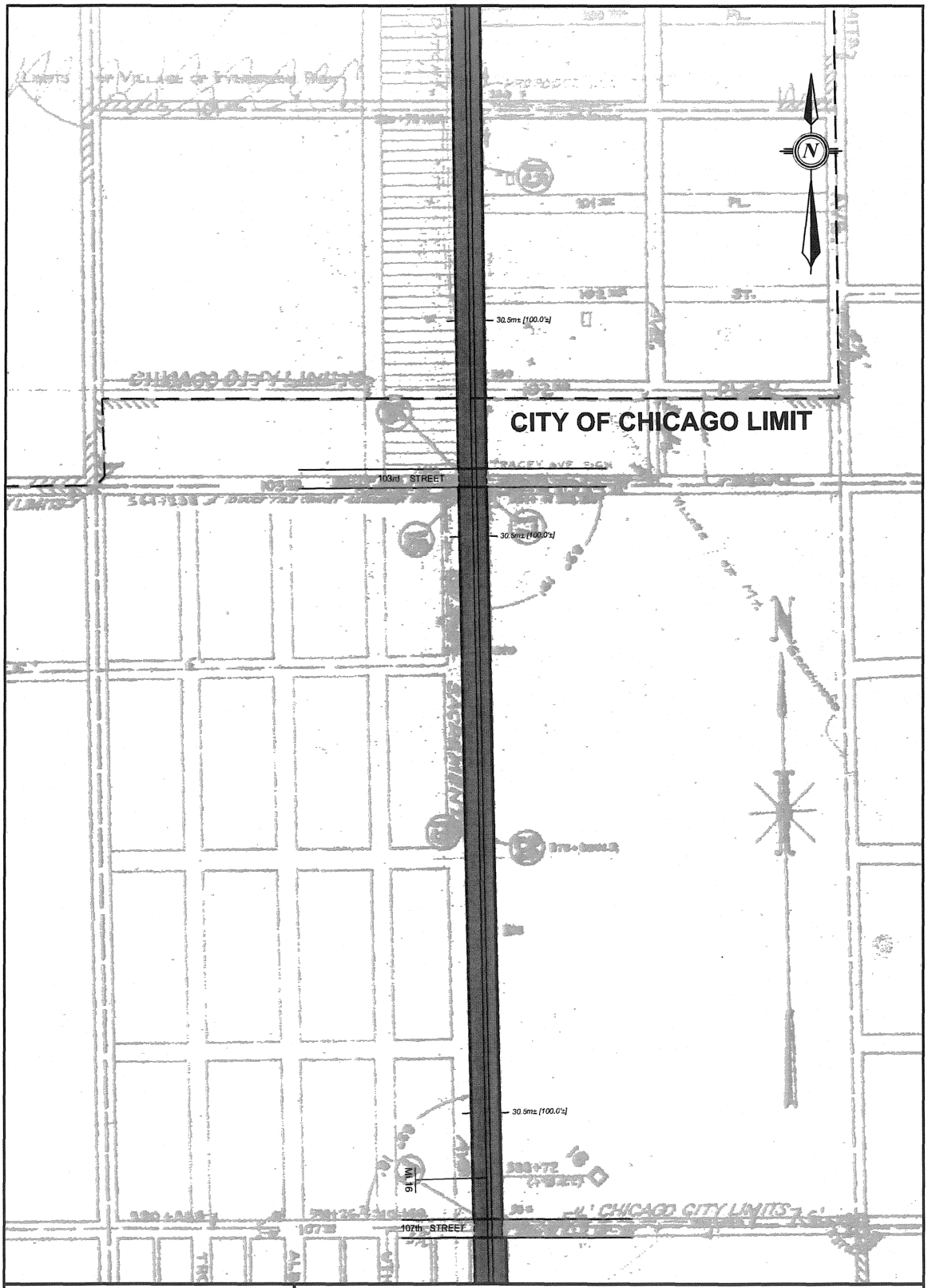
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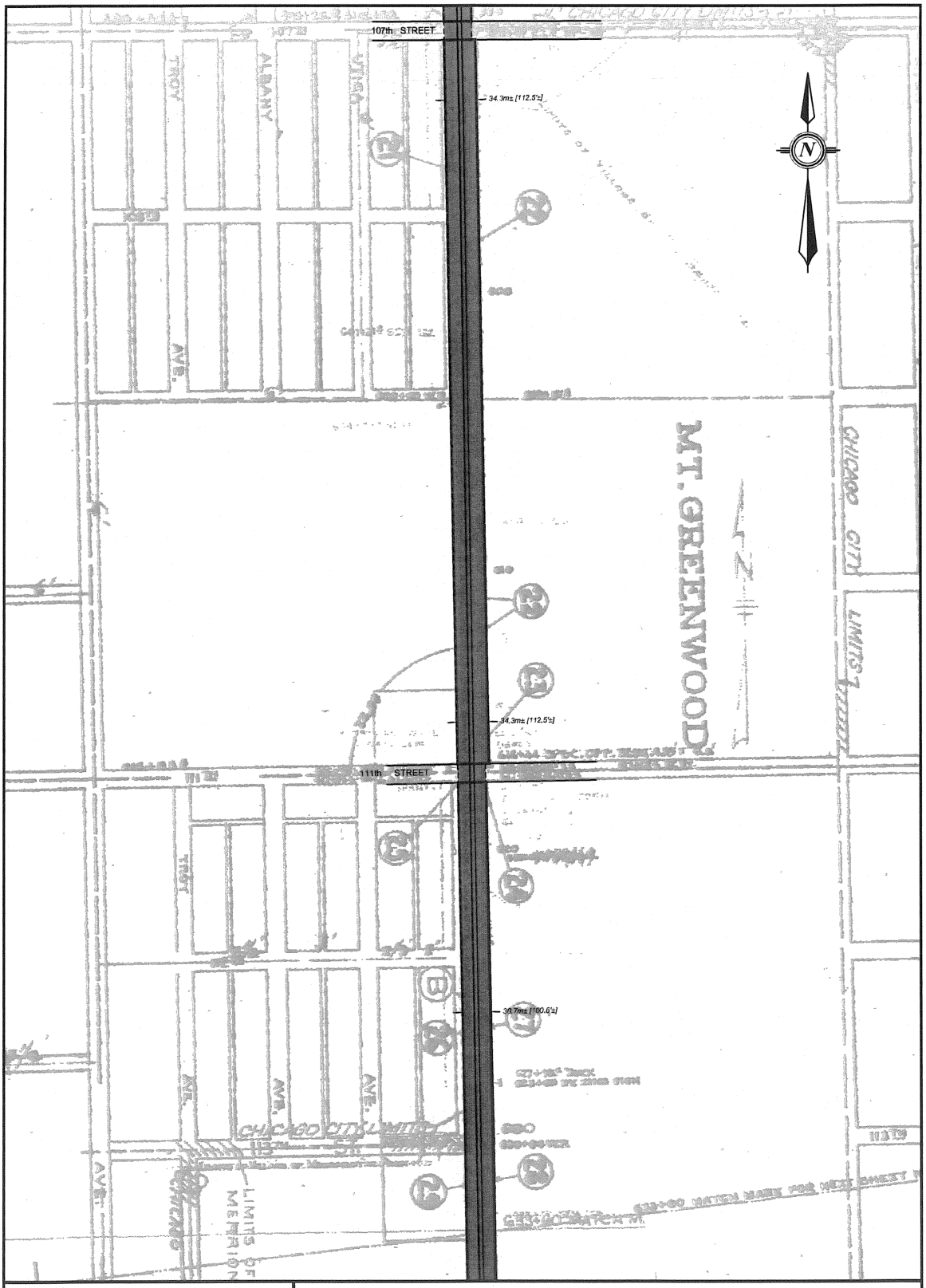
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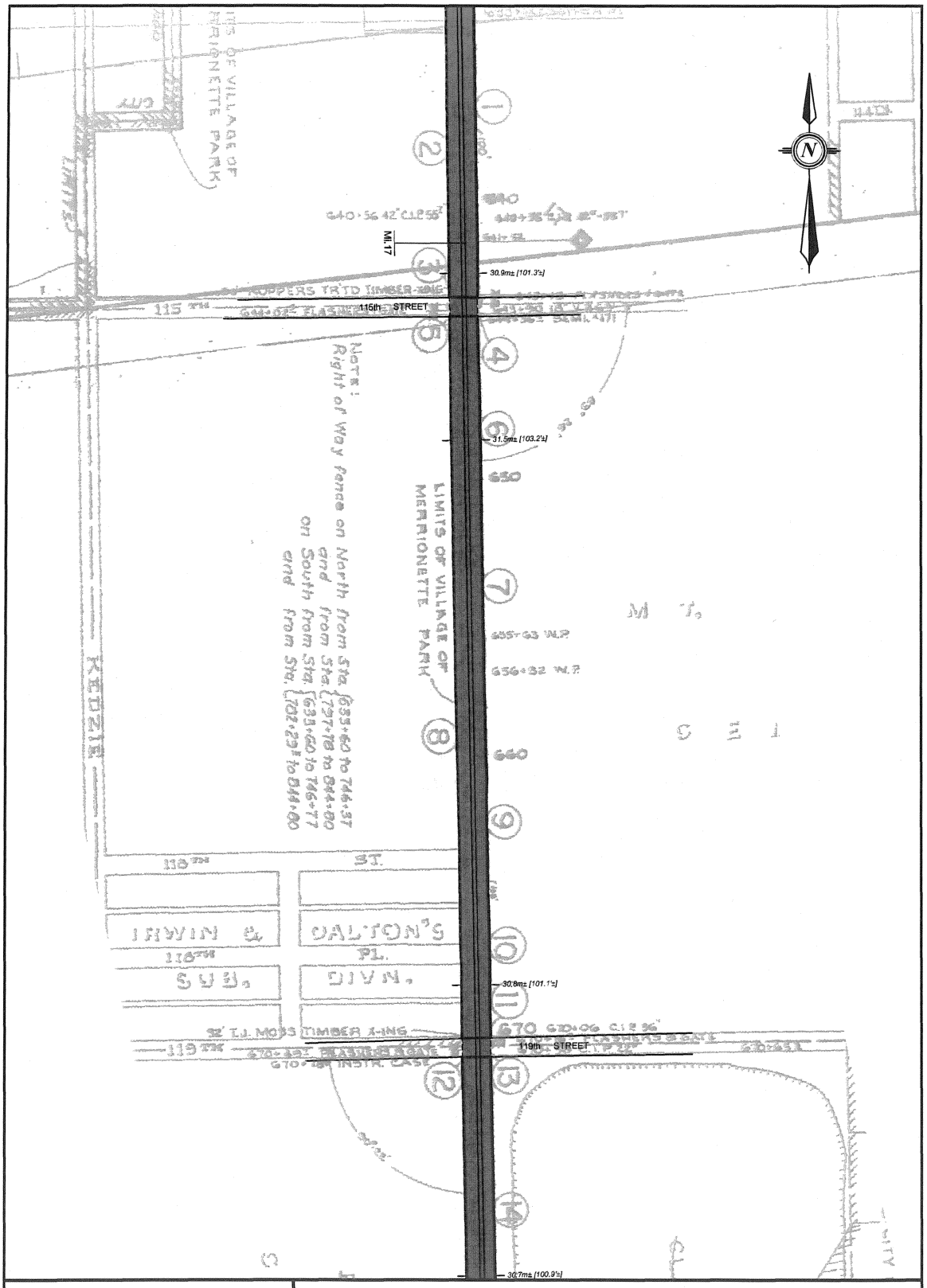
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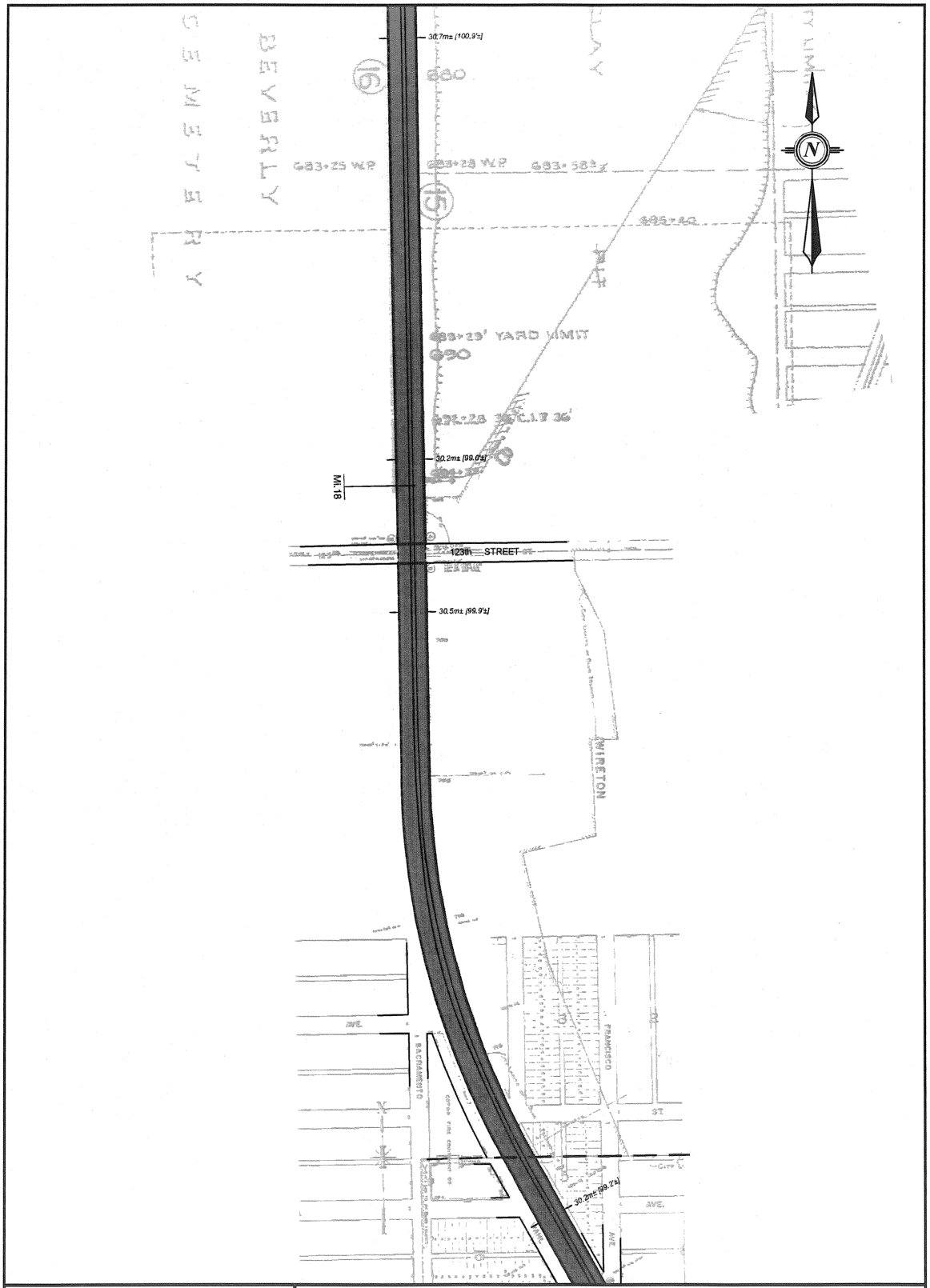
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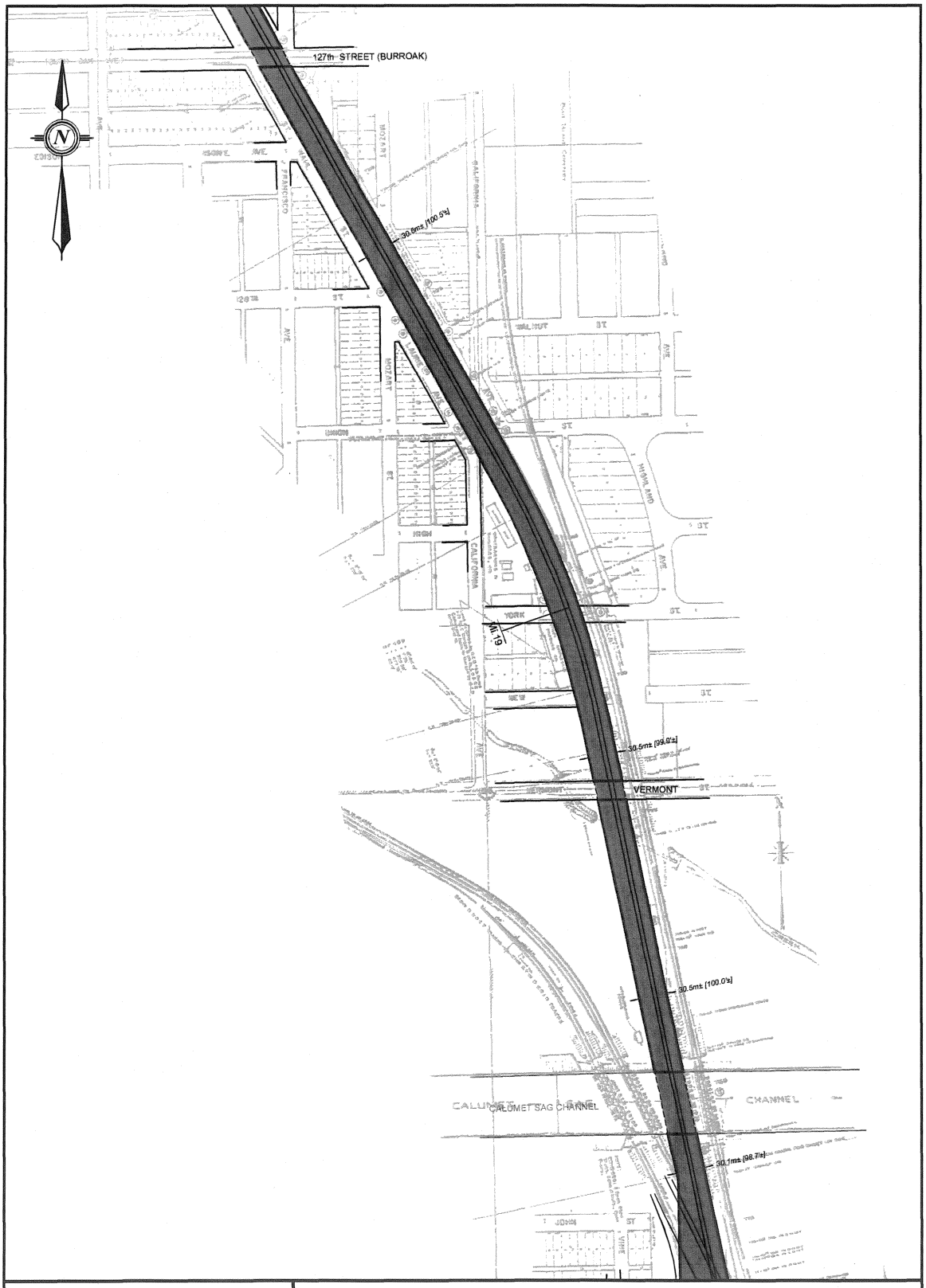
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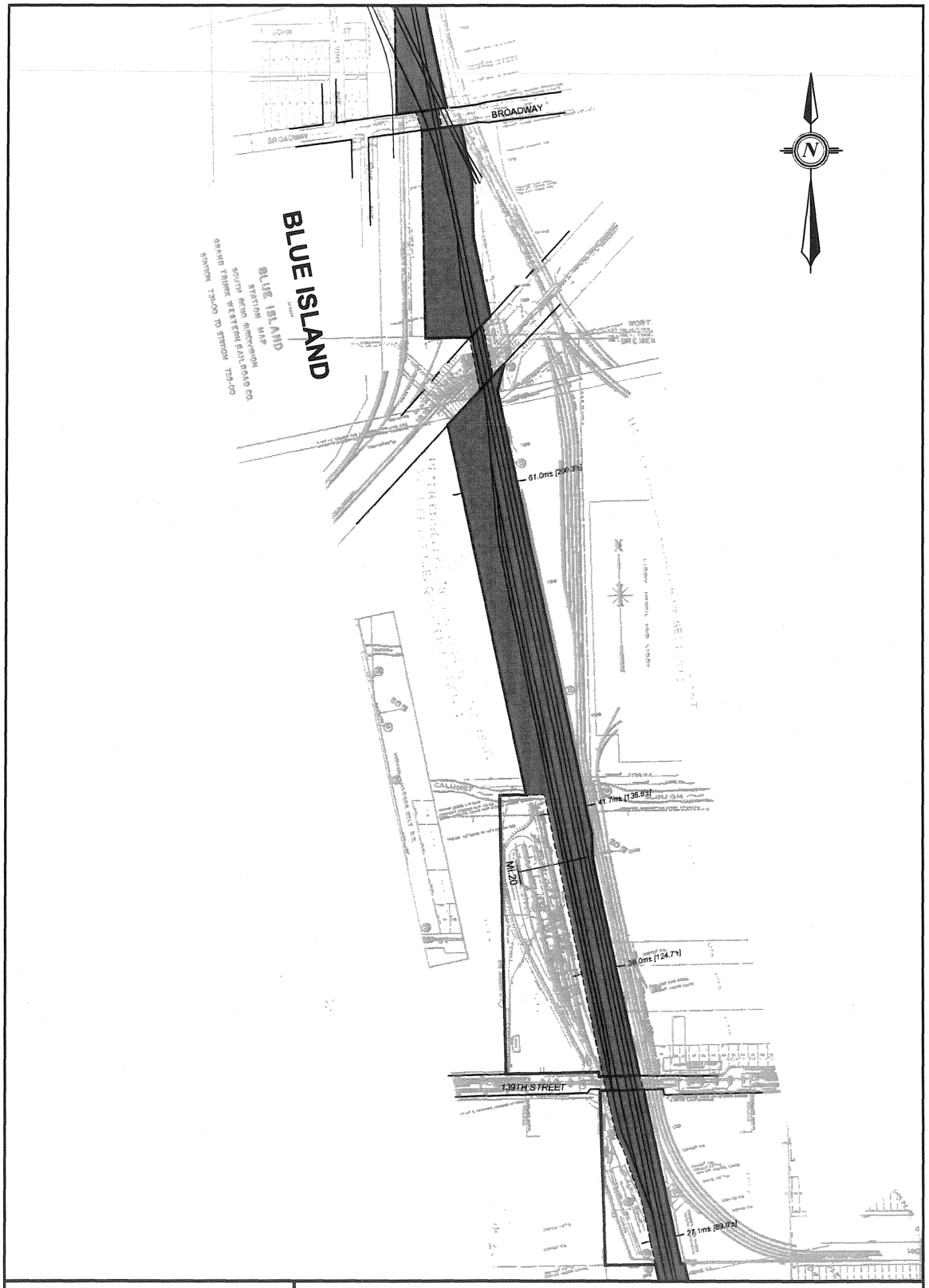
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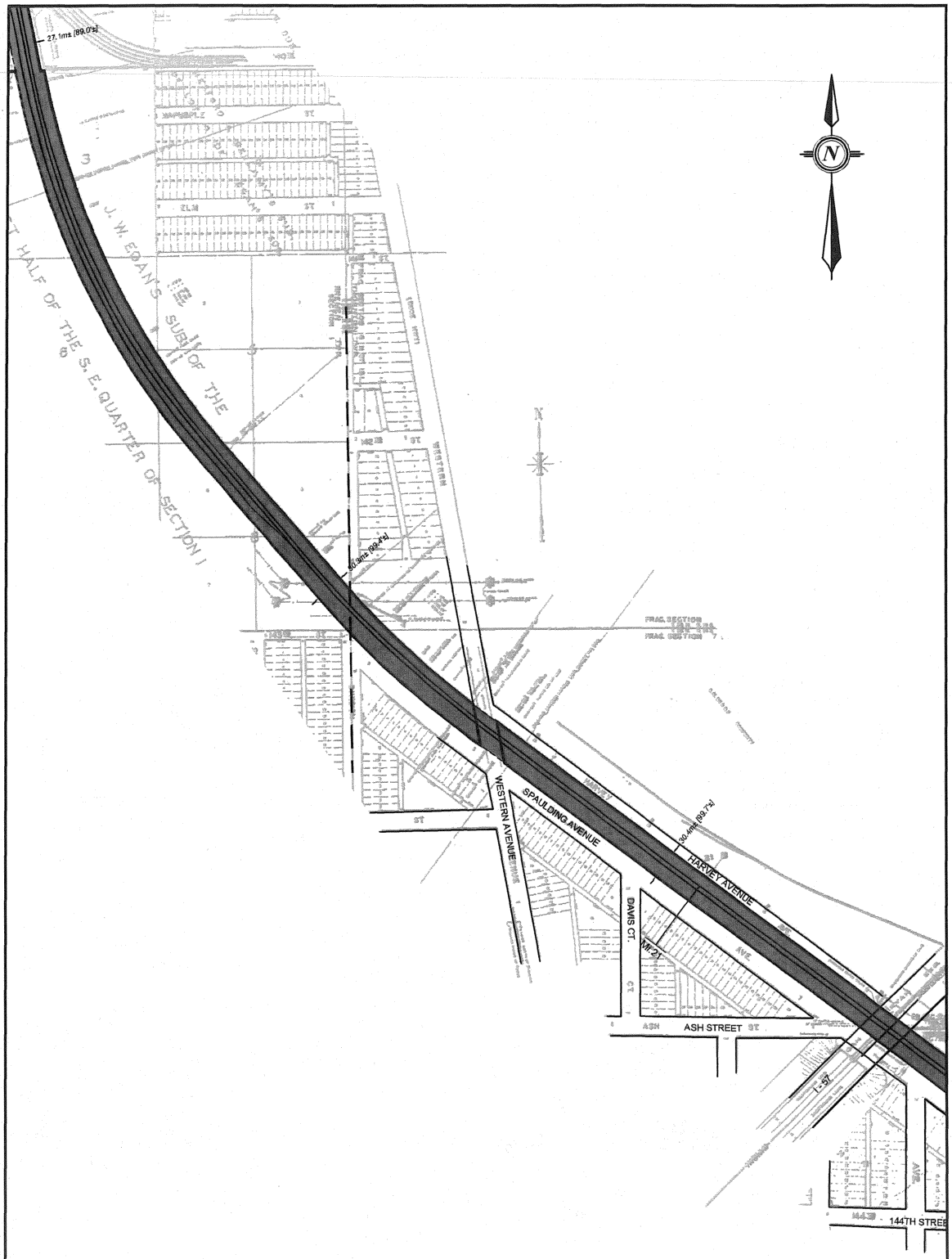
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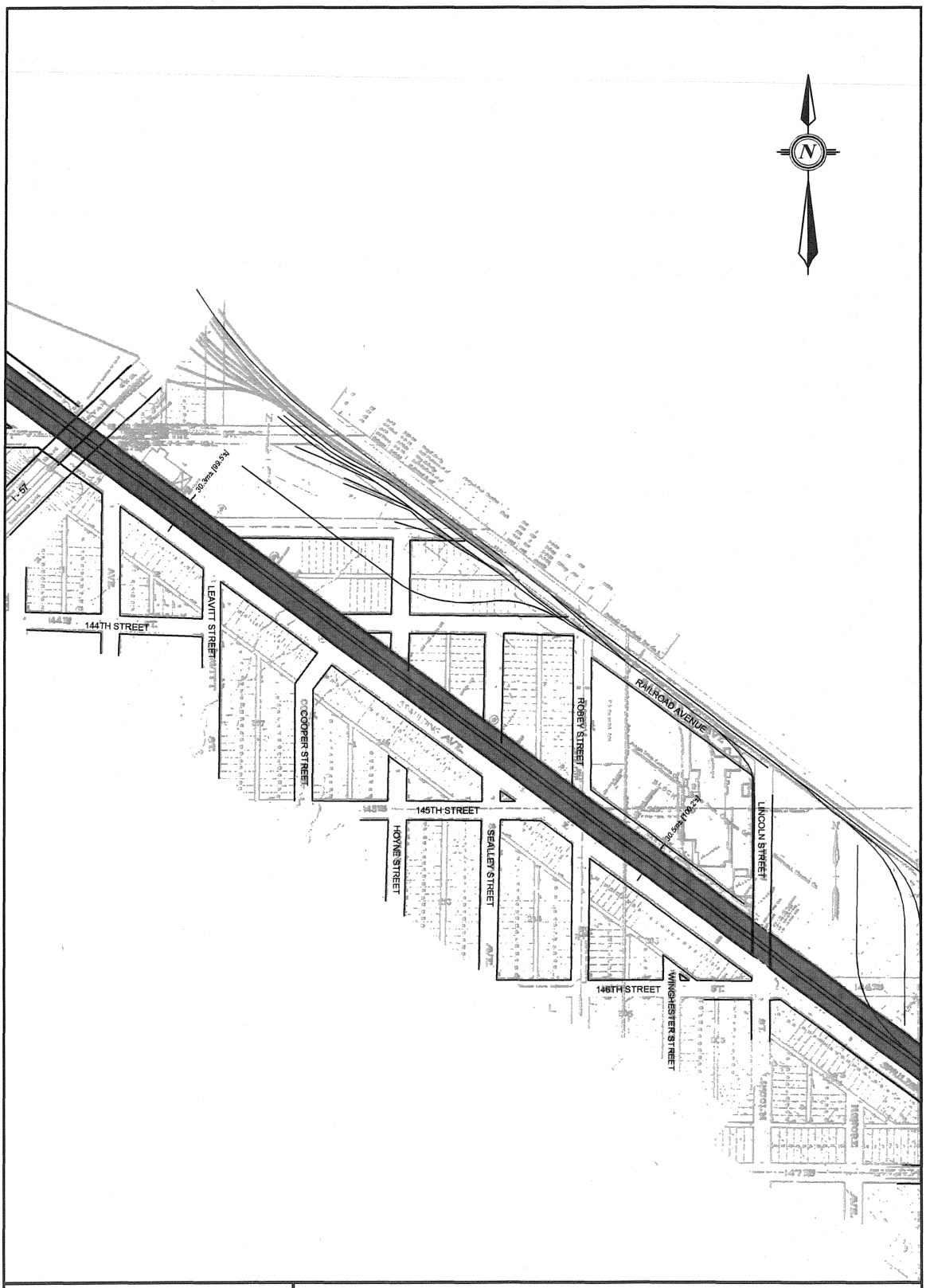
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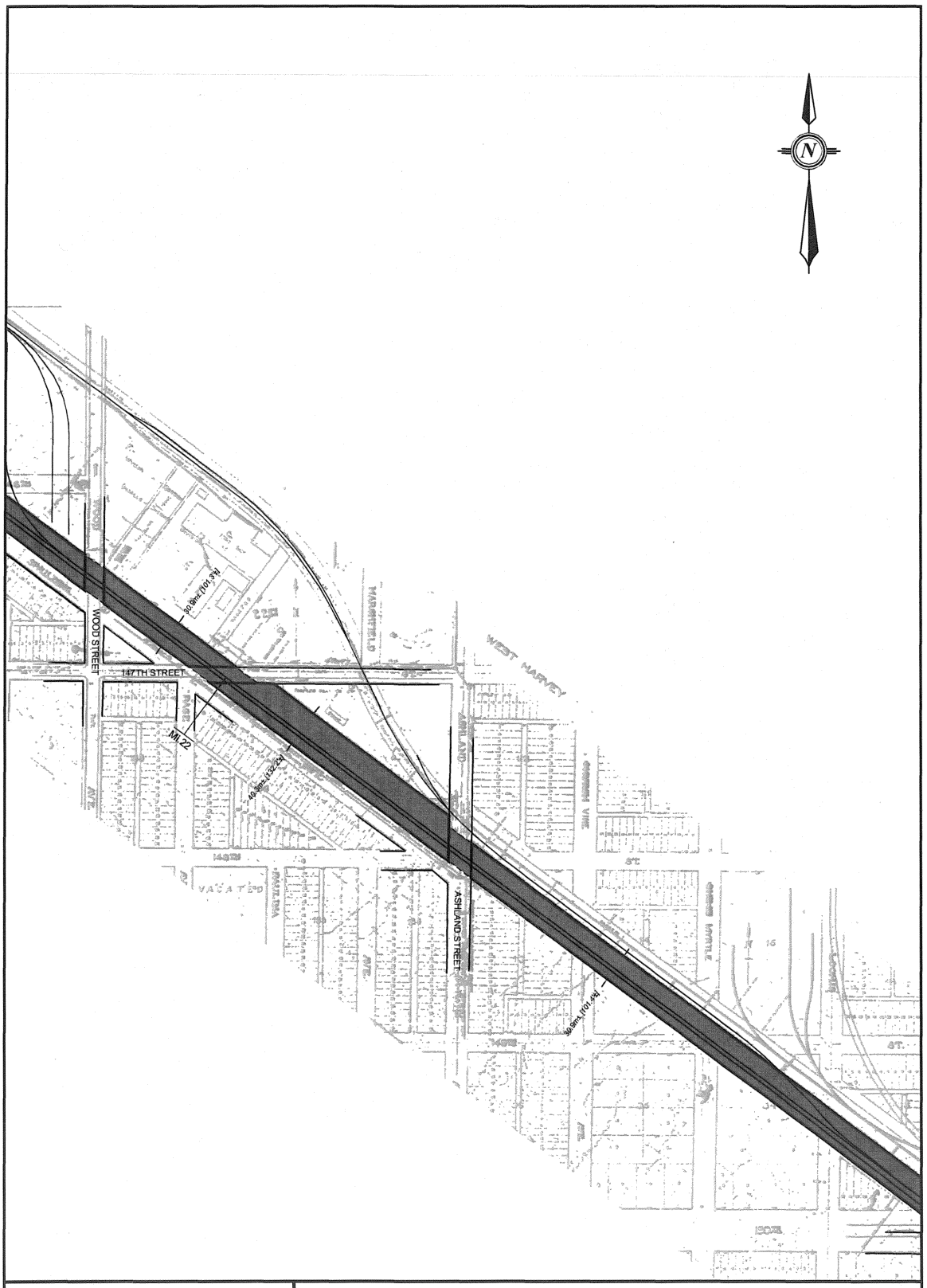
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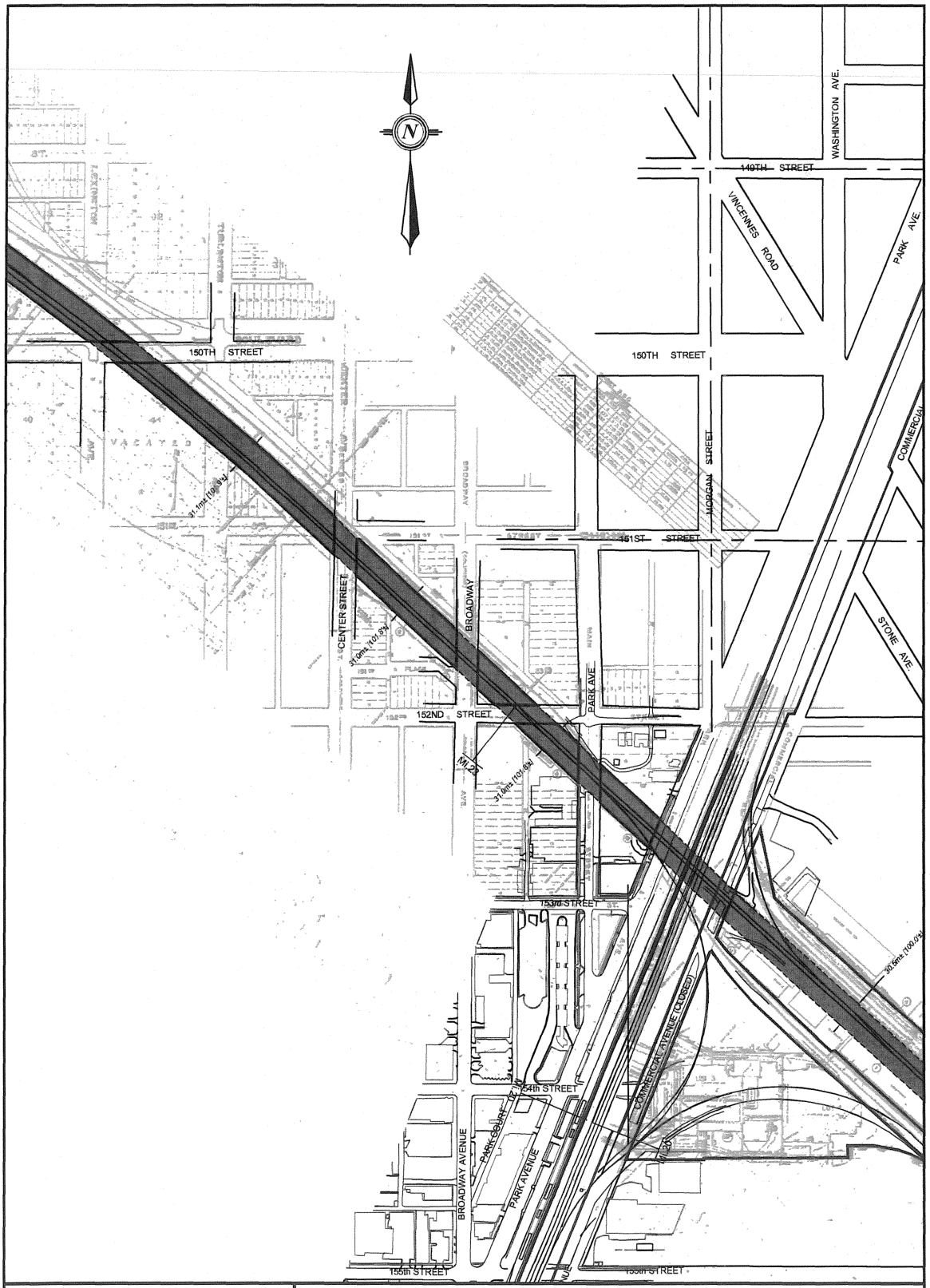
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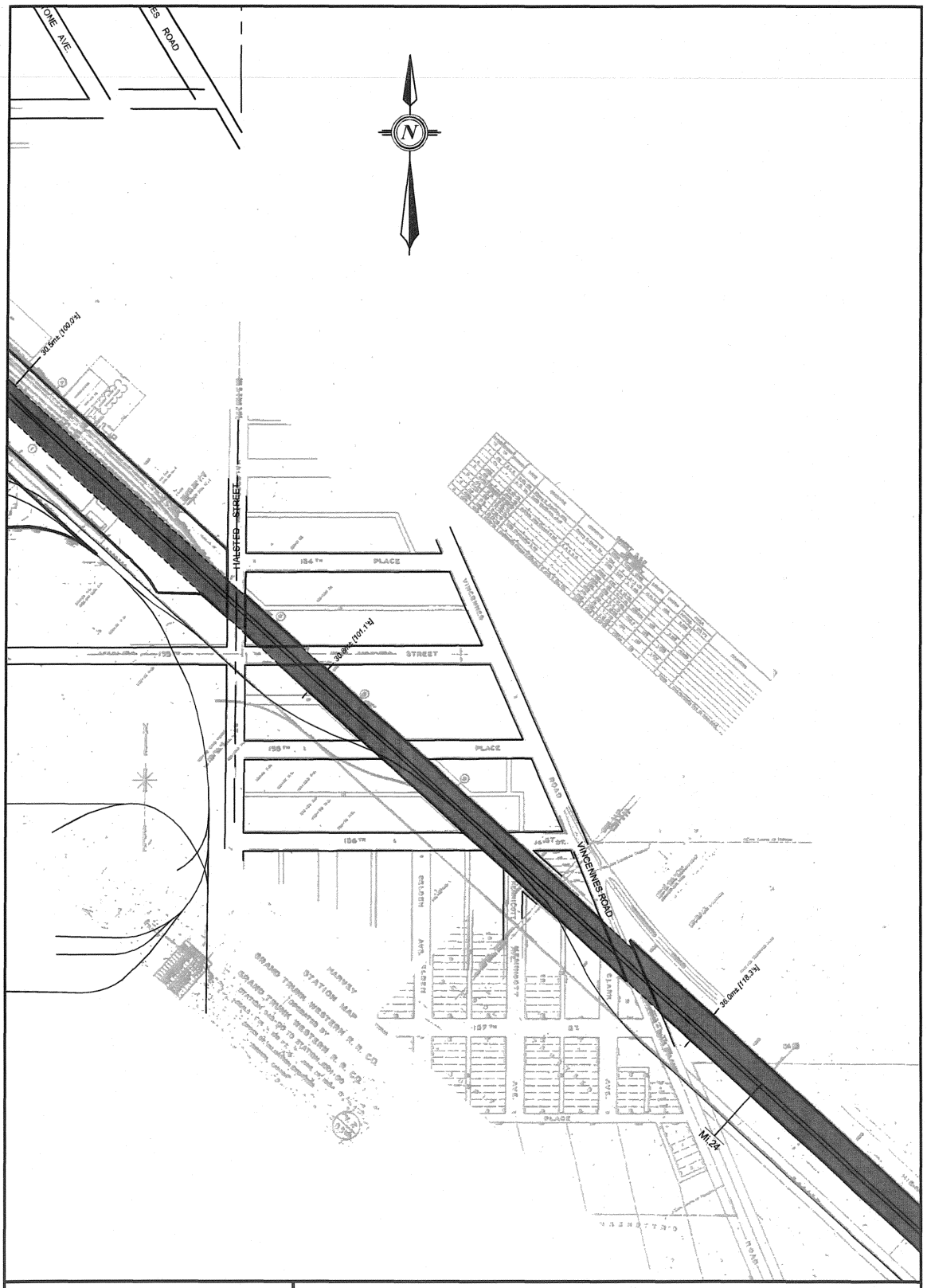
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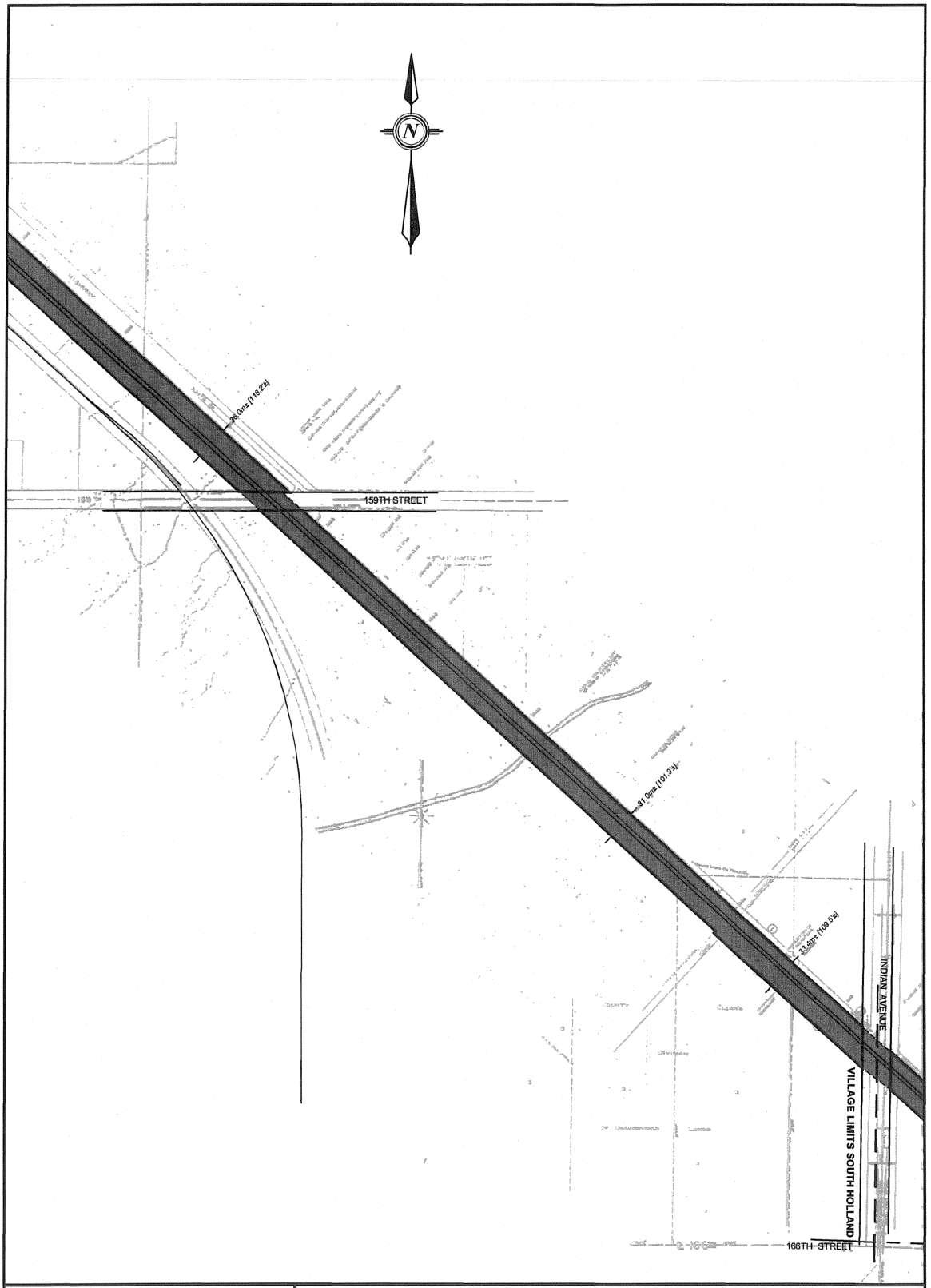
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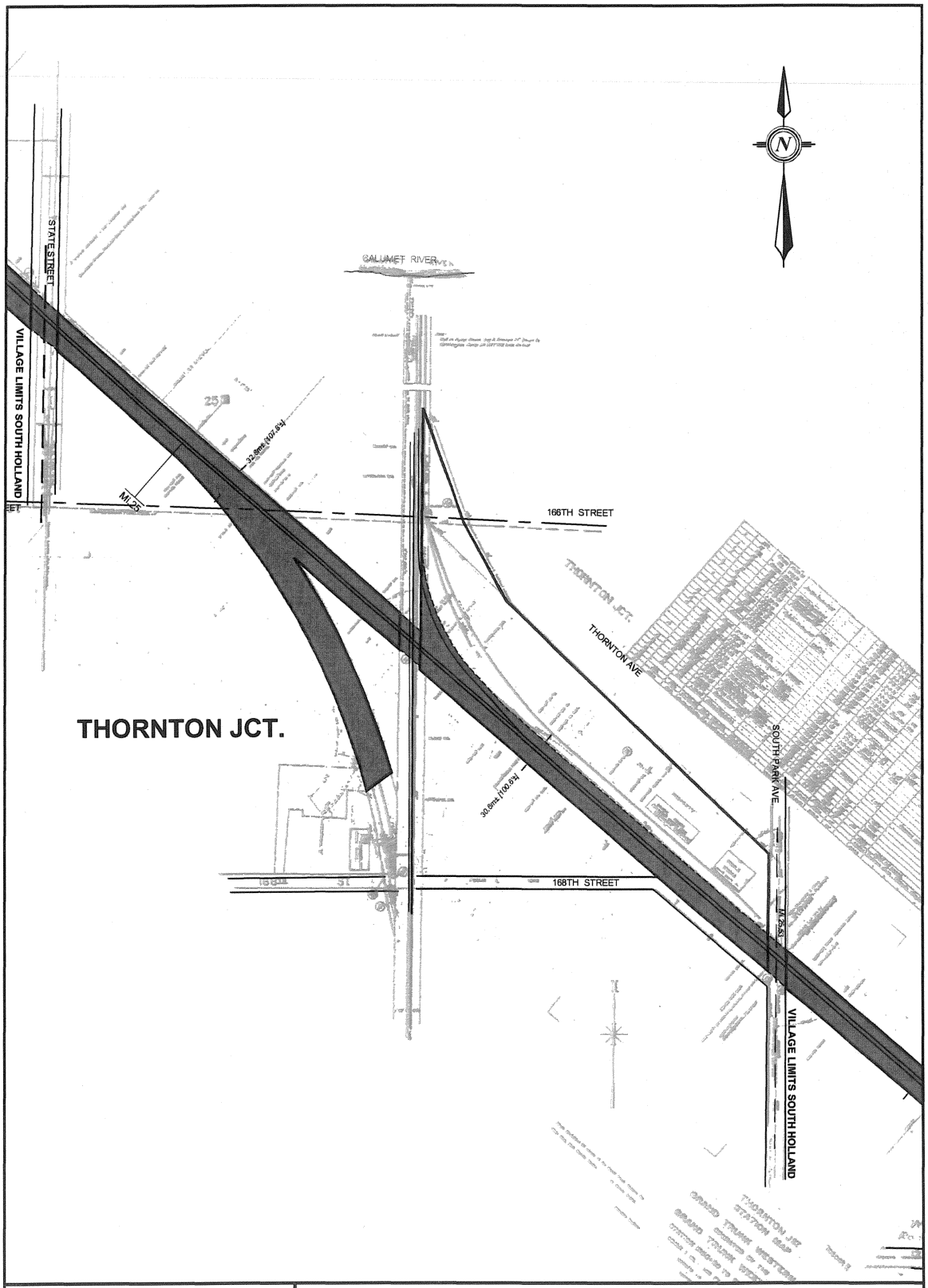
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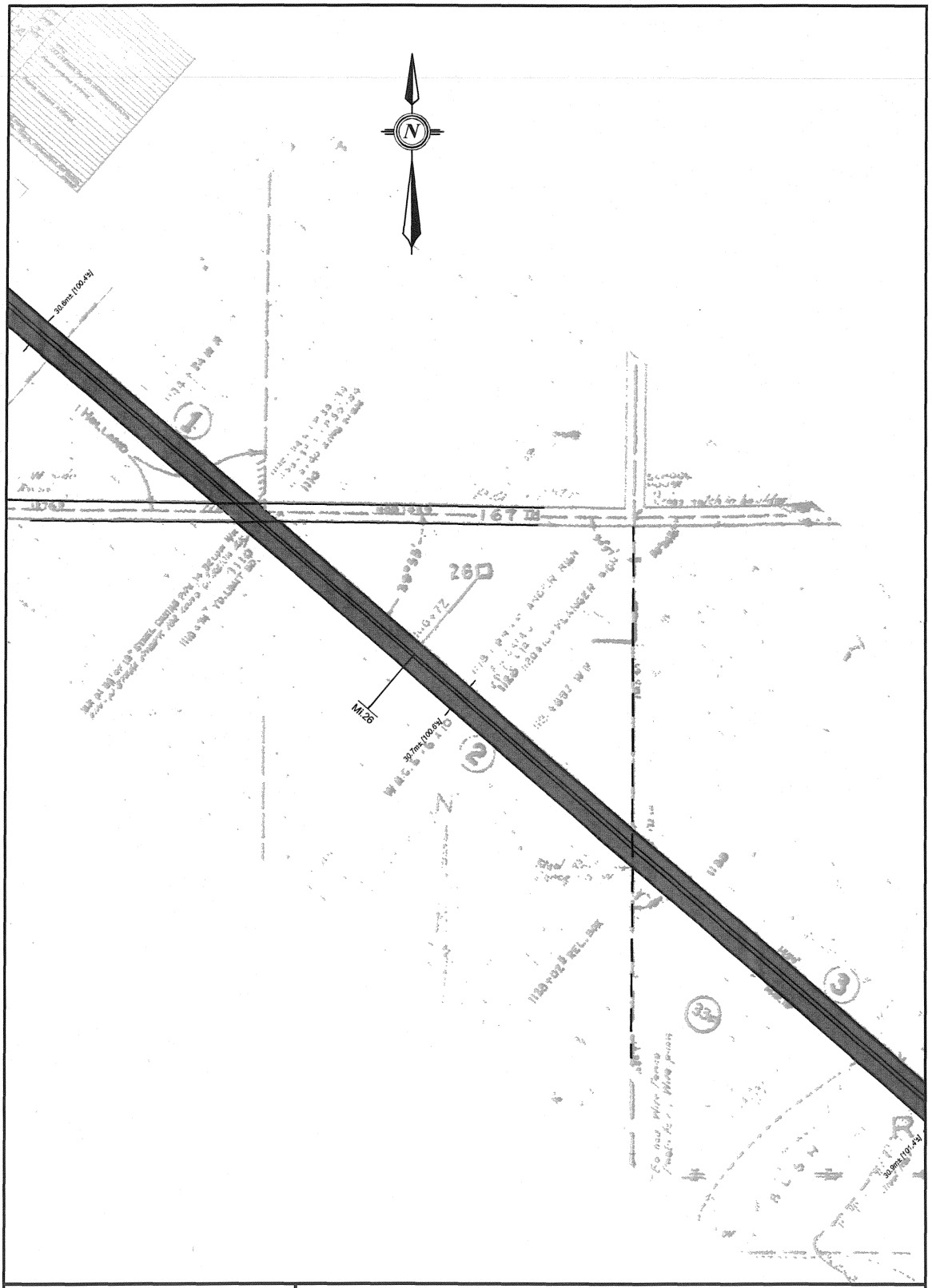
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0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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DESCRIPTION:

Elsdon Subdivision
State of Illinois
United States of America

THIS IS NOT A PLAN OF SURVEY
CECI N'EST PAS UN PLAN D'ARPENTAGE

Exhibit C
PAGE 22

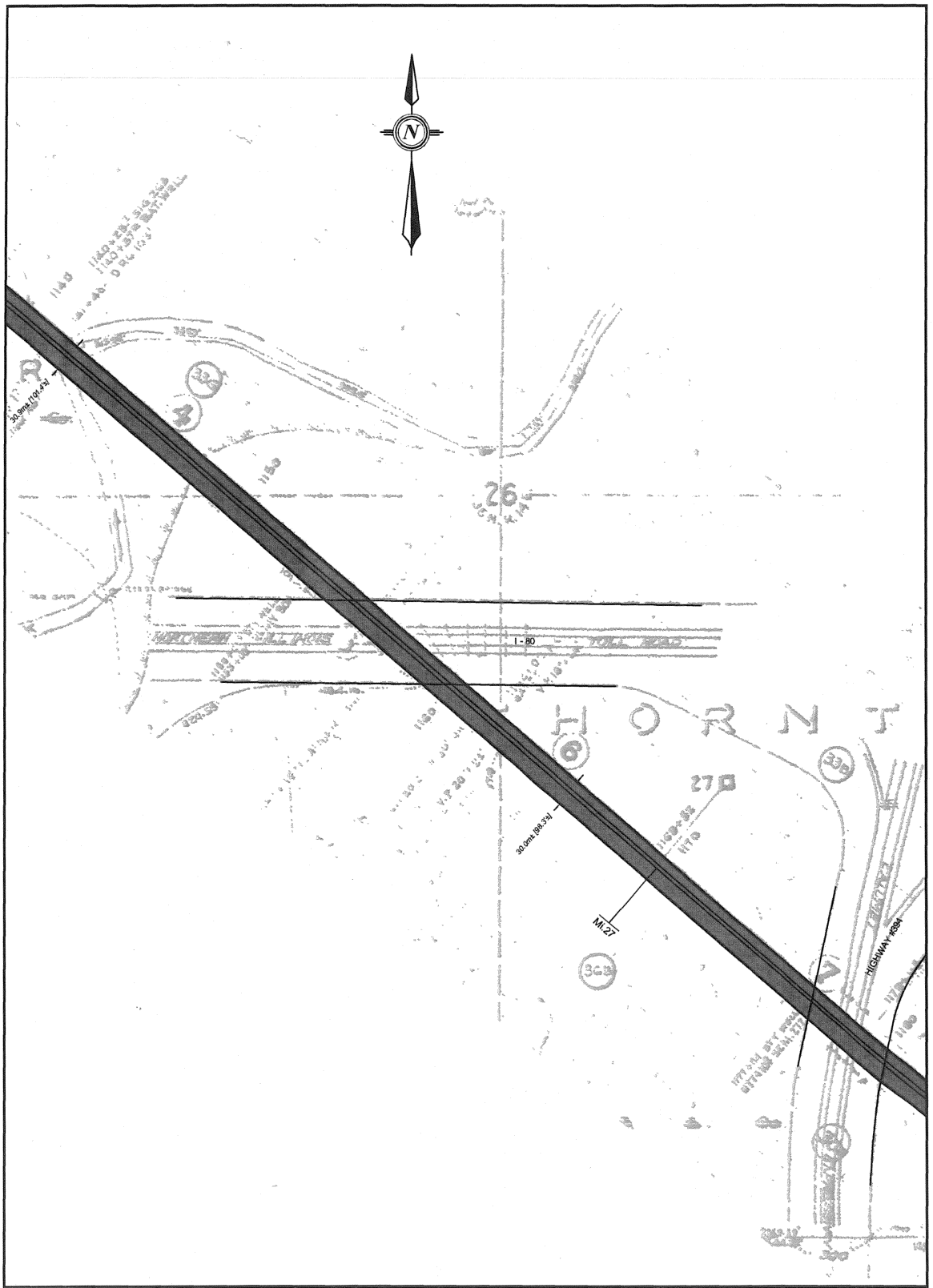
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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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Exhibit C
PAGE 23

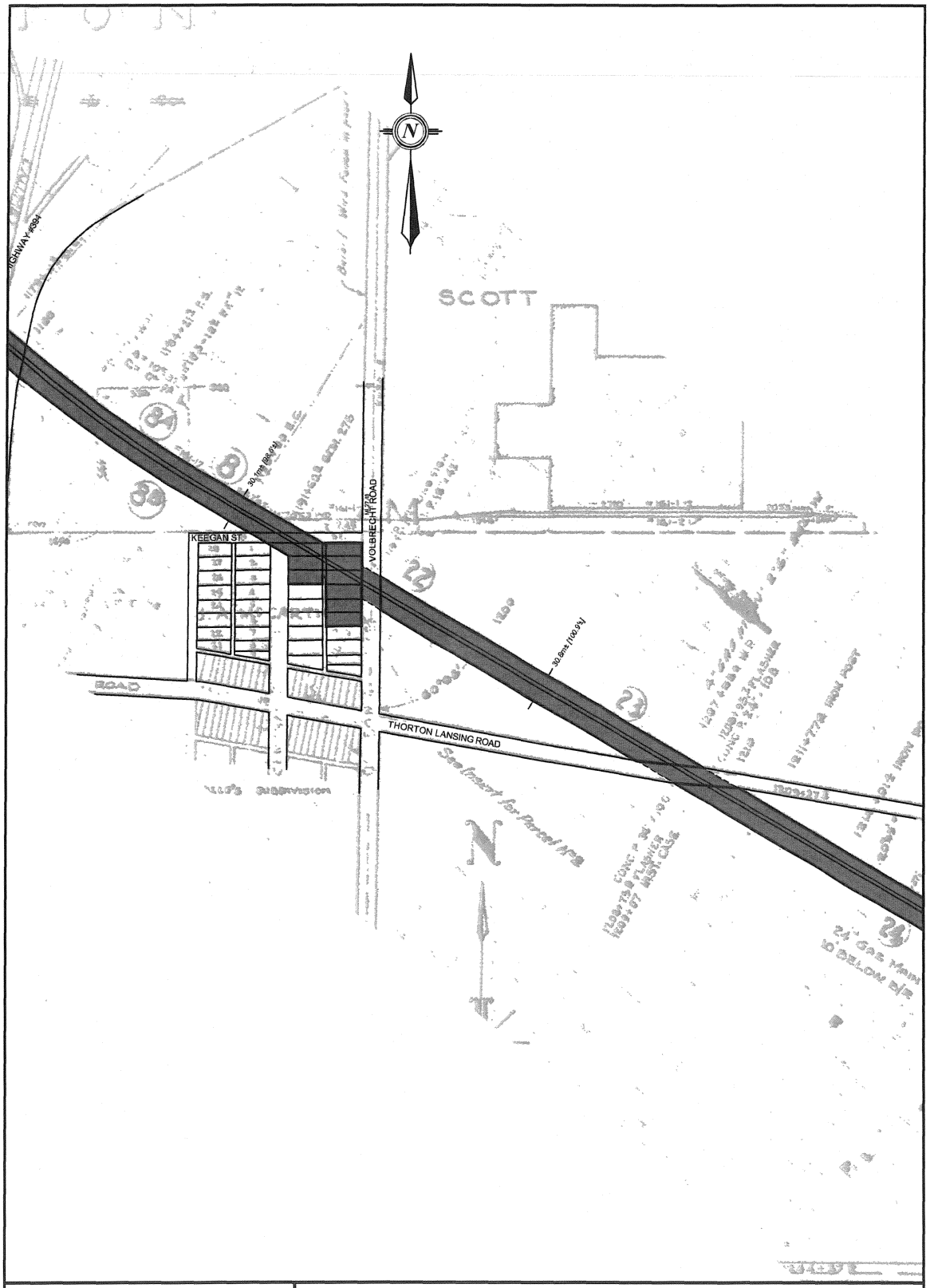
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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

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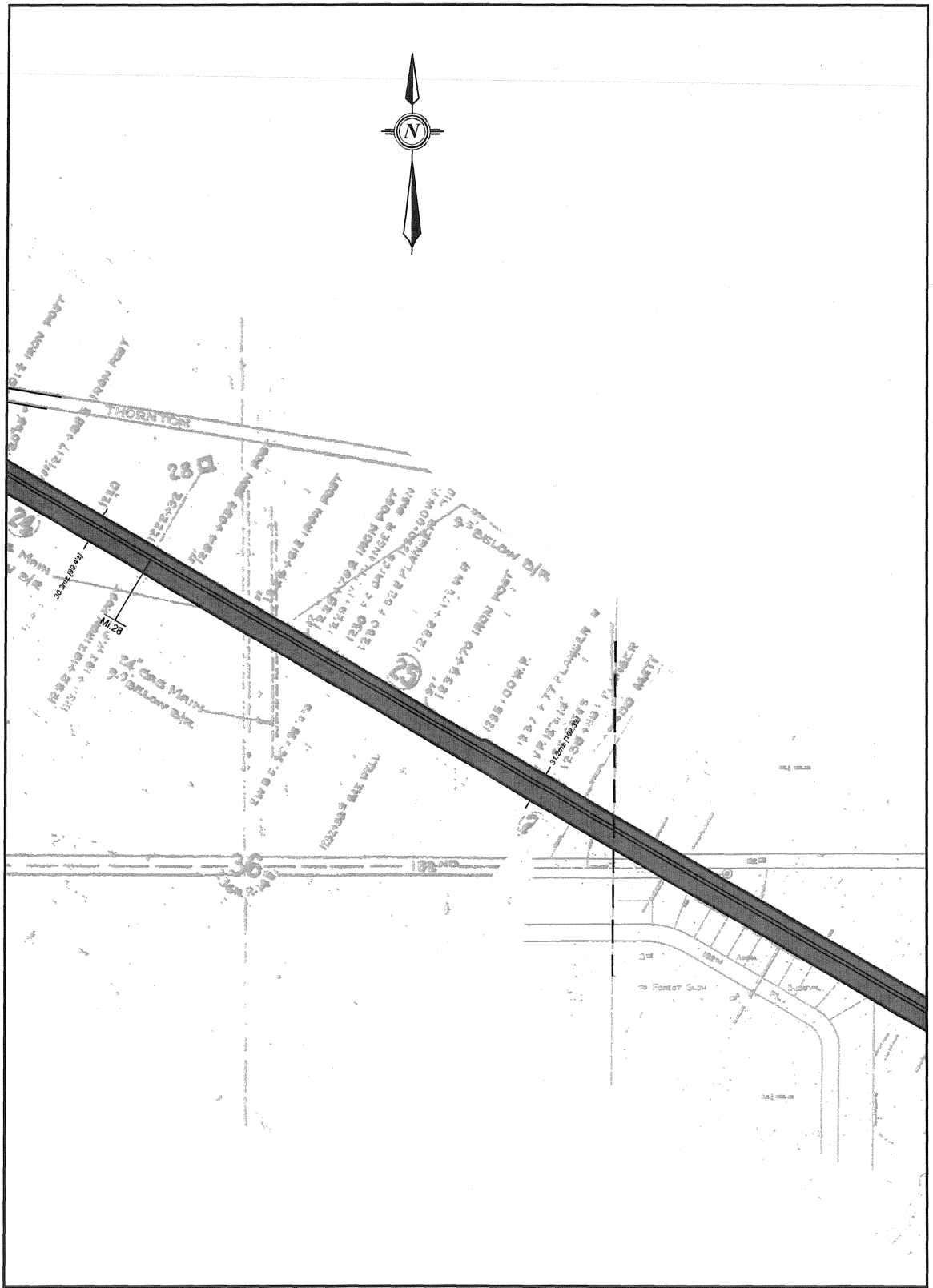
Exhibit C
PAGE 24

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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

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SCALE / ÉCHELLE: 1:5000

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Exhibit C
PAGE 25

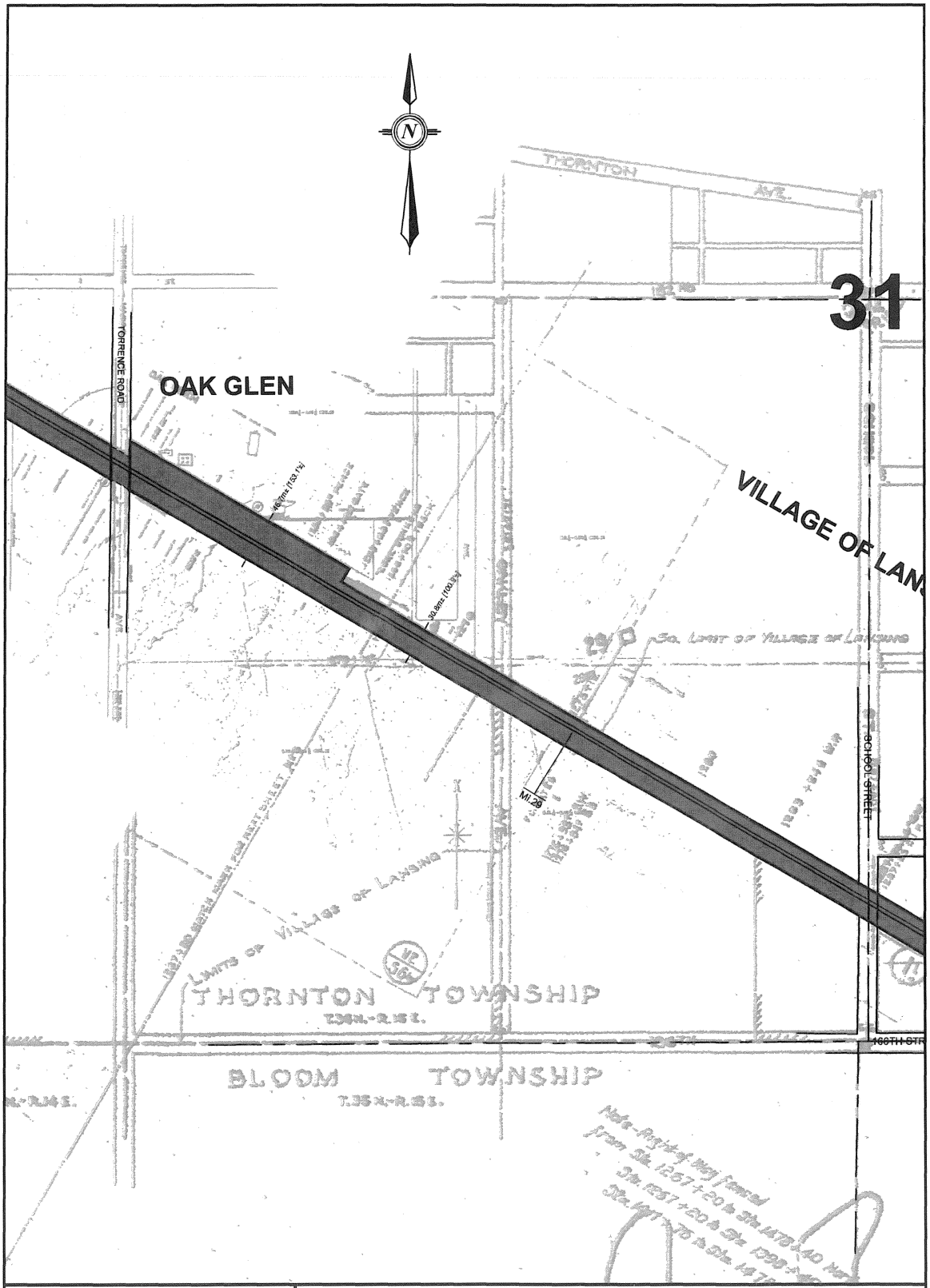
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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

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SCALE / ÉCHELLE: 1:5000

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United States of America

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Exhibit C
PAGE 26

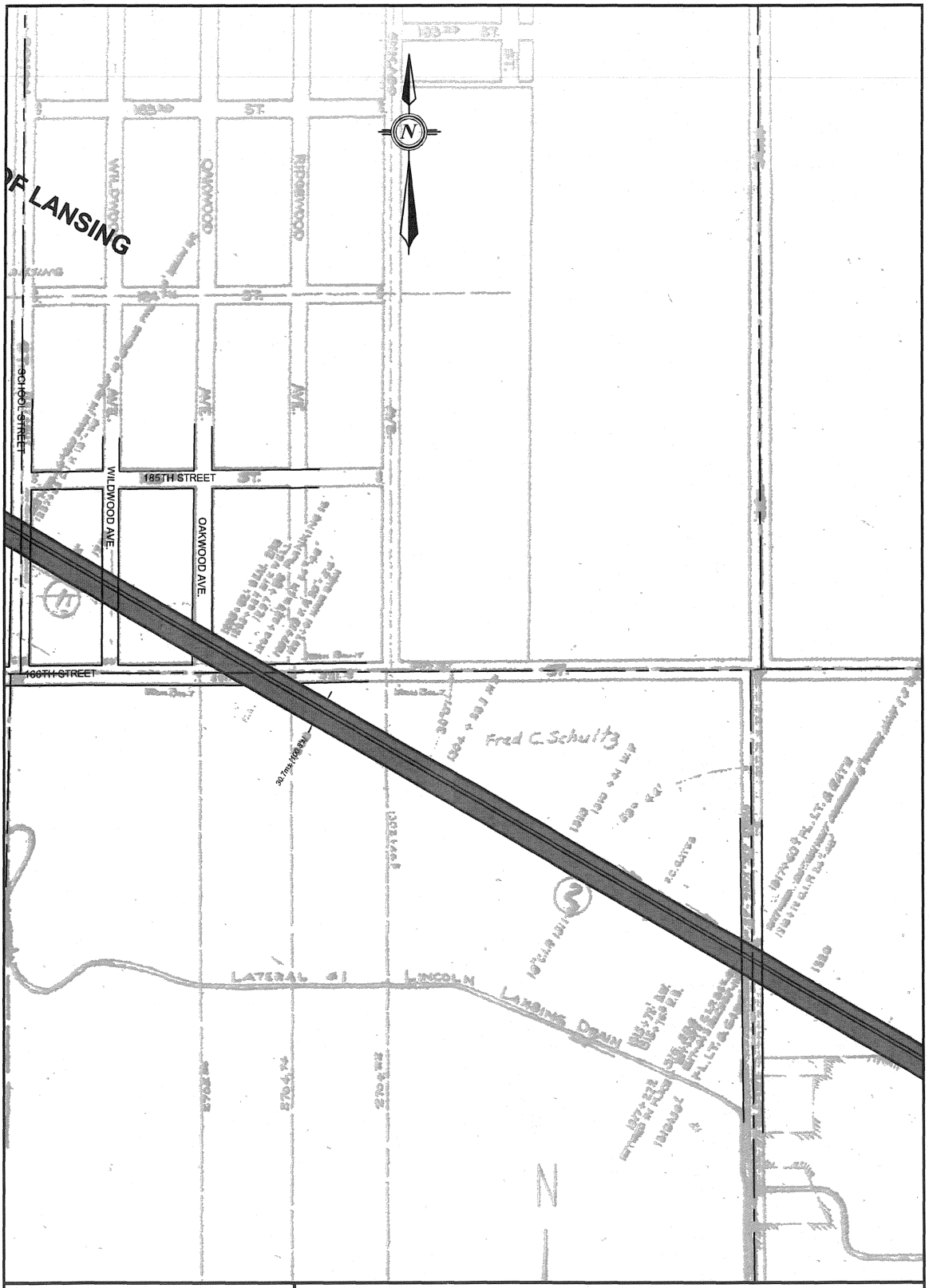
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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

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SCALE / ÉCHELLE: 1:5000

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CN Ownership/Propriété du CN

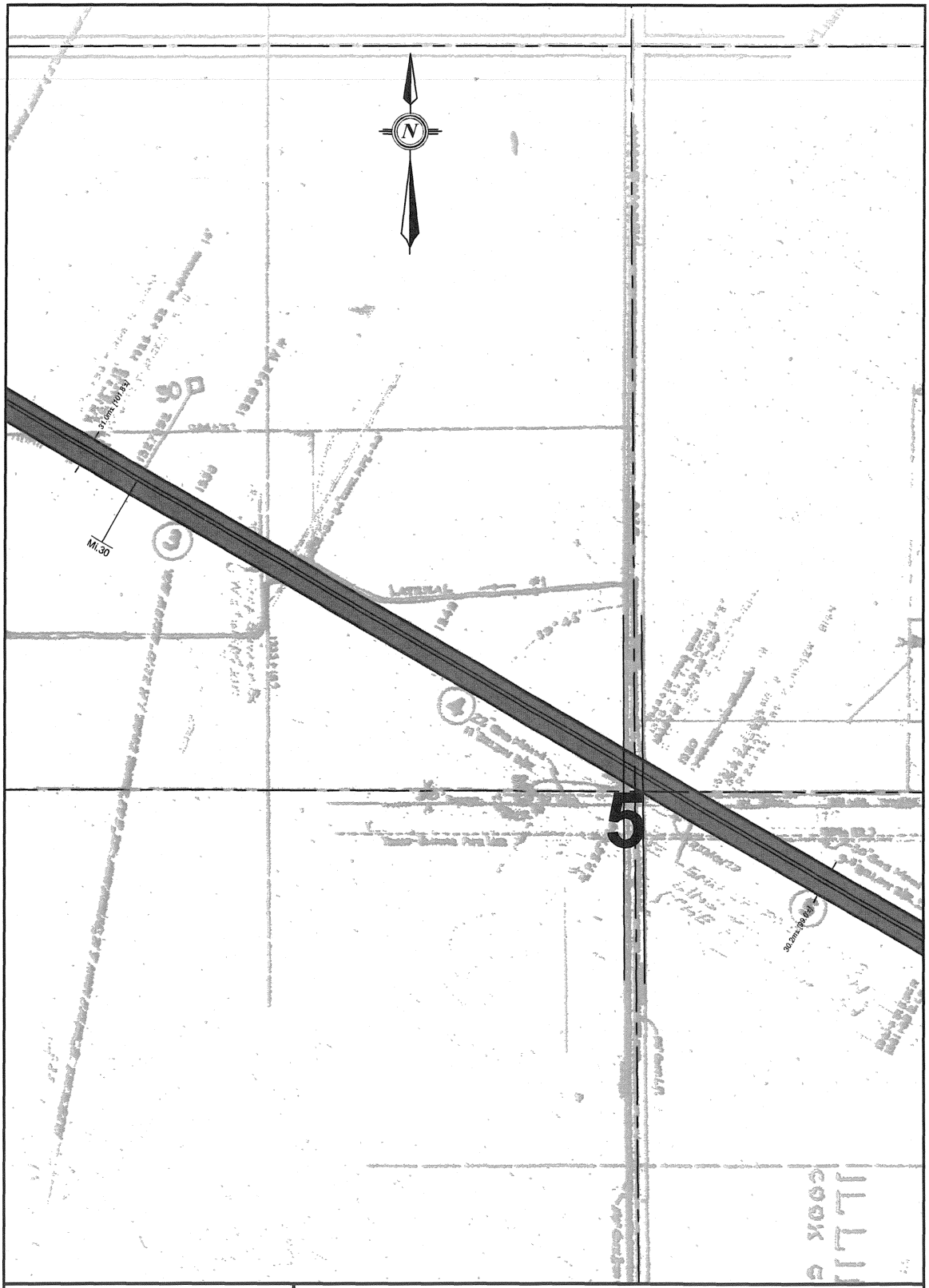
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DATE:	March 21, 2012

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SCALE / ÉCHELLE: 1:5000

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Elsdon Subdivision
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United States of America

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Exhibit C
PAGE 28

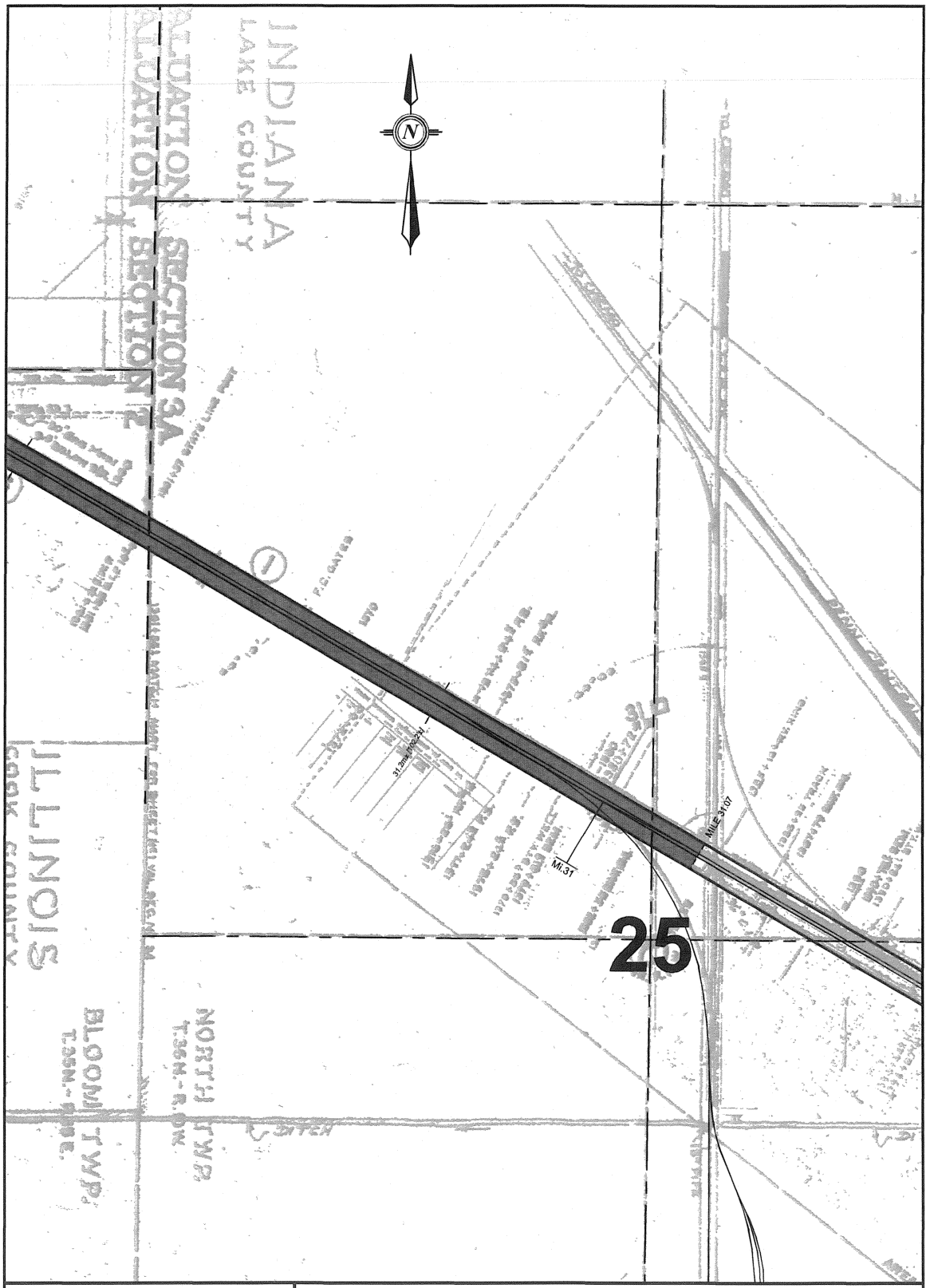
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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

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0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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DESCRIPTION:

Elsdon Subdivision
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United States of America

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Exhibit C
PAGE 29

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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

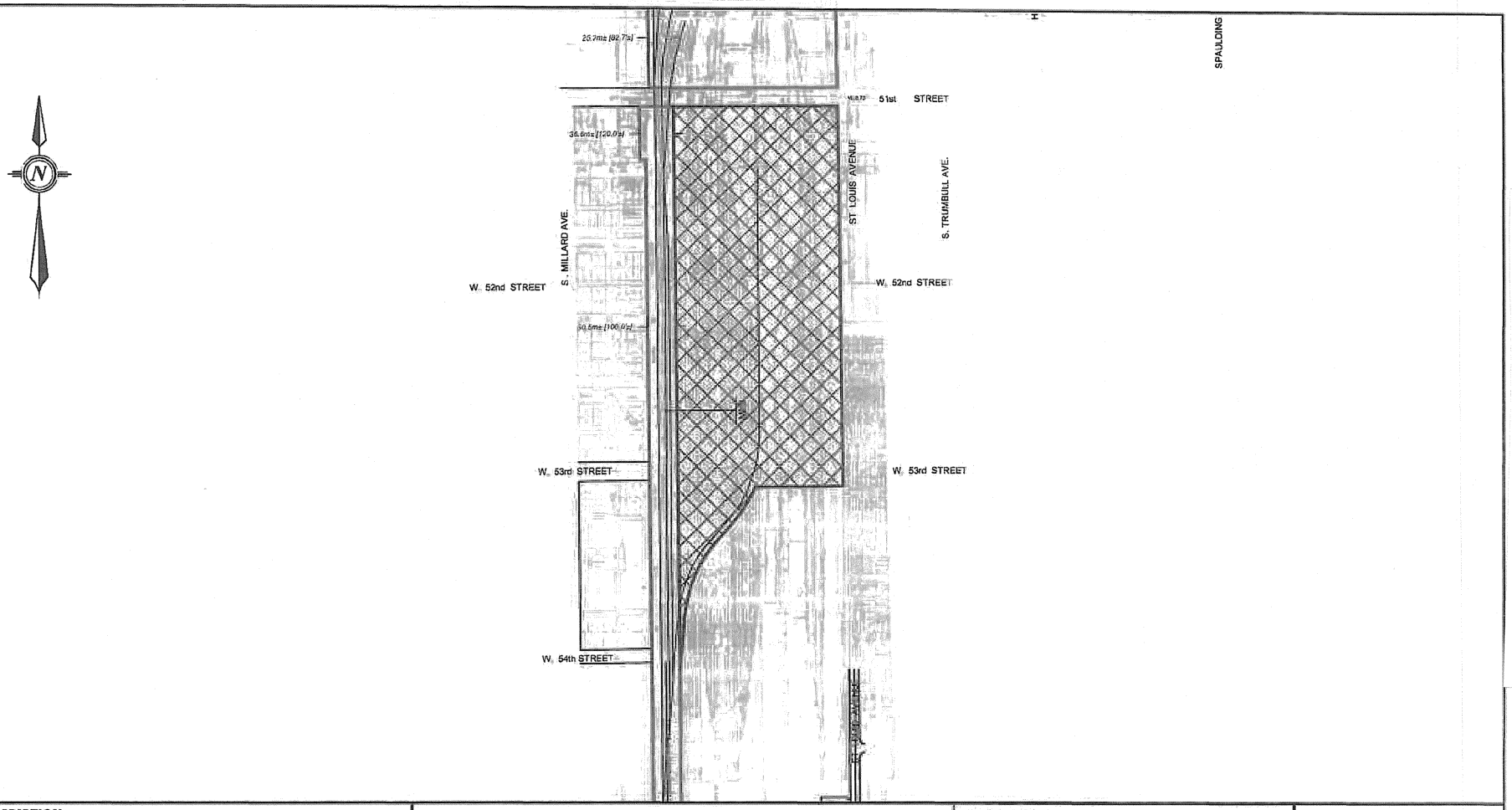
Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

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0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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Exhibit D – Elsdon Easement Non-Operating Parcels



DESCRIPTION:
Elsdon Subdivision
State of Illinois & Indiana
United States of America

THIS IS NOT A PLAN OF SURVEY / CECI N'EST PAS UN PLAN D'ARPENTAGE

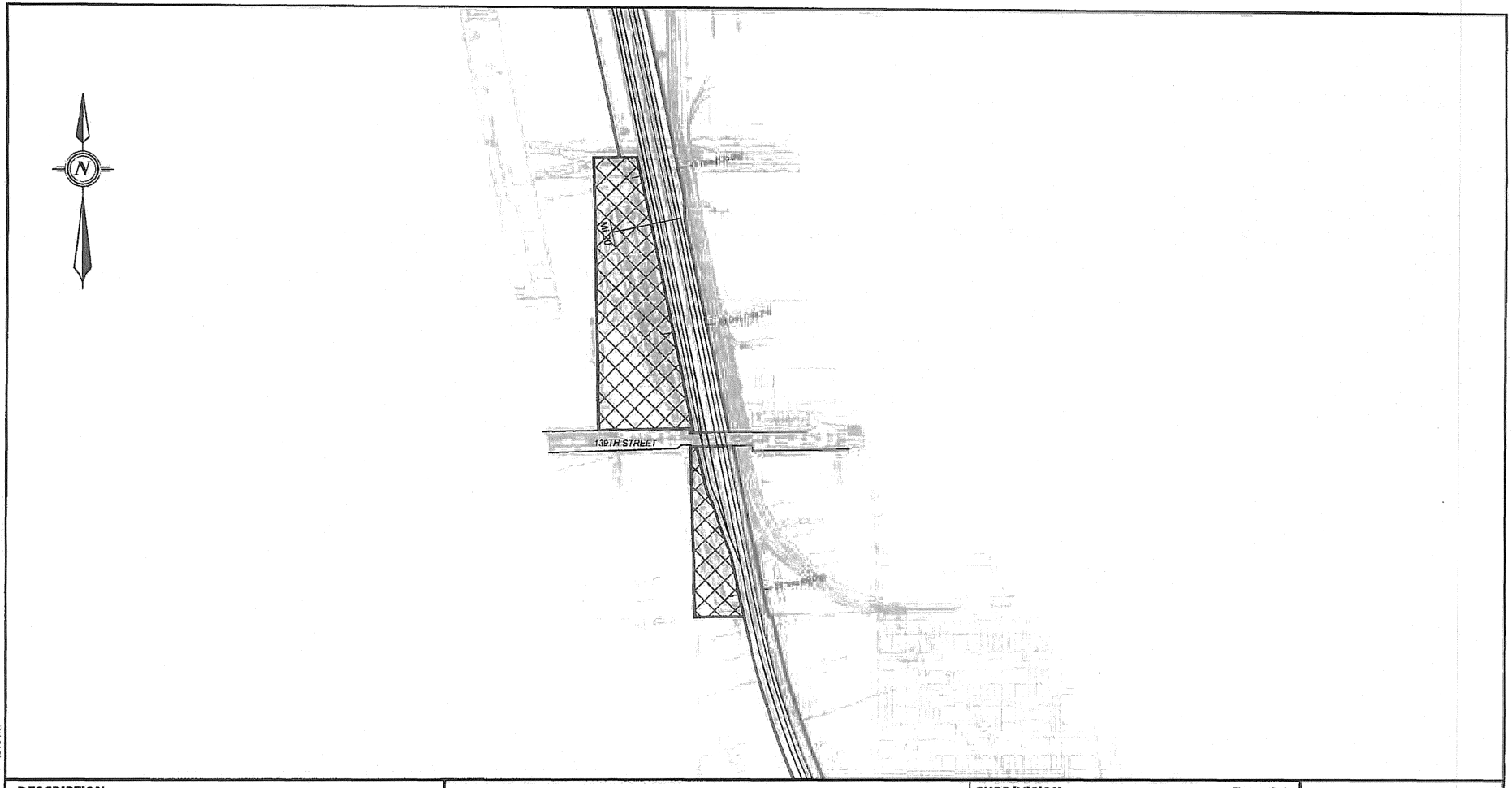
Exhibit D
PAGE 1

Subject Lands/Terrain Sujet

0ft 125 250 625ft
0m 50 100 200m

SUBDIVISION:	Elsdon (312)
SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	As Shown
DATE:	February 9, 2012
SCALE / ÉCHELLE:	1:5000

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DESCRIPTION:
Elsdon Subdivision
State of Illinois & Indiana
United States of America

THIS IS NOT A PLAN OF SURVEY / CECI N'EST PAS UN PLAN D'ARPENTAGE

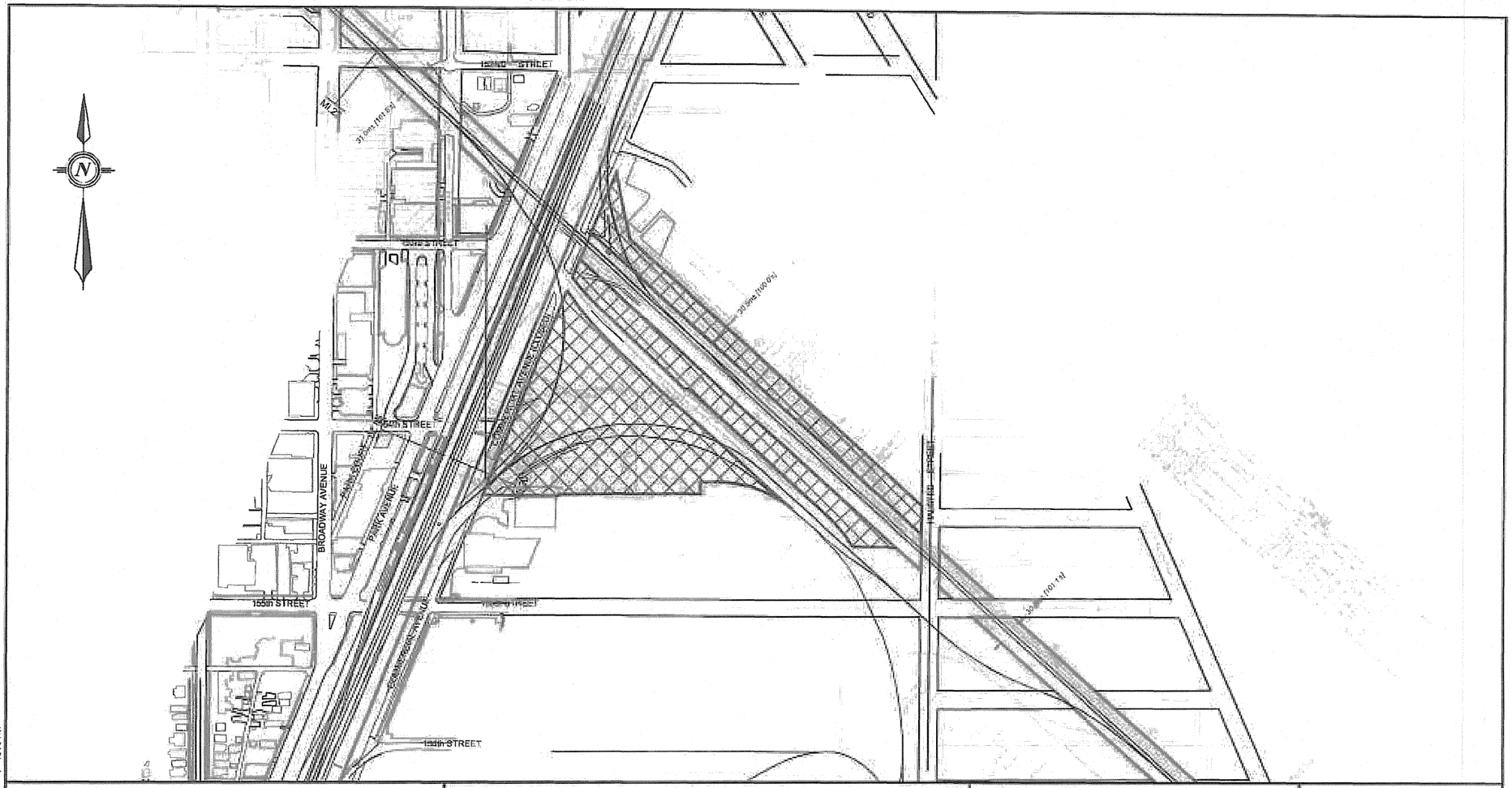
Exhibit D
PAGE 2

Subject Lands/Terrain Sujet

0ft 125 250 625ft
0m 50 100 200m

SUBDIVISION:	Elsdon (312)
SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	As Shown
DATE:	February 9, 2012
SCALE / ÉCHELLE:	1:5000

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DESCRIPTION:
Elsdon Subdivision
State of Illinois & Indiana
United States of America

THIS IS NOT A PLAN OF SURVEY / CECI N'EST PAS UN PLAN D'ARPENTAGE

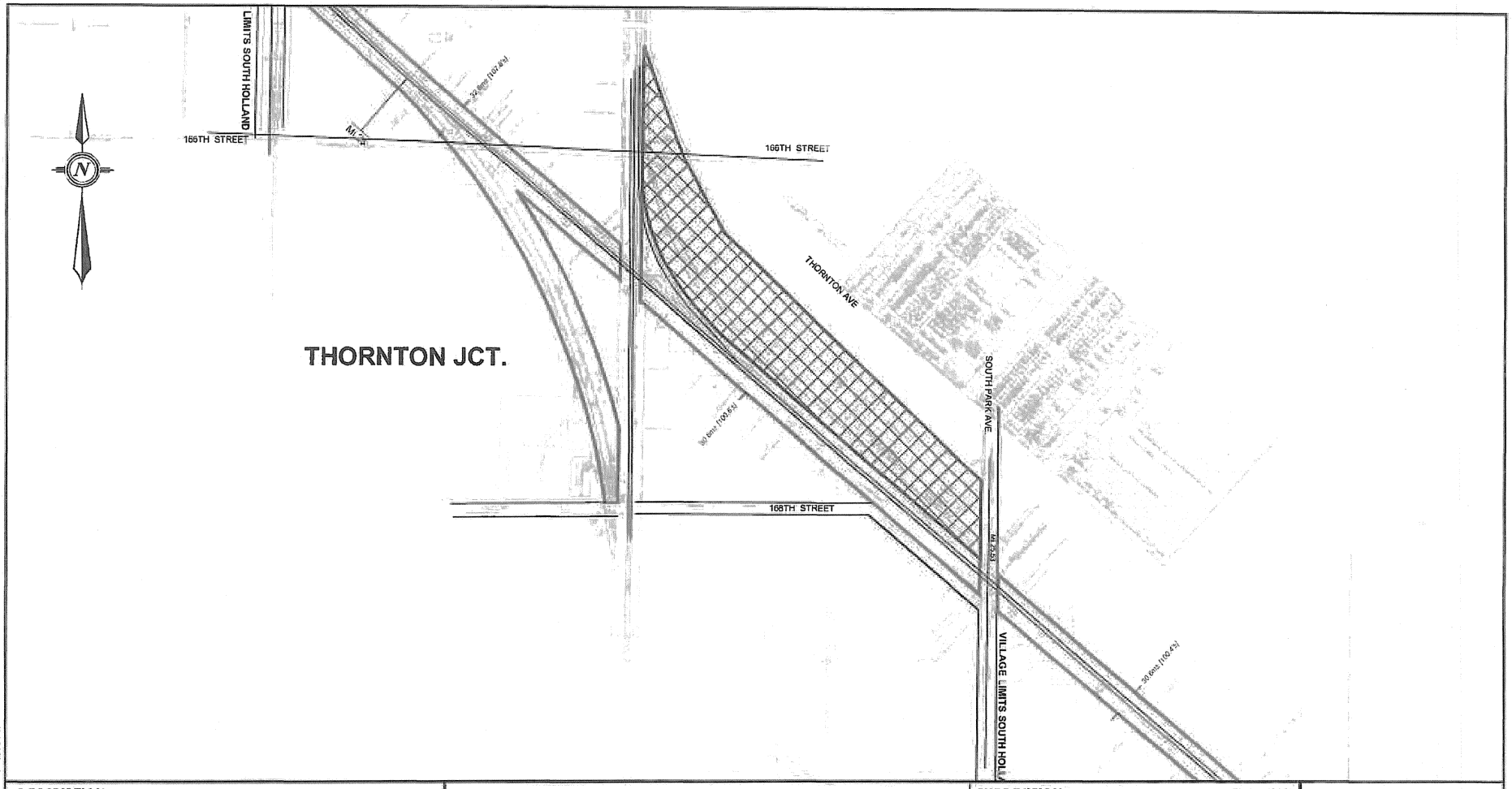
Exhibit D
PAGE 3

Subject Lands/Terrain Sujet

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0m 50 100 200m

SUBDIVISION:	Elsdon (312)
SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	As Shown
DATE:	February 9, 2012
SCALE / ÉCHELLE:	1:5000

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DESCRIPTION:
Elsdon Subdivision
State of Illinois & Indiana
United States of America

THIS IS NOT A PLAN OF SURVEY / CECI N'EST PAS UN PLAN D'ARPENTAGE

Exhibit D
PAGE 4

Subject Lands/Terrain Sujet

0ft 125 250 625ft
0m 50 100 200m

SUBDIVISION:	Elsdon (312)
SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	As Shown
DATE:	February 9, 2012
SCALE / ÉCHELLE:	1:5000

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Exhibit E – Elsdon Easement Agreement

This instrument prepared by:
Jordan H. Peters
Freeborn & Peters LLP
311 South Wacker Drive, Suite 3000
Chicago, Illinois 60606

After recording return to:

_____
_____
_____

ELSDON EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (this "Agreement"), made and entered into as of the __ day of _____, 2013, by and between Grand Trunk Western Railroad Company, a Michigan corporation, having an address at 17641 South Ashland Avenue, Homewood, Illinois 60430 ("Grantor"), and CSX Transportation, Inc., a Virginia corporation, having an address at c/o CSX Real Property, Inc. – J915, 6737 Southpoint Drive S, Jacksonville, Florida 32216-6177 ("Grantee"),

W I T N E S S E T H:

1. Grant of Easement. Grantor, for and in consideration of Ten Dollars ($10.00) and in exchange for Grantee's Grant of Easement (Exhibit F of the Agreement for Exchange of Perpetual Easements Between CSX Transportation, Inc. and Grand Trunk Western Railroad Company (the "Exchange Agreement"), executed contemporaneously herewith), the receipt and sufficiency of which are hereby acknowledged, hereby grants to Grantee and to Grantee's successors and permitted assigns, an exclusive, perpetual non-assignable (except as provided herein) railroad operating easement (the "Easement"), over, upon and across the premises of Grantor located in Cook County, Illinois and Lake County, Indiana, consisting generally of approximately 22.37 miles of Grantor's Elsdon Subdivision, extending from mile post 31.07 located at or near the CSXT connection at Munster, Indiana to mile post 8.7 located at or near Elsdon, Illinois, which connects to the southern end of the BNSF Railway Company's Corwith Yard, and described more particularly in Exhibits A and B to this Agreement (the "Easement Premises"), TO HAVE AND TO HOLD the same unto Grantee, its successors and permitted assigns, for the purposes and upon the terms and conditions specified in this Agreement. Grantee shall also have a right of ingress and egress, over, upon and across the driveways and roadways of Grantor, if any, located on the surface of any other lands owned by Grantor and contiguous to the Easement Premises, to the extent reasonably required for access to and from the Easement Premises and a public way. The Grantor shall indemnify Grantee for the Grantee's use of any ingress or egress provided hereunder by this grant of easement. The Easement Premises does not include certain non-operating parcels of Grantor, which are more particularly described on Exhibit C to this Agreement.

2. Appurtenances. The Easement herein granted also includes the right to use all of the appurtenances on the Easement Premises, including all of the ballast, rail, ties, bridges, culverts, signals, gates and other railroad operating structures and fixtures, affixed to or located

on the Easement Premises (the "Appurtenances"). The Easement Premises along with the associated Appurtenances will be referred to collectively herein as the Easement Exchange Property.

3. Term of Easement. Subject to reconveyance of the Easement upon the terms and conditions provided in Section 7 below, the term of the Easement hereby granted is perpetual. During the term of the Easement, the Grantor of the Easement shall not seek authority to abandon the Easement Premises.

4. Use of Easement; Operation and Control of Easement; Improvements and Alterations. The Easement hereby granted is for the purpose of operating a railroad, and, except for those rights and uses expressly reserved to Grantor herein, the Easement shall be exclusive to Grantee, and Grantee shall have the right to make every use of the Easement Exchange Property, for such purpose, including, without limiting the generality of the forgoing, the right, at Grantee's sole expense, to construct, maintain, operate, replace, redesign or remove a line or lines of railroad tracks, signals, communication lines and equipment, bridges, culverts, utilities, switches, pipes, conduits, tunnels, all appurtenances thereto, and any other facilities of a like character as may now exist or may hereafter be placed upon, across, over or under the Easement Premises, as well as control of and the right, obligation and responsibility for, dispatching, track maintenance and capital improvements to the Easement Exchange Property, including all interlockings, control points and connections for the Easement, including without limitation the connections at Blue Island, Illinois and Thornton Junction, Illinois. Grantee shall constitute the "host railroad" under 49 C.F.R. § 236.1003 for all purposes relating to the implementation of Positive Train Control under the Rail Safety Improvement Act of 2008, and shall be deemed the owner of the line segment for purposes of any determination of its rights and responsibilities under the Third Amended and Restated Shared Use Agreement dated August 17, 2011 between and among PTC-220, LLC and certain wholly-owned subsidiaries of the seven U.S. Class 1 rail carriers and any other agreement governing the actions and/or obligations of Members of PTC-220, LLC.

5. Third-Party Agreements. The Easement hereby conveyed is subject to the existing third-party agreements described in Exhibit D to this Agreement (the "Third-Party Agreements") that affect, fall within, are attached to or are indivisible from the Easement Exchange Property, and Grantee hereby agrees to accept the Easement subject to, and to assume, recognize and perform, such Third-Party Agreements. Grantor shall have the right from time to time to enter into additional third-party agreements that affect the Easement Exchange Property; provided, however, that except for agreements required by law (including a final order of a court or other tribunal of competent jurisdiction), each such agreement shall be subject to the review and approval of Grantee, which approval Grantee shall not withhold, delay or condition unreasonably, but which Grantee may withhold if, in the reasonable business judgment of Grantee, such agreement would affect Grantee's railroad operations pursuant to the Easement or impose a financial obligation on Grantee not reimbursed by the fees, if any, payable to Grantee by the third party requesting such agreement. Except for the Third-Party Agreements described in Exhibit D, the Grantor has not provided any other third party rights over, under, or within the Easement Exchange Property. Except to the extent provided in the Third-Party Agreements, the Grantee shall have the right to grant third parties easements within the Easement Exchange Property, subject to the approval of Grantor, which approval Grantor shall not withhold, delay or

condition unreasonably. Grantee shall have no responsibility for Grantor's ability to satisfy any existing or future obligations related to such agreements; provided, however, that Grantee shall cooperate with Grantor to a reasonable extent to allow Grantor to satisfy such obligations.

6. Reservation by Grantor of Certain Rights and Agreements. The Grantor hereby reserves to itself and to its successors and assigns, the following with respect to the Easement:

(a) The rights of Grantor, its successors and assigns, to operate trains over the Easement Exchange Property without limitation except as expressly provided in the Trackage Rights Agreement to be executed contemporaneously with this Agreement in the form of Exhibit E attached hereto. Simultaneously with the grant of this Easement, Grantee shall grant to Grantor's Affiliates (defined in Section 23 below), their successors and assigns the right to operate trains over the Easement Exchange Property pursuant to the terms of the Affiliate Trackage Rights Agreement in the form of Exhibit F attached hereto, which Affiliate Trackage Rights Agreement shall govern Grantor's Affiliates' use of the Easement Exchange Property in lieu of any existing trackage rights agreements between Grantor and its Affiliates;

(b) All agreements concerning (i) billboards and (ii) fiber optics cables and/or fiber optics telecommunications lines and equipment and the appurtenances thereto existing within the Easement Premises as of the date of this Agreement (including, without limitation, the licenses and other agreements identified in Exhibit D hereto that are described as pertaining to fiber optics); and

(c) The right to locate additional (i) billboards and/or (ii) fiber optics cables and/or fiber optics telecommunications lines and equipment, and the appurtenances thereto, within the Easement Premises in the future and to grant rights to third parties at any time and from time to time to locate any such facilities within the Easement Premises; provided, however, that all such facilities shall be located in a manner that does not interfere with the railroad operations of Grantee, and all activities of the parties constructing, maintaining or operating such facilities within the Easement Premises shall be subject to Grantee's safety and operating rules in effect from time to time. Grantee shall have no responsibility for Grantor's ability to satisfy any existing or future obligations related to such agreements; provided, however, that Grantee shall cooperate with Grantor to a reasonable extent to allow Grantor to satisfy such obligations.

7. Reconveyance of Easement.

(a) With respect to the Easement, Grantee shall reconvey to Grantor (or, at Grantor's option, to Grantor's designee) and Grantor shall accept such reconveyance (or cause its designee to accept such reconveyance), if: (i) Grantee requests that Grantor accept reconveyance of the Easement; (ii) Grantee initiates proceedings seeking authority to abandon the Easement Premises or discontinue operations over the Easement Premises or serves or files notice of intent to do so; or (iii) Grantee ceases to use the Easement for significant and regular railroad operations for a period of twenty-four (24) or more consecutive months (with adjustments made for extended periods of force majeure or other events beyond the control of Grantee that prevent the full and peaceful enjoyment of the Easement) (that cessation, a "Reconveyance Event") and Grantor requests reconveyance of the Easement to Grantor or its designee within one hundred twenty (120) days of a Reconveyance Event (a "Reconveyance Notice"). For the purposes of this

Agreement, "significant and regular railroad operations" means average monthly train movements over all or any portion of the Easement of four (4) or more of Grantee's or Grantee's Affiliate's trains per month with a minimum of twenty (20) cars in each train.

(b) All Reconveyance Notices shall be served on Grantee in accordance with Section 11 of this Agreement and shall state that Grantor believes a Reconveyance Event has occurred, describe such Reconveyance Event with reasonable specificity, and state that Grantor requires reconveyance of the Easement. If within thirty (30) days after delivery of Grantor's Reconveyance Notice to Grantee, Grantee serves on Grantor a notice (an "Objection Notice") disputing the Reconveyance Event stated in Grantor's Reconveyance Notice, then the question whether a Reconveyance Event has occurred shall be resolved by arbitration, as set forth in Section 14 of this Agreement. If Grantee does not deliver a timely Objection Notice, or if Grantee delivers a timely Objection Notice but the question whether a Reconveyance Event has occurred is determined adversely to Grantee, then Grantee shall reconvey the Easement to Grantor (or Grantor's designee) as provided herein.

(c) Grantor shall initiate and thereafter diligently prosecute regulatory proceedings to obtain such approvals, exemptions, and/or authorizations as may be required for reconveyance of the Easement (collectively, "Approvals") no later than sixty (60) days after the occurrence of any one of the following events (the "Triggering Event"):

(i) delivery of Grantee's request for reconveyance pursuant to subsection (a),

(ii) Grantee's initiation of proceedings seeking authority to abandon the Easement Premises or discontinue operations over the Easement Premises, or Grantee's service or filing of notice of intent to do so,

(iii) thirty (30) days after delivery of Grantor's Reconveyance Notice pursuant to subsection (b), if Grantee has not within that time period delivered an Objection Notice pursuant to subsection (b),

(iv) withdrawal by Grantee of an Objection Notice that was delivered by Grantee pursuant to subsection (b), or

(v) entry of the final award of the arbitrator if Grantee delivered an Objection Notice pursuant to subsection (b) and Grantee's objection was determined adversely to Grantee.

Grantee shall cooperate with Grantor to the extent reasonably necessary for Grantor to obtain such Approvals. If Grantor fails to initiate such regulatory proceedings within sixty (60) days of the Triggering Event, then Grantee may initiate such regulatory proceedings on Grantor's behalf as may be required for the Approvals, and Grantor shall reimburse Grantee for all reasonable costs incurred in doing so. Grantor shall bear the costs of any conditions that may be imposed on the Approvals; provided, however, that Grantor and Grantee shall each bear the cost of any conditions imposed for the protection of its own employees. Grantor and Grantee shall cooperate and work diligently to prepare and execute all instruments and documents as necessary for Approval and timely reconveyance as provided herein (the "Reconveyance Documents"). The Reconveyance Documents shall include all instruments and documents reasonably requested

by the Grantor to reconvey all rights granted to and all obligations assumed by Grantee under this Agreement back to Grantor (or to a party designated by Grantor), including, without limitation, the agreements assumed by the Grantee pursuant to Article 7 of the Exchange Agreement.

(d) Reconveyance of the Easement pursuant to this Section 7 shall be by a quitclaim deed, in a recordable form and otherwise reasonably acceptable to Grantor. Within thirty (30) days after all required Approvals, if any, take effect, or, if no Approvals are required, within sixty (60) days of the Triggering Event, Grantee shall deliver such deed to Grantor or Grantor's designee.

(e) Grantor shall pay or cause to be paid to Grantee the consideration of Ten Dollars ($10.00) for the reconveyance. Upon delivery of the deed, the Easement shall be deemed reconveyed for all purposes and Grantee shall have no further rights thereunder; provided, however, that Grantee shall remain liable to Grantor for any obligation of Grantee under this Agreement, and any other agreement between Grantor and Grantee pertaining to the subject matter hereof, that has accrued but has not been performed as of the effective date of such reconveyance. Such reconveyance shall include the Appurtenances, as set forth in Section 2 above, and any improvements or betterments added to the Easement Premises by Grantee (the "Grantee Improvements"), and Grantor shall pay or cause to be paid to Grantee the then Net Liquidation Value (the "NLV") of the Grantee Improvements. The NLV of the Grantee Improvements shall be determined by computing the current appraised market value of such properties for other than rail transportation purposes, less all costs of dismantling and disposition of improvements necessary to make the remaining properties available for their highest and best use and complying with applicable zoning, land use, and environmental regulations.

8. Indemnification. To the maximum extent permitted by law, Grantee shall reimburse Grantor for any and all loss or damage and shall indemnify, save harmless and defend Grantor from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees in any manner caused by, arising from, incident to, connected with or growing out of this Agreement or the use of the Easement Exchange Property by Grantee or a party claiming by, through or under Grantee; provided, however, that the foregoing indemnity shall not be in derogation of any liability of Grantor expressly provided for in Exhibit E to this Agreement which arises out of the operation of Grantor's trains pursuant to the Easement. However, Grantee's indemnification obligation set forth herein shall not extend to any tax liability, recordation or transfer taxes incurred by Grantor under this Easement or any increased property tax assessments associated with third party modifications to the Easement Premises such as billboards or fiber optics cables and/or fiber optics telecommunications lines and equipment, and the appurtenances thereto, or any suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees in any manner caused by, arising from, incident to, connected with or growing out of third party modifications to the Easement Premises made by Grantor or its assigns, other than repairs made pursuant to Section 13, such as the billboard and fiber optic agreements described in Sections 6(b) and (c) above. To the maximum extent permitted by law, Grantor shall reimburse Grantee for any and all loss or damage and shall indemnify, save harmless and defend Grantee from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees in any manner caused by, arising from, incident to, connected with or growing out of this Agreement or the

ingress, egress or use of the Easement Exchange Property, by Grantee or a party claiming by, through or under Third-Party Agreements with the Grantor.

9. Assignment of Easement Rights by Grantee. Grantee shall have the right, without Grantor's consent, (a) to assign its rights under this Agreement in whole or in part, or to grant operating rights over the Easement Exchange Property, from time to time, to any Affiliate (defined in Section 22 below) of Grantee, (b) to grant trackage rights or operating rights to other freight rail carriers over all or portions of the Easement Exchange Property, with a term commensurate with that of the Easement, and (c) in the event of a sale of substantially all of the assets or business of Grantee, or the merger or consolidation of Grantee into or with another firm, to assign this Agreement and Grantee's Easement to such firm or corporation acquiring substantially all of the assets or business of Grantee, or merging or consolidating with Grantee; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of the Grantee under this Agreement and the Easement that existed prior to such assignment. Grantee shall also have the right to subcontract any of its rights and obligations hereunder to any Affiliate, provided that in such instance, Grantor shall have a direct right to contact such affiliate concerning railroad operations and a direct right of action against such Affiliate under this Agreement. Except as provided in the foregoing clauses (a), (b) and (c), Grantee shall have no right to assign this Agreement, or any of Grantee's rights hereunder, to any party without the prior written consent of Grantor. Grantor agrees that Grantor will not withhold its consent to a proposed assignment unreasonably, but Grantor may withhold its consent, in its sole discretion, if the proposed assignment is to another railroad.

10. Grantor's Title. Grantor represents to Grantee that Grantor has a sufficient interest in the Easement Exchange Property to enter into this Agreement and to grant the Easement. Grantor shall indemnify, defend and hold harmless Grantee, from and against all claims, liability, cost and expense, including reasonable attorneys' fees, incurred by Grantee, as a result of any third party claim that Grantor's interest in any material part of the Easement Exchange Property was not sufficient for Grantor to grant the rights granted to Grantee herein.

11. Notices. All notices hereunder shall be in writing and sent by hand delivery or by certified mail, return receipt requested, or by Federal Express, UPS, or other reputable overnight air courier with receipted delivery, to the addresses listed at the beginning of this Agreement, or such other address as may be established by a party pursuant to notice in accordance with this section.

12. Property Taxes. Grantee shall list the Easement Exchange Property as part of Grantee's railroad operating property on Grantee's tax returns filed with the Illinois Department of Revenue and Indiana Department of Revenue and shall pay all taxes levied thereon during Grantee's ownership of the Easement.

13. Maintenance of Easement Exchange Property.

(a) From and after the effective date of this Agreement and throughout the time of Grantee's ownership of the Easement, Grantee, at Grantee's sole expense (subject to Subsections 13(b) and 13(c)), shall maintain the Easement Exchange Property in good condition and repair and in a condition that complies with all applicable laws, rules and regulations, including,

without limiting the generality of the foregoing, all applicable laws, rules and regulations related to the maintenance of railroad track, crossings, bridges and other structures and any reporting obligations related thereto. Subsections 13(b) and 13(c) shall not apply to switches that do not serve customers, but access yards and other railroad property or other railroads.

(b) From and after the effective date of this Agreement and throughout the time of Grantee's ownership of the Easement, Grantee shall maintain, at no expense to Grantor (except as noted below), all switches that are part of the Easement Exchange Property as of the date hereof in a condition suitable for normal railroad operations and in a condition that complies with all applicable laws, rules and regulations; provided, however, that if Grantee notifies Grantor in writing that any such switch has been used by neither Grantor nor Grantee to provide rail service to a customer for twelve (12) consecutive months ("Non-Use Notice"), Grantor may, within thirty (30) days after receipt of said notice, (1) serve a Dispute Notice pursuant to Section 14, disputing the basis for the Non-Use Notice, that is, that the switch has not been so used by either Grantor or Grantee for twelve (12) consecutive months, (2) notify Grantee in writing that it will assume all expenses for maintaining and in the future replacing said switch ("Assumption Notice"), or (3) serve both a Dispute Notice and, subject to the Dispute Notice, an Assumption Notice. If Grantor serves a Dispute Notice, the Grantor and Grantee shall seek to resolve the dispute within twenty (20) days of service of that notice, as provided in Section 14. If the Grantor and Grantee cannot resolve said dispute within that time, then the dispute shall be submitted for mandatory and binding arbitration pursuant to Section 14. If Grantor shall fail to serve either an Assumption Notice or a Dispute Notice within thirty (30) days of receipt of Grantee's Non-Use Notice, or if Grantor serves a Dispute Notice and the dispute is resolved against Grantor, then Grantee may remove the turnout at its sole expense, subject to any necessary regulatory authority. If Grantor serves an Assumption Notice within thirty (30) days of receipt of Grantee's Non-Use Notice, then Grantee shall not remove the switch, but, upon resolution of any outstanding related Dispute Notice in favor of Grantee, Grantor shall reimburse the Grantee for all maintenance and capital expense for said switch, unless and until such time as Grantor or Grantee begins or resumes providing rail service through use of the switch to any customer, at which time Grantee shall resume bearing all expenses for maintaining and in the future replacing said switch, subject, however, to Grantee's right to serve a Non-Use Notice pursuant to this Section 13 in the event that the switch is not used for a subsequent period of twelve (12) consecutive months to provide service to a customer. Nothing in this Agreement is intended to or shall be interpreted to preclude or limit Grantor or Grantee from recovering capital and maintenance expenses relating to switches from customers and other third parties.

(c) If a switch has been removed and would have to be replaced for Grantor to serve a customer, or an inactive switch would have to be replaced or upgraded for Grantor to serve a customer, it is the expectation of the parties that the customer shall be responsible for the capital expenses for such switch. If a customer does not agree to assume responsibility for such a switch, and Grantee nonetheless replaces or upgrades the switch at the request of Grantor or as required by law to enable Grantor to provide requested service, then Grantor shall reimburse the Grantee for the capital expenses for such switch. After the switch has been installed, replaced, or upgraded, Grantee shall resume bearing all expenses for maintaining and in the future replacing said switch, subject, however, to Grantee's right to serve a Non-Use Notice pursuant to this Section 13 in the event that the switch is not used for a subsequent period of twelve (12) consecutive months to provide service to a customer.

14. Resolution of Disputes. Each of the parties hereto stipulates and agrees that any dispute, controversy or claim, arising out of or relating to this Agreement or the breach, termination or validity thereof ("Dispute") that is not resolved by negotiations between senior officers of the parties within 20 days after receipt by a party of written notice ("Dispute Notice") of such Dispute shall be submitted to mandatory and binding arbitration under the following terms and conditions (unless mutually agreed otherwise in writing):

(a) Selection of Arbitrators. If the parties are able to agree upon a single competent and disinterested arbitrator who is experienced in railroad matters and transportation law within 20 days after written notice by one party of its desire for arbitration to the other party, then the question or controversy shall be submitted to and settled by that single arbitrator. Otherwise, any party (the notifying party) may notify the other party (the noticed party) in writing of its request for arbitration and nominating one arbitrator. Within 20 days after receipt of said notice, the noticed party shall appoint an arbitrator and notify the notifying party in writing of such appointment. Should the noticed party fail within 20 days after receipt of such notice to name its arbitrator, such party's arbitrator may be appointed by the American Arbitration Association ("AAA"), which shall designate such appointment from the CPR Panel of Distinguished Neutrals, or other similar body of competent neutral arbitrators which may be agreed upon between the parties, upon application by either party after ten days' written notice to the other party. The two arbitrators so chosen shall select one additional arbitrator who is experienced in railroad matters and transportation law to complete the board. If the arbitrators so chosen fail to agree upon an additional arbitrator, the same shall, upon application of a party, be appointed in the same manner provided above.

(b) Conduct of Arbitration. In addition to damages, the arbitral tribunal may award any remedy provided for under applicable law and the terms of this Agreement, including, without limitation, specific performance or other forms of injunctive relief. The arbitrators shall apply the law of the State of Illinois to the substance of the Dispute and will have no power or authority, under the rules of the AAA or otherwise, to amend or disregard any provision of this Agreement. Upon selection of the arbitrators, said arbitrators shall, with reasonable diligence, (i) determine the questions as disclosed in the notice of arbitration, (ii) give both parties reasonable notice of the time (of which the arbitrators shall be the judge) of hearing evidence and argument, which shall take place in Chicago, Illinois, (iii) take such evidence as the arbitrators shall deem reasonable or as either party may submit with witnesses required to be sworn, and (iv) hear arguments of counsel or others. If an arbitrator declines or fails to act, the party (or parties in the case of a single arbitrator) by whom the arbitrator was chosen or the AAA, as the case may be, shall appoint another to act in the arbitrator's place.

(c) Findings and Conclusions. After considering all evidence, testimony and arguments, the single arbitrator or a majority of the board of arbitrators, as applicable, shall promptly state such decision or award and the reasoning for such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. The award rendered by the arbitrators may be entered as a judgment in any court in the United States of America having jurisdiction thereof and enforced as between the parties without further evidentiary proceeding, the same as entered by the court at the conclusion of a judicial proceeding in which no appeal was taken. Until the arbitrators shall issue the first decision or award upon any question submitted for arbitration, performance under this Agreement shall

continue in the manner and form existing prior to the rise of such question. After delivery of said first decision or award, each party shall forthwith comply with said first decision or award immediately after receiving it.

(d) Temporary Equitable Relief. By agreeing to arbitration, the parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies, as may be available under the jurisdiction of such court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(e) Costs and Attorneys Fees. Each party to the arbitration shall pay all compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all parties to the arbitration.

(f) Discovery and Evidentiary Rules. The parties may obtain discovery and offer evidence in accordance with the Federal Rules of Civil Procedure Rules 26 – 37, and Federal Rules of Evidence, as each may be amended from time to time.

15. Easement to Run with Land. The Easement herein granted is intended to touch and concern and run with the land and benefit and be binding upon all present and future owners of the Easement Exchange Property.

16. Condition of Easement. Except as expressly stated in this Agreement, Grantor specifically disclaims any warranty, guaranty, or representation, oral or written, past, present, or future, of, as to, or concerning (i) the nature and condition of the Easement Exchange Property, including, without limitation, the water, soil and geology, and the utility or suitability thereof, for any and all activities and uses which Grantee may elect to conduct thereon, (ii) the nature and extent of any right-of-way, encumbrance, reservation, or condition, or (iii) the compliance of the Easement or operations on the Easement Exchange Property with any laws, rules, ordinances, or other regulations of any governmental or other body. The conveyance of the Easement is made on an "As-Is/Where-Is" basis, and Grantee acknowledges in consideration of the agreements of Grantor herein, that, except to the extent expressly provided otherwise herein, Grantor makes no warranty or representation with respect to the Easement Exchange Property , express or implied, or arising by operation of law, including but in no way limited to, any warranty of title or condition (including without limitation the environmental condition), habitability, merchantability, or fitness for a particular purpose. Grantee acknowledges to Grantor that it has not relied on any representations made by Grantor or any agent, broker, attorney, consultant, employee, officer, director, or other representative of Grantor, in order to induce Grantee to enter into this Agreement, except as specifically stated herein.

17. Waiver. No waiver of any provision of this Agreement shall be effective unless it is in writing, signed by all the parties against whom it is asserted and any such written waiver

shall be applicable only to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

18. Construction. This Agreement and the grant of the Easement herein shall not be strictly construed but shall be given a reasonable construction so that the intention of the parties to confer permanent and commercially usable rights of enjoyment of the Easement is carried out.

19. Attorneys' Fees and Costs. In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to recover all costs in connection therewith, including reasonable attorneys' fees and costs incurred at all levels of proceedings, from the non-prevailing party.

20. Governing Law. This Agreement and the Easement hereby granted shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to the conflict of laws or choice of laws principles of any jurisdiction, including the State of Illinois.

21. Further Assurances. Each party shall execute, acknowledge and deliver to the other party such documents, instruments and certificates, and take such other action as the parties may reasonably request in order to give effect to the purposes or provisions of this Agreement.

22. Affiliates. As used in this Agreement, "Affiliate" or "Affiliates" means any entity that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with Grantor or Grantee, as applicable, with the term "control" meaning, for this purpose, the power to direct the management and policies of an entity or individual, directly or indirectly, whether through the ownership of voting securities or partnership, membership or other ownership interests, or by contract or otherwise.

23. Execution in Counterparts. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute one instrument. Counterparts of this Agreement may be exchanged via electronic means or facsimile, and any electronic or facsimile copy of any party's signature shall be deemed to be an original signature for all purposes; provided, however that if counterparts are so executed by electronic means or facsimile, then upon request of either party original signatures shall be exchanged promptly thereafter.

[Signature page follows.]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement as of the date first above written.

Grand Trunk Western Railroad Company,
a Michigan corporation

By:_____

Title:_____

CSX Transportation, Inc., a Virginia corporation

By:_____

Title:_____

STATE OF _____)
) SS
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of Grand Trunk Western Railroad Company, a Michigan corporation, being the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he or she signed and delivered the said instrument and caused the seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as his or her own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 2013.

_____
Notary Public

STATE OF _____)
) SS
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of CSX Transportation, Inc., a Virginia corporation, being the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he or she signed and delivered the said instrument and caused the seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as his or her own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 2013.

_____
Notary Public

EXHIBIT A

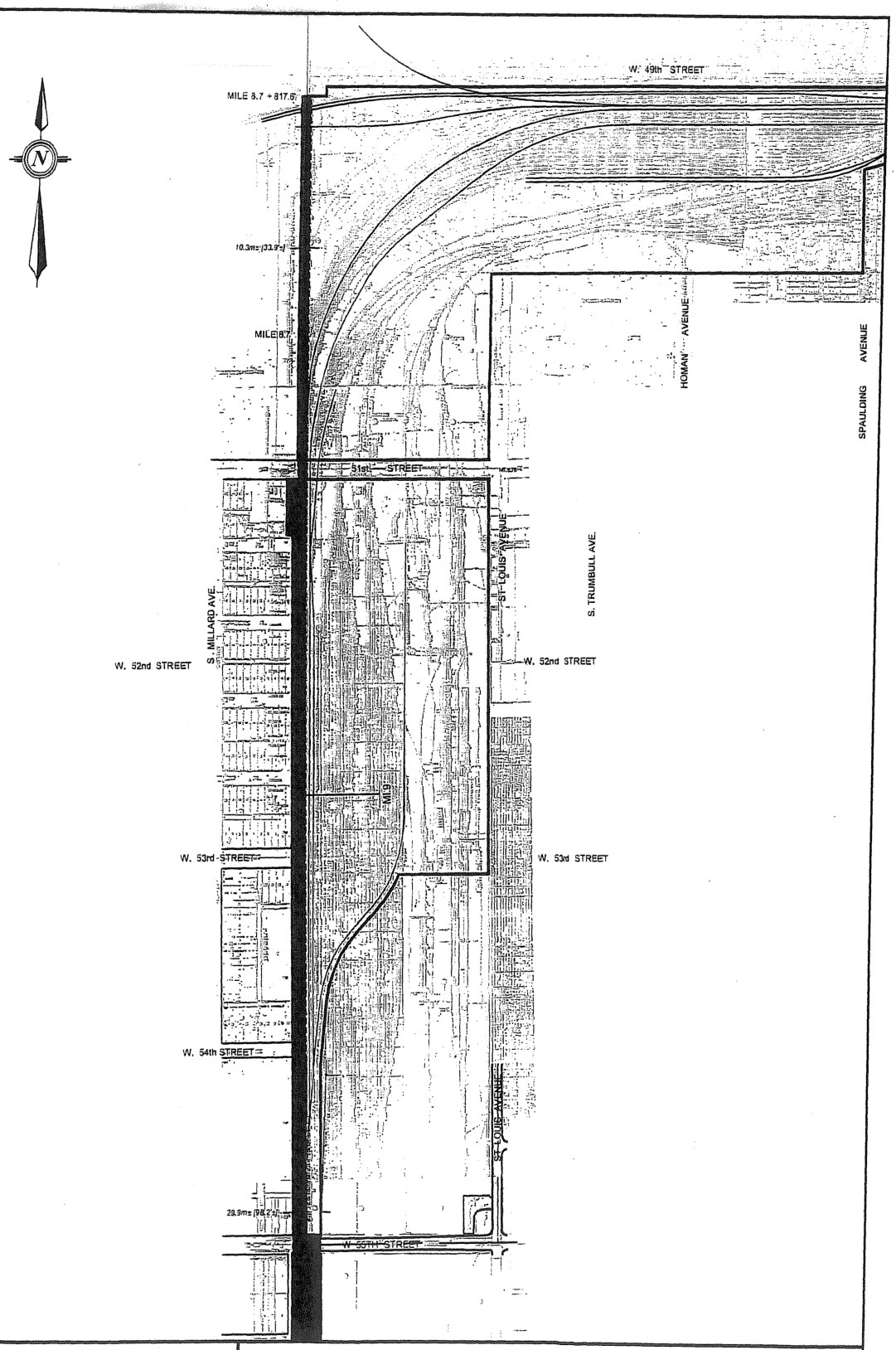
EASEMENT PREMISES

Parcel 1: Cook County, Illinois: A parcel of land described as follows: a [one hundred (100)] foot strip of land through Section(s) _____, Township __ North, Range __ East, in Cook County, Illinois beginning at the point where the main track of Grantor's Elsdon Subdivision intersects the __ line of said Section __ at approximately milepost 8.7 and thence running in an easterly direction along said railroad on, over and across said Section __, said Section __ and said Section __, to a point in the east line of said Section __, such line also being the boundary line between Cook County, Illinois and Lake County, Indiana, and there terminating.

Parcel 2: Lake County, Indiana: A parcel of land described as follows: a [one hundred (100)] foot strip of land through Section(s) _____, Township __ North, Range __ West, in Lake County, Indiana beginning at the point where the main track of Grantor's Elsdon Subdivision intersects the west line of said Section __ , such line also being the boundary line between Cook County, Illinois and Lake County, Indiana and also the end point of Parcel 1 above, and thence running in an easterly direction along said railroad on, over and across said Section __, said Section __ and said Section __ to a point in the ___ line of Section __ at approximately milepost 31.0, and there terminating.

EXHIBIT B

MAPS OF EASEMENT PREMISES



DESCRIPTION:

Elsdon Subdivision
State of Illinois
United States of America

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Exhibit C
PAGE 1

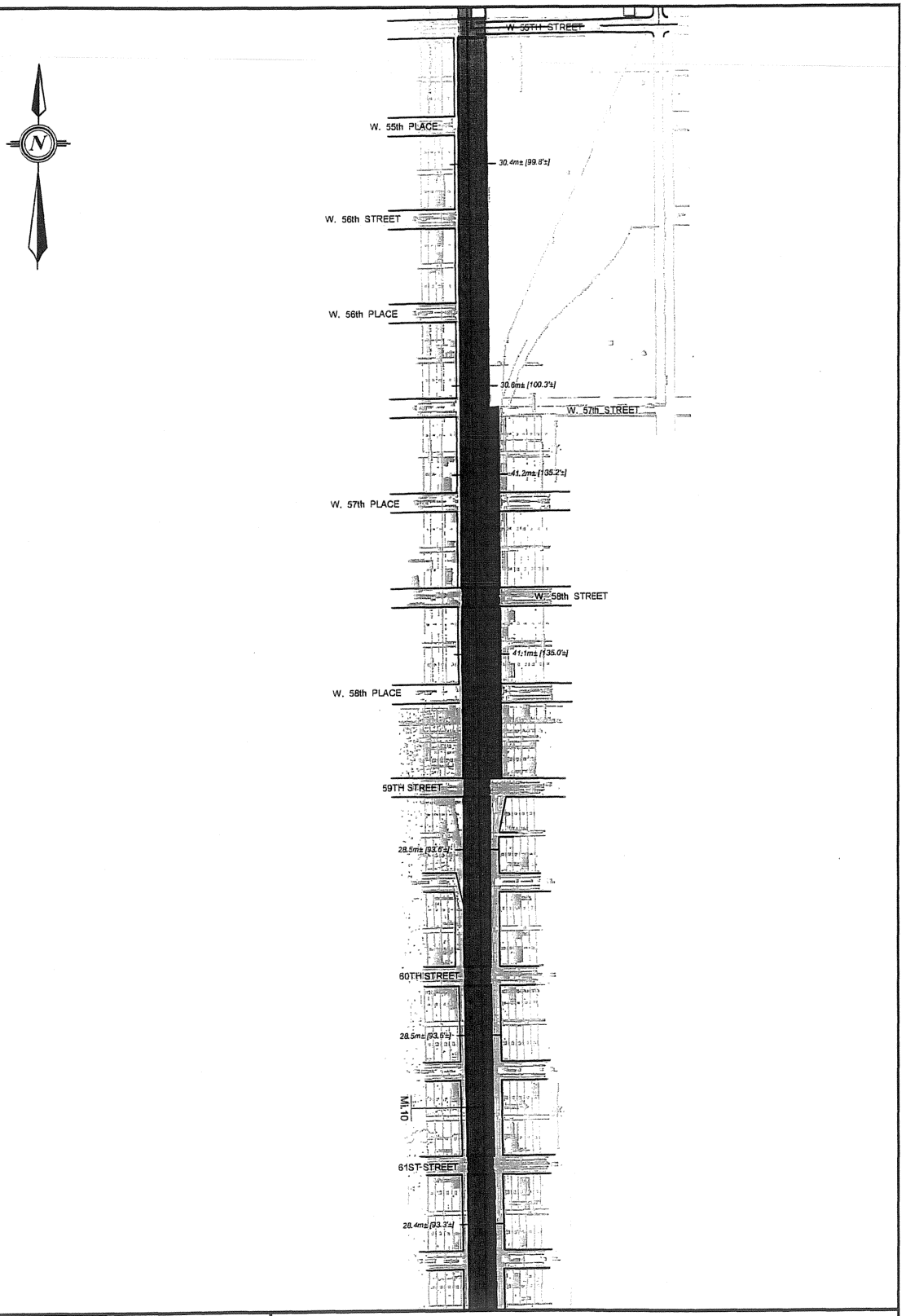
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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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PAGE 2

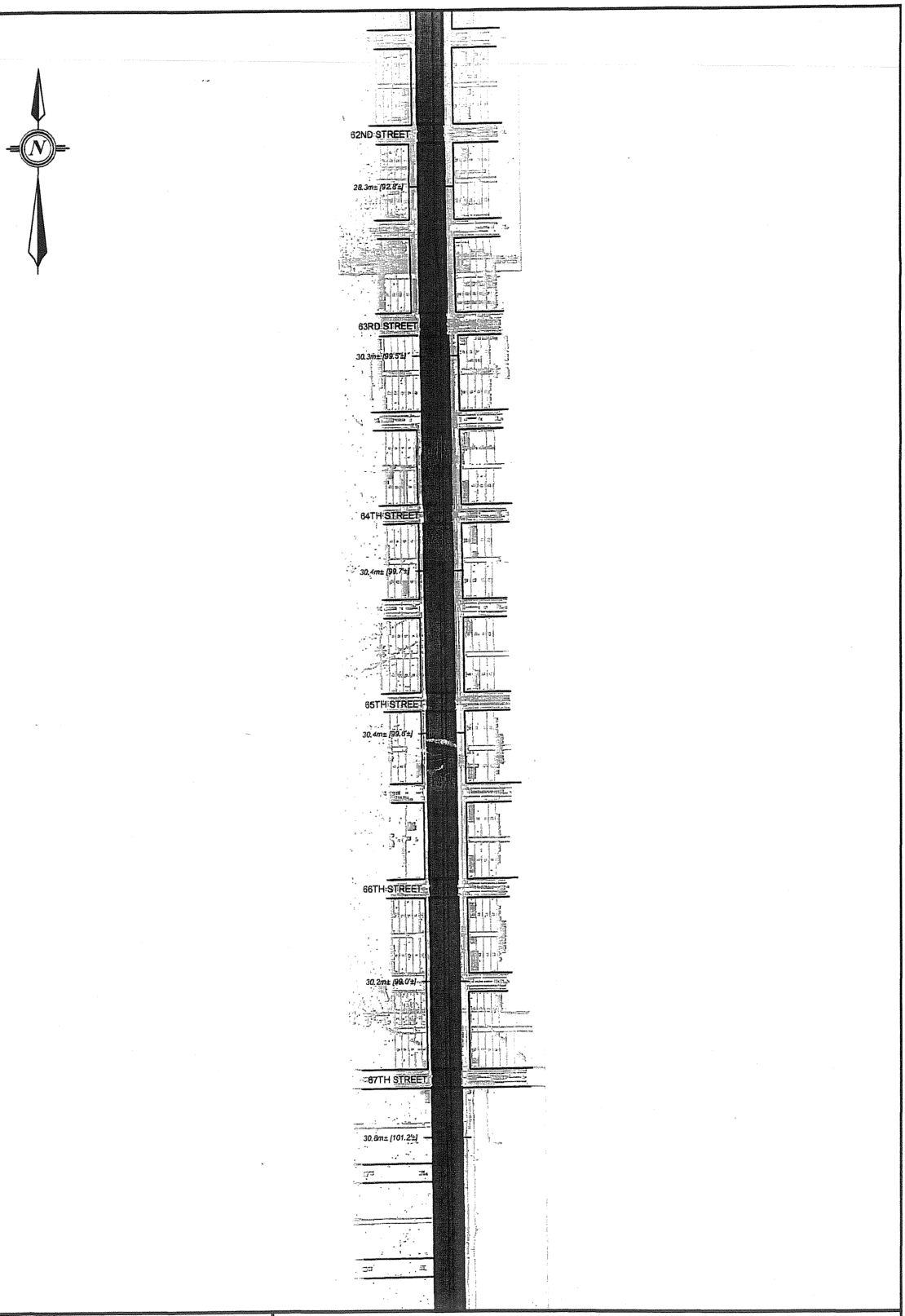
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Exhibit C
PAGE 3

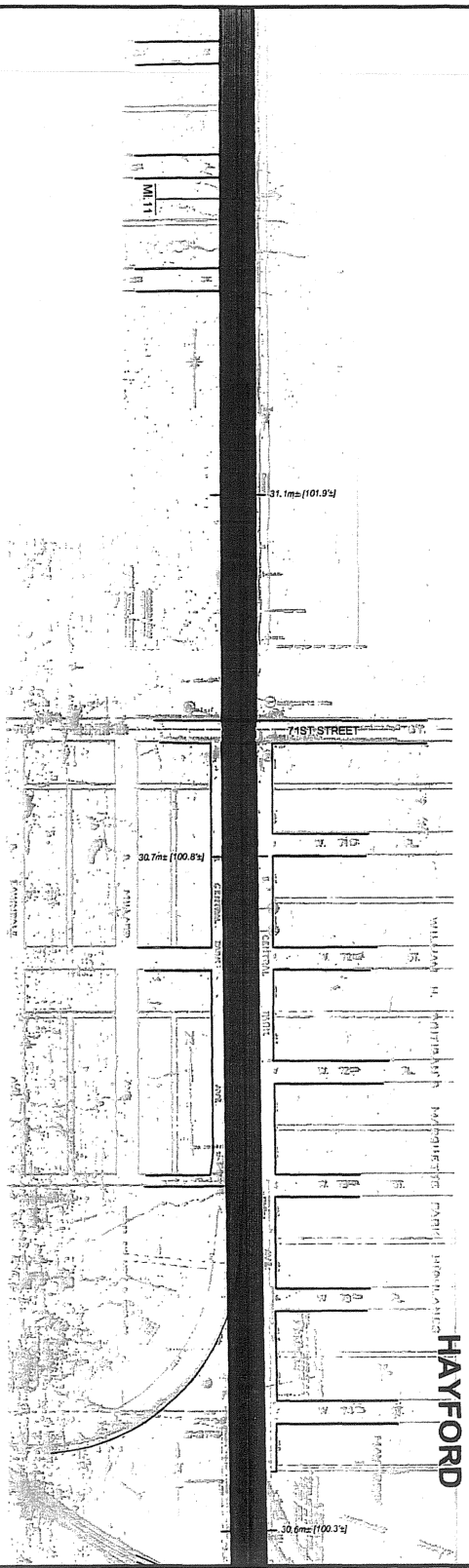
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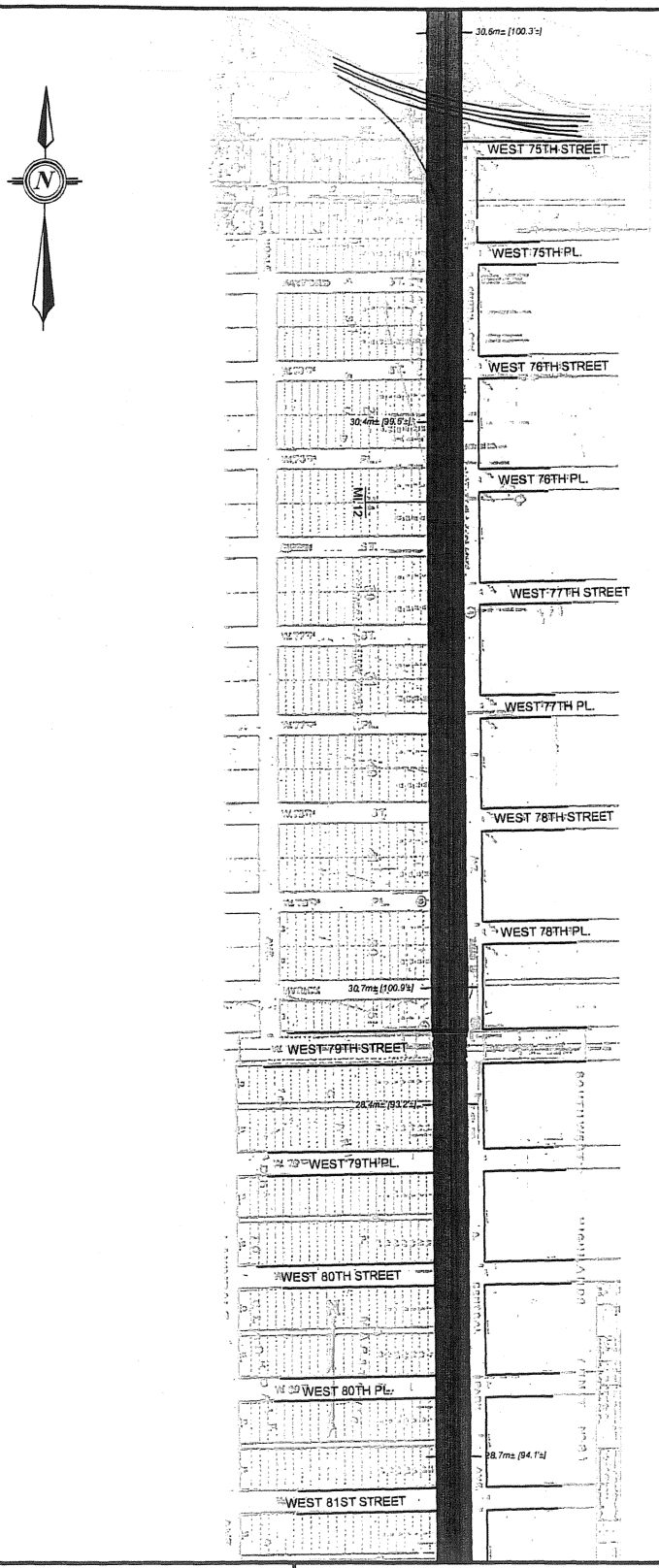
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PAGE 5

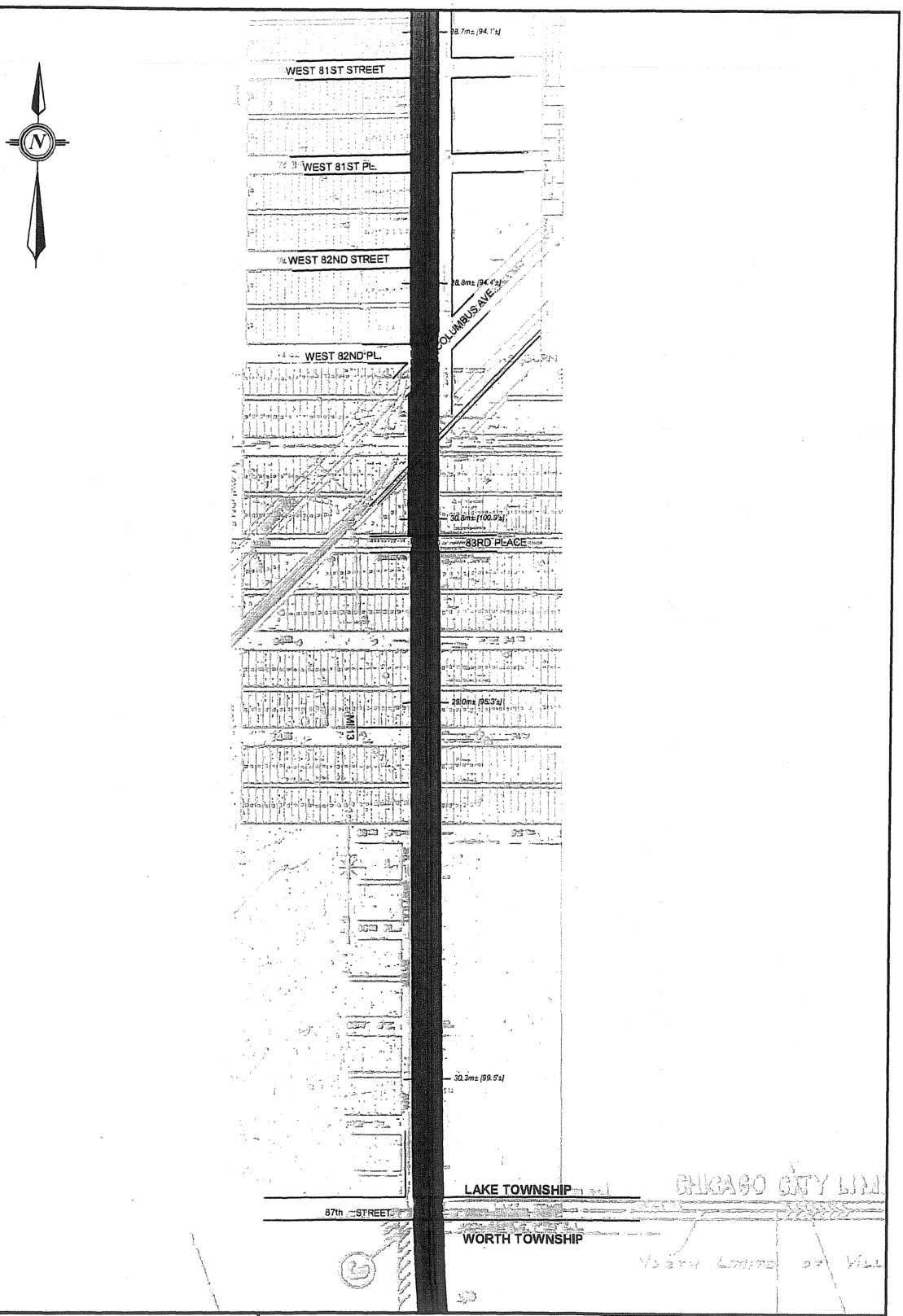
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PAGE 6

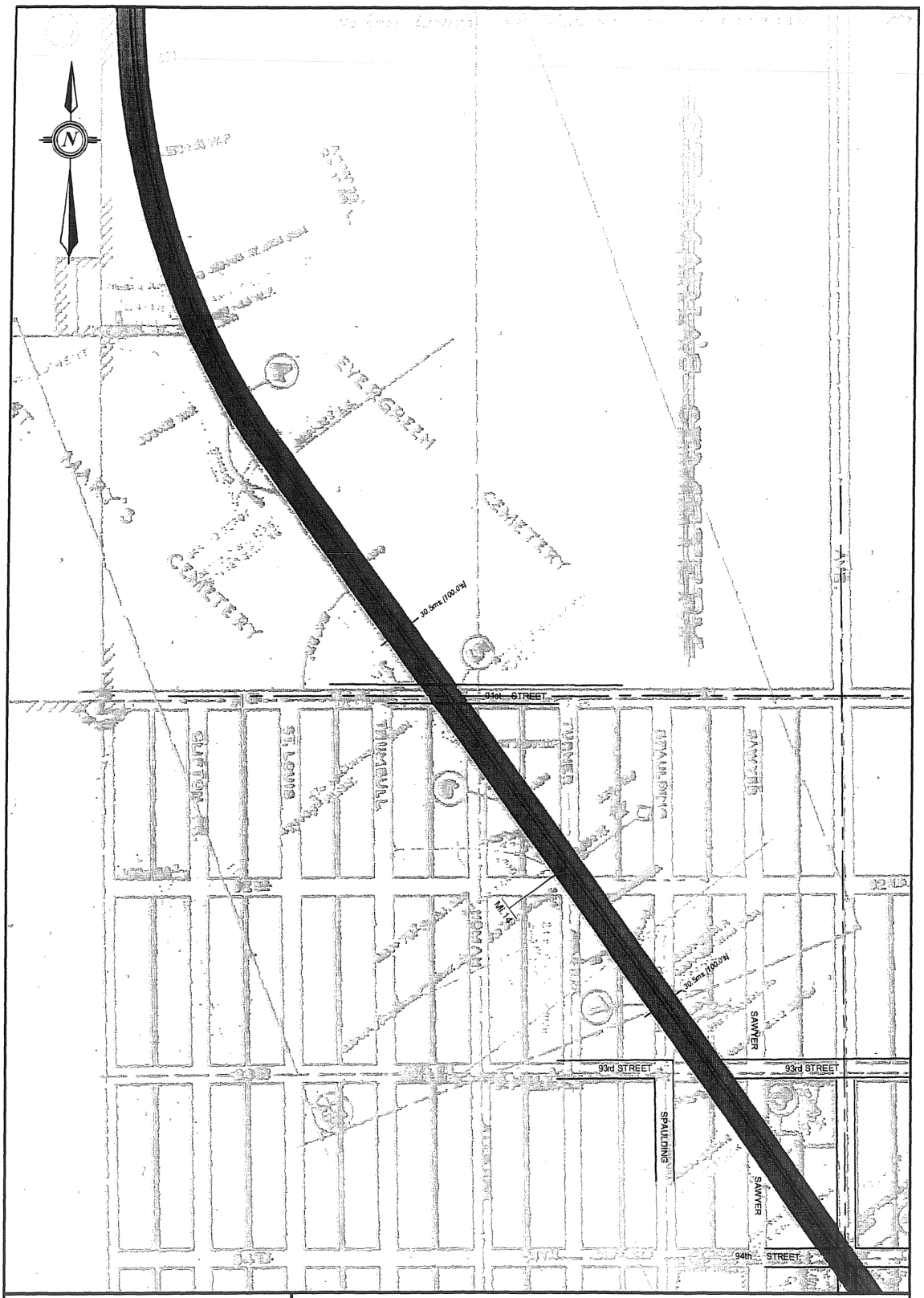
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PAGE 7

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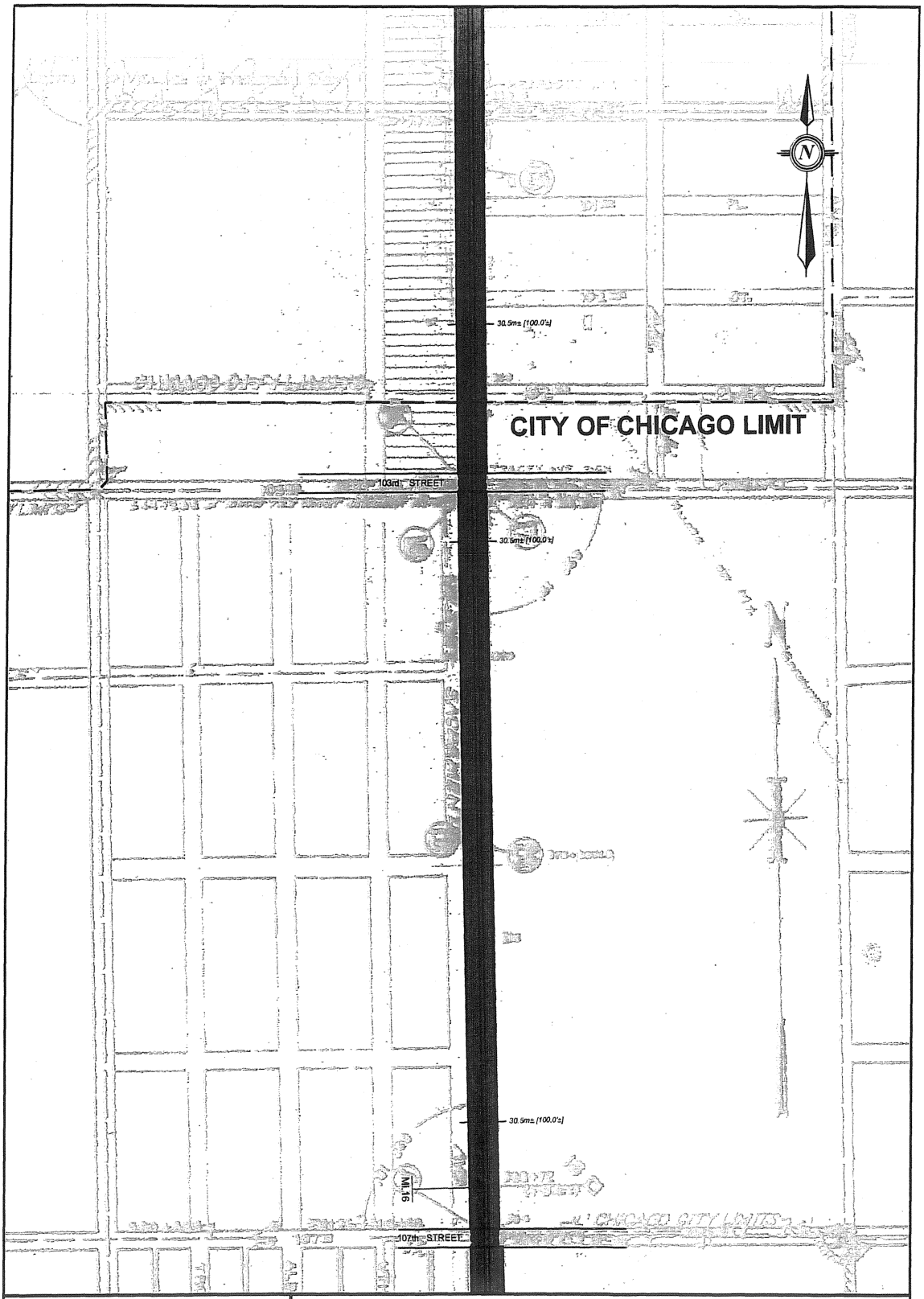
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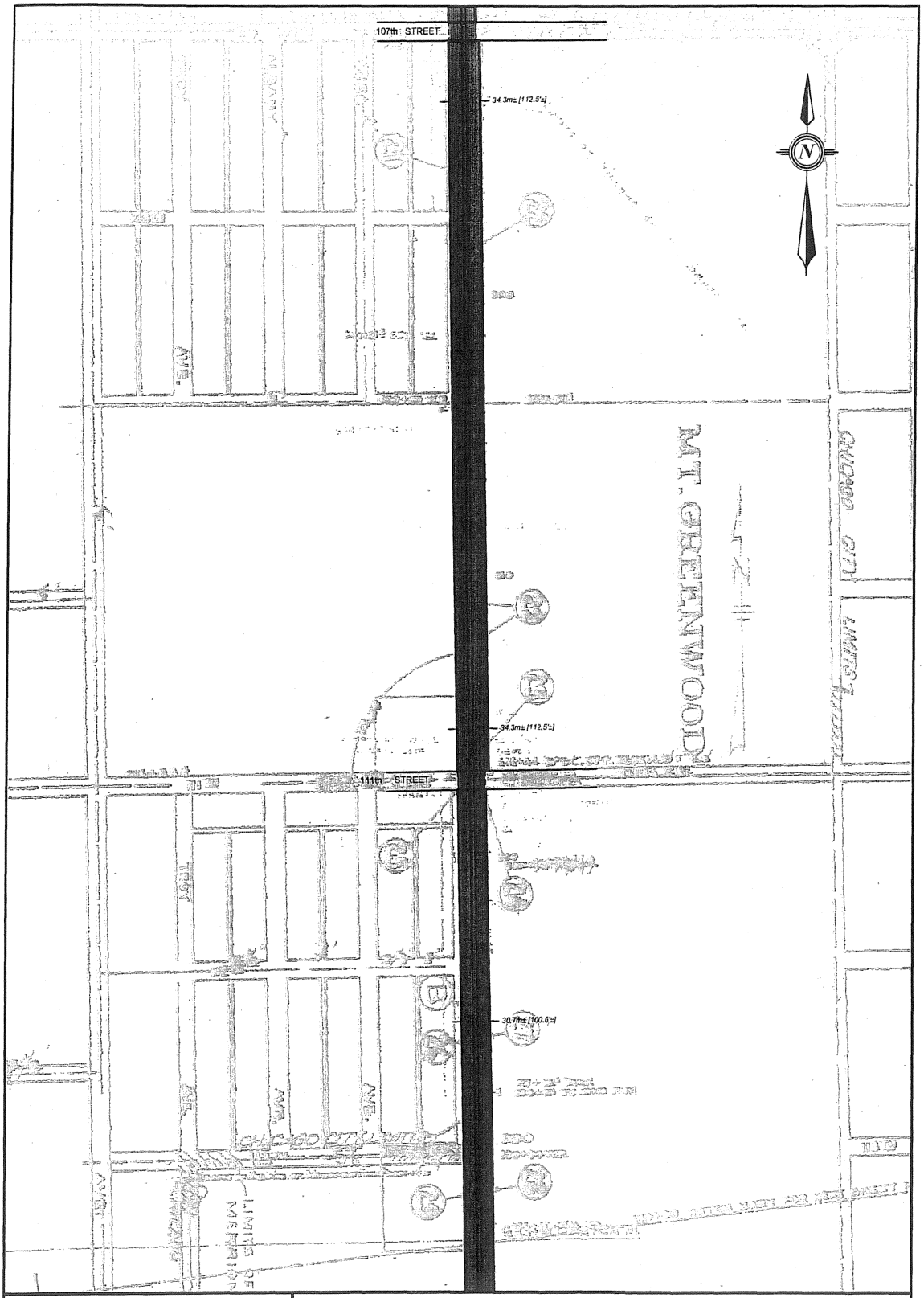
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PAGE 10

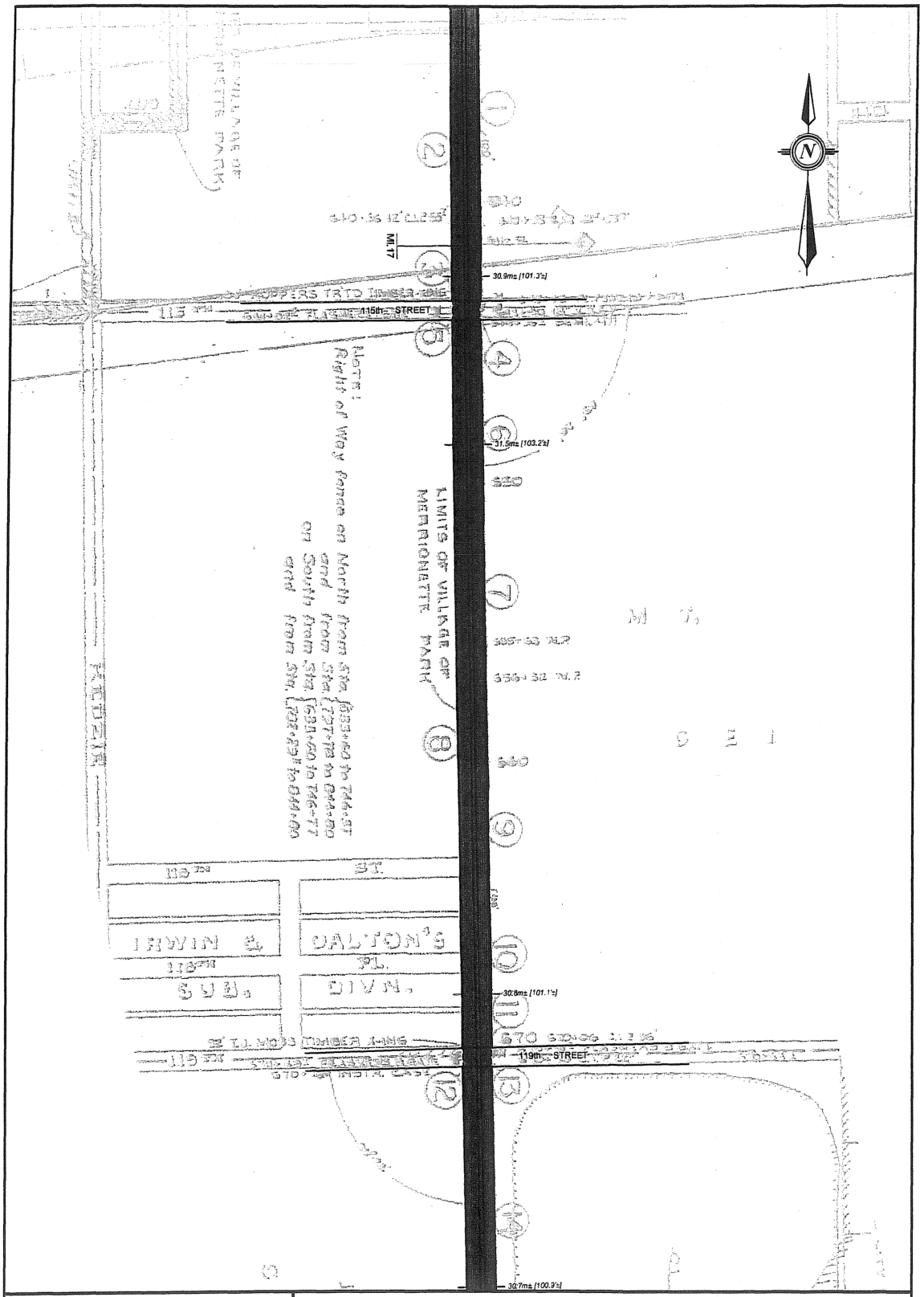
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PAGE 11

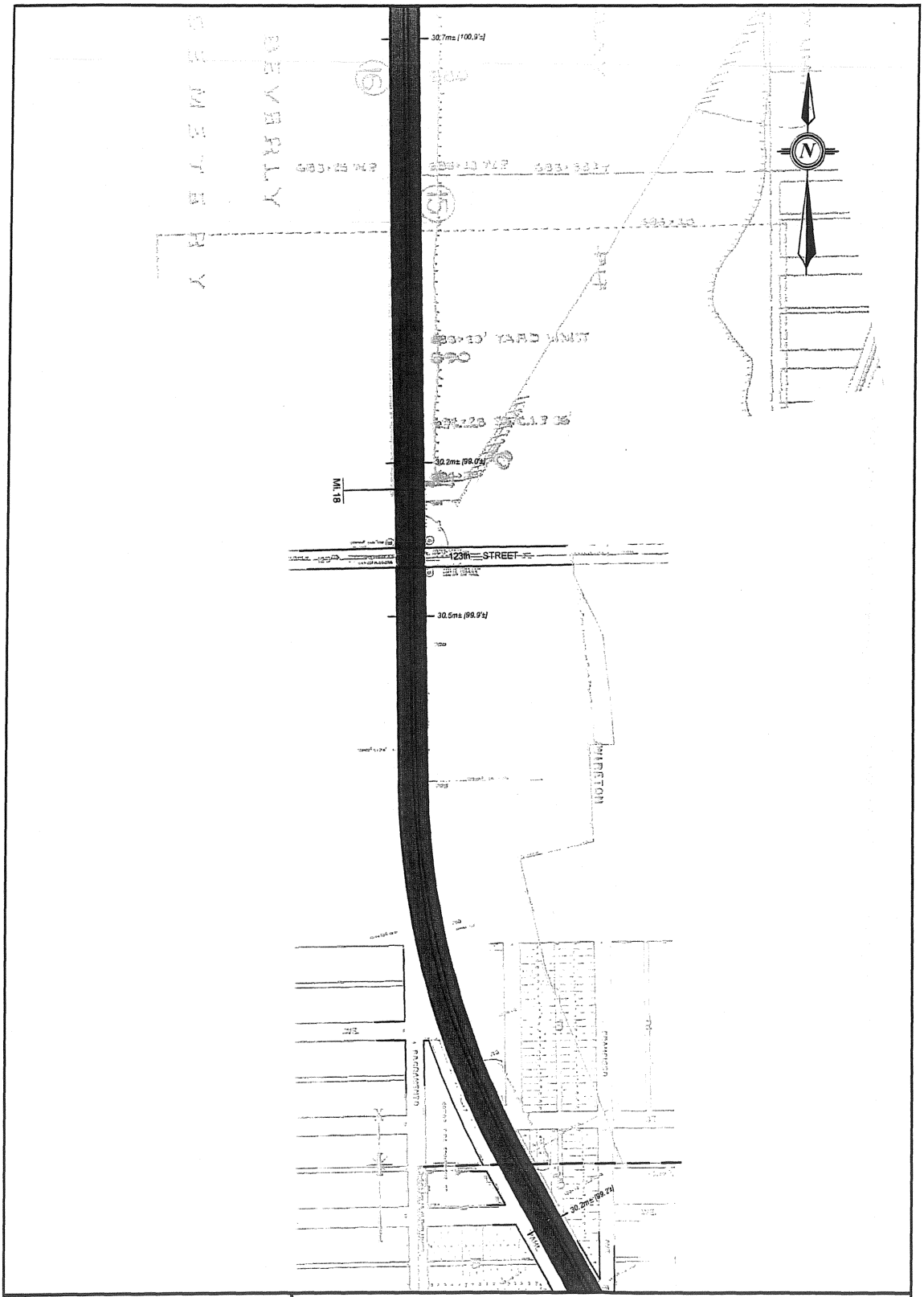
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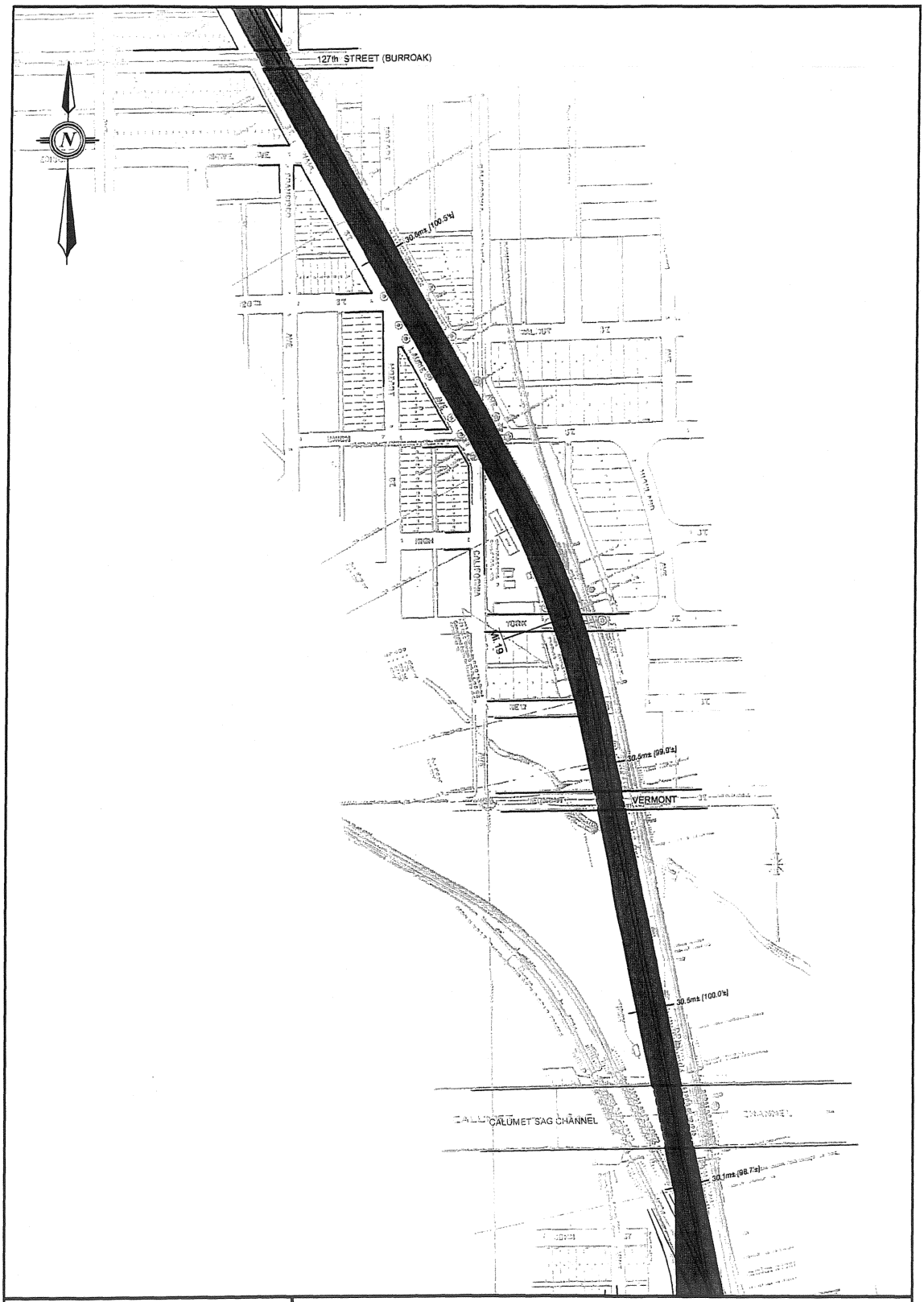
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PAGE 12

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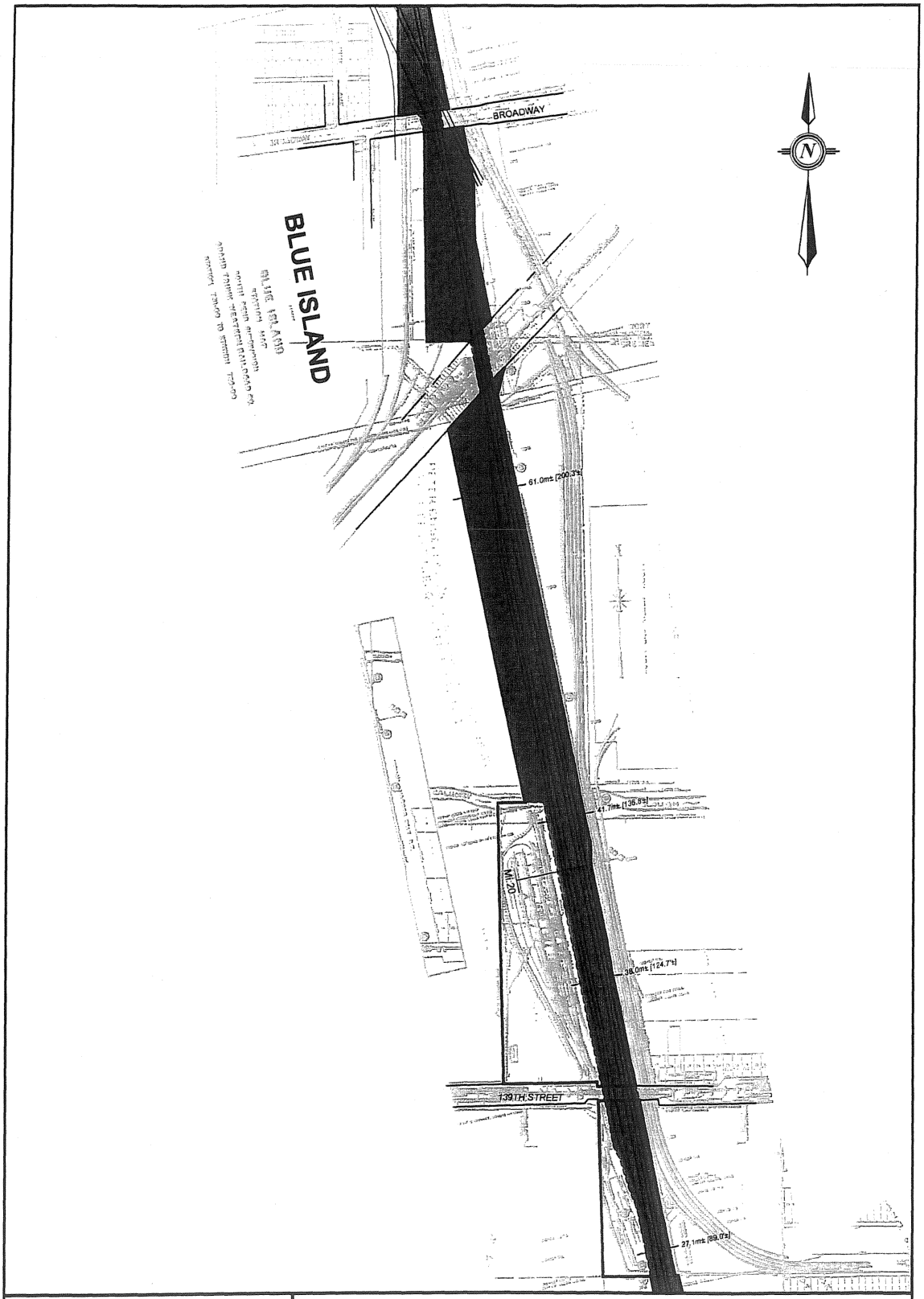
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United States of America

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CECI N'EST PAS UN PLAN D'ARPENTAGE

Exhibit C
PAGE 14

SUBDIVISION:	Elsdon (312)
SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

W:\cad\SP\Elsdon\CSX easement.dwg



DESCRIPTION:

Elsdon Subdivision
State of Illinois
United States of America

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Exhibit C
PAGE 15

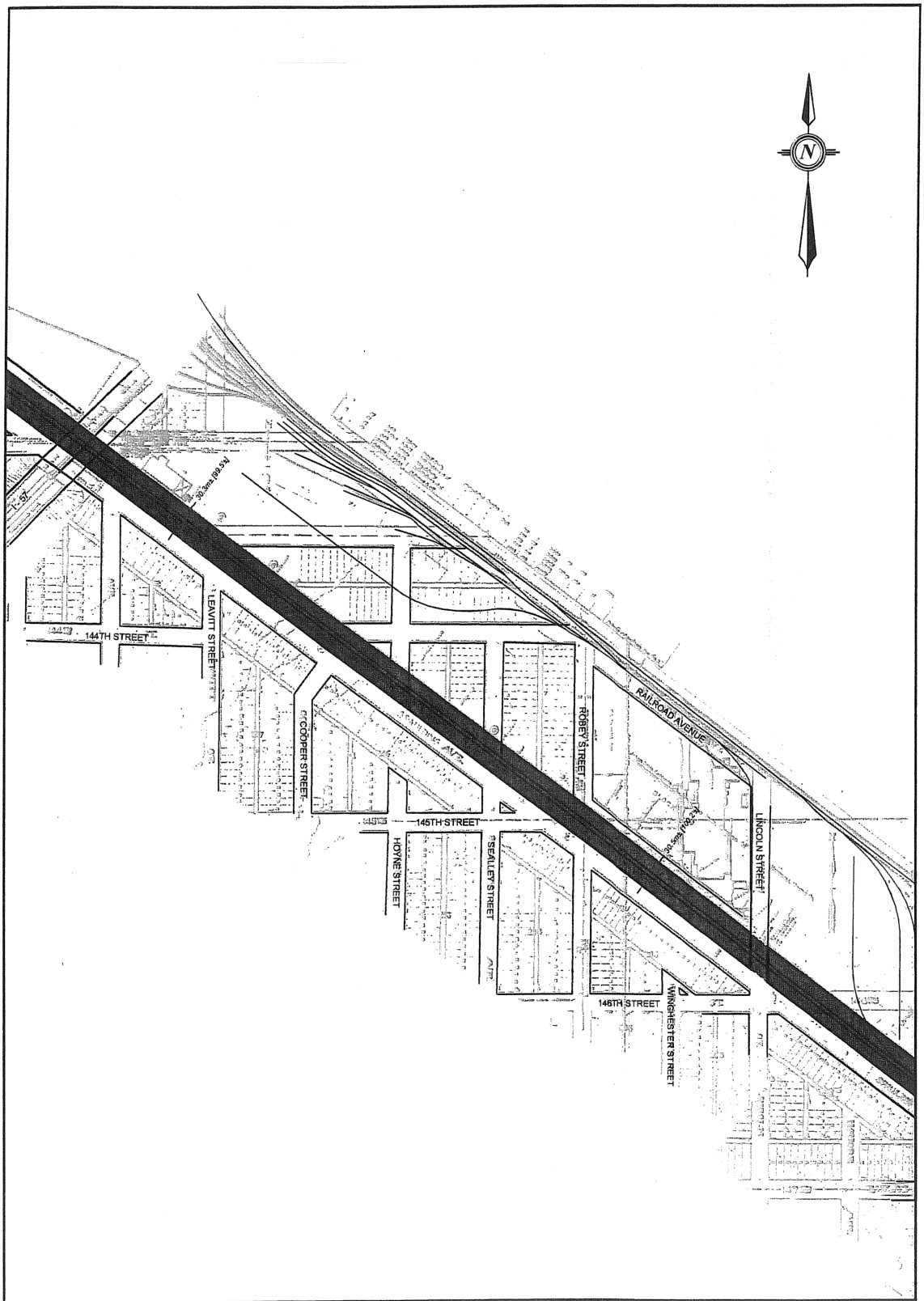
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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

W:\cad\SP\Elsdon\CSX easement.dwg



DESCRIPTION:

Elsdon Subdivision
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Exhibit C
PAGE 16

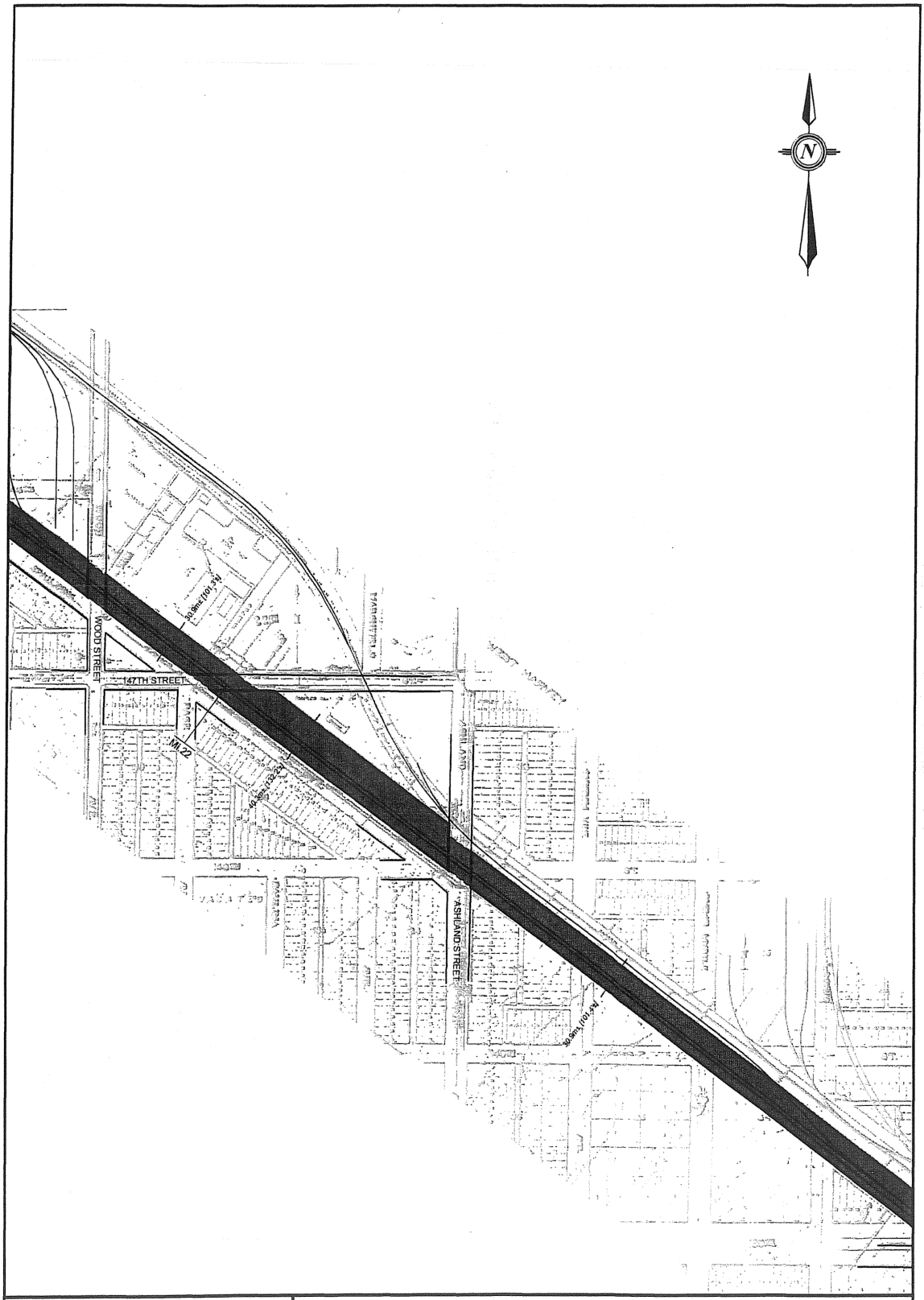
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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

W:\cad\SP\Elsdon\CSX easement.dwg



DESCRIPTION:

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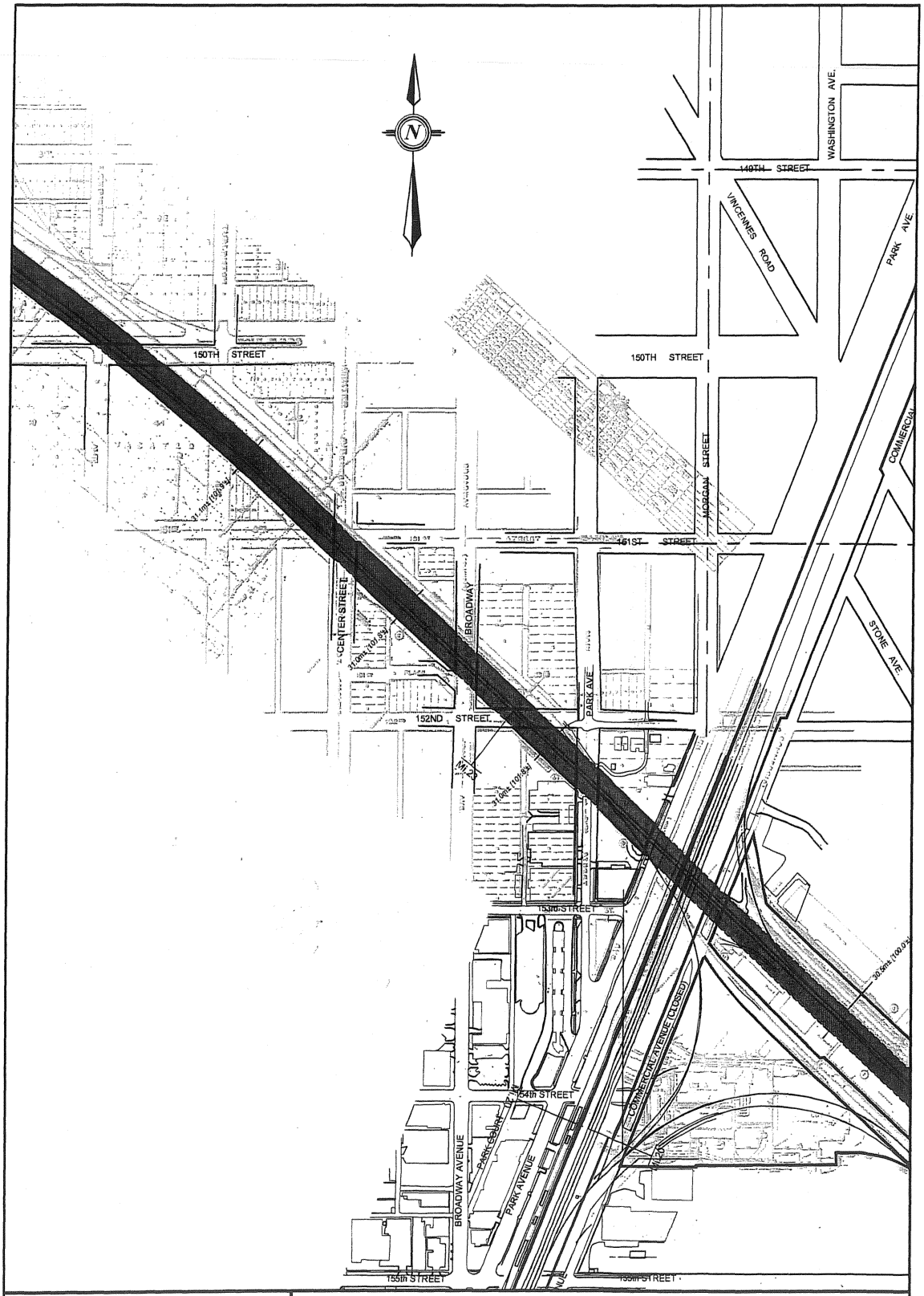
Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

Exhibit C
PAGE 17

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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

0ft 125 250 625ft
0m 50 100 200m
SCALE / ÉCHELLE: 1:5000

W:\cad\SP\Elsdon\CSX easement.dwg



DESCRIPTION:

Elsdon Subdivision
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Exhibit C
PAGE 18

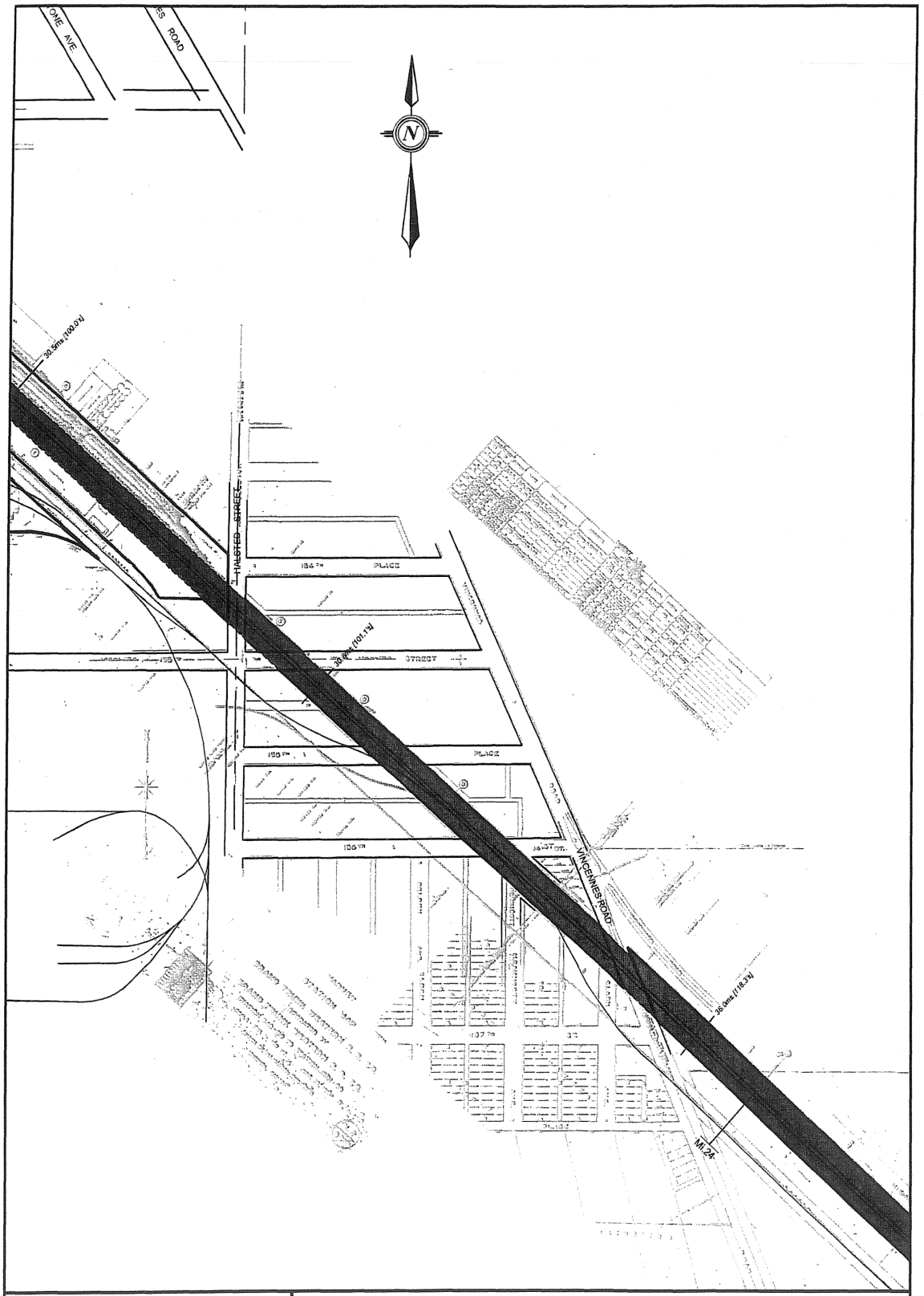
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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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Elsdon Subdivision
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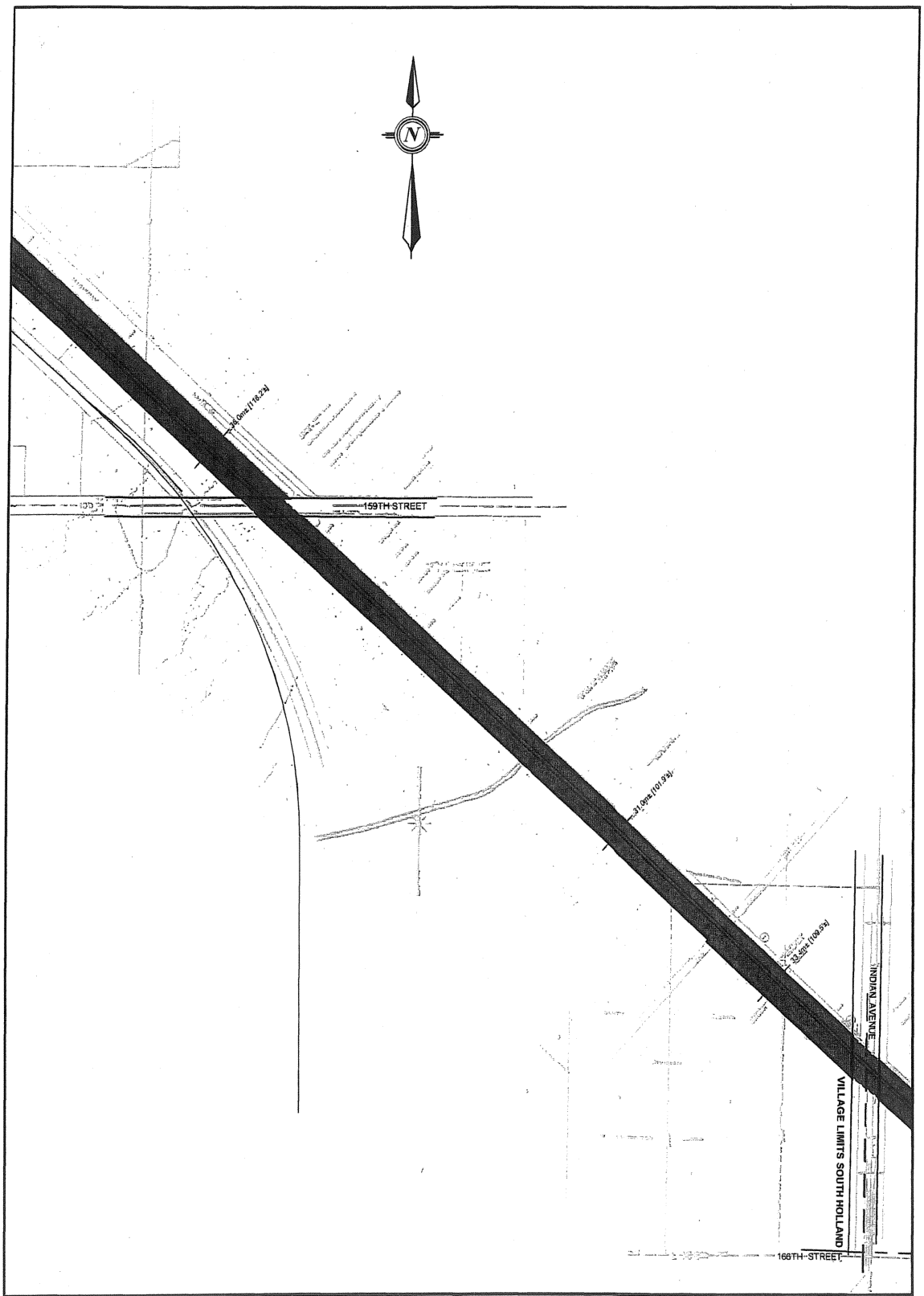
Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

Exhibit C
PAGE 19

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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

0ft 125 250 625ft
0m 50 100 200m
SCALE / ÉCHELLE: 1:5000

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DESCRIPTION:

Elsdon Subdivision
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Exhibit C
PAGE 20

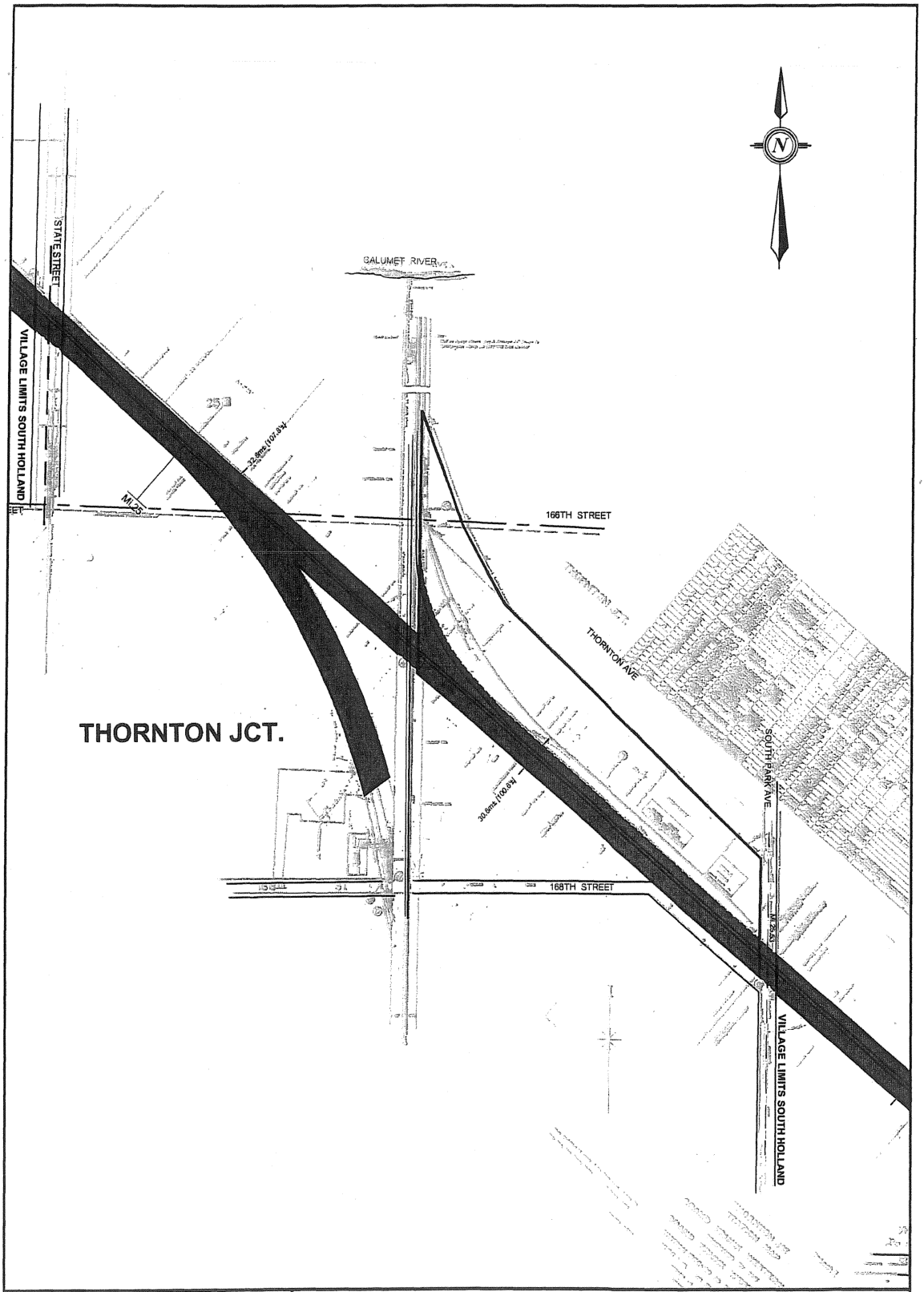
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Exhibit C
PAGE 21

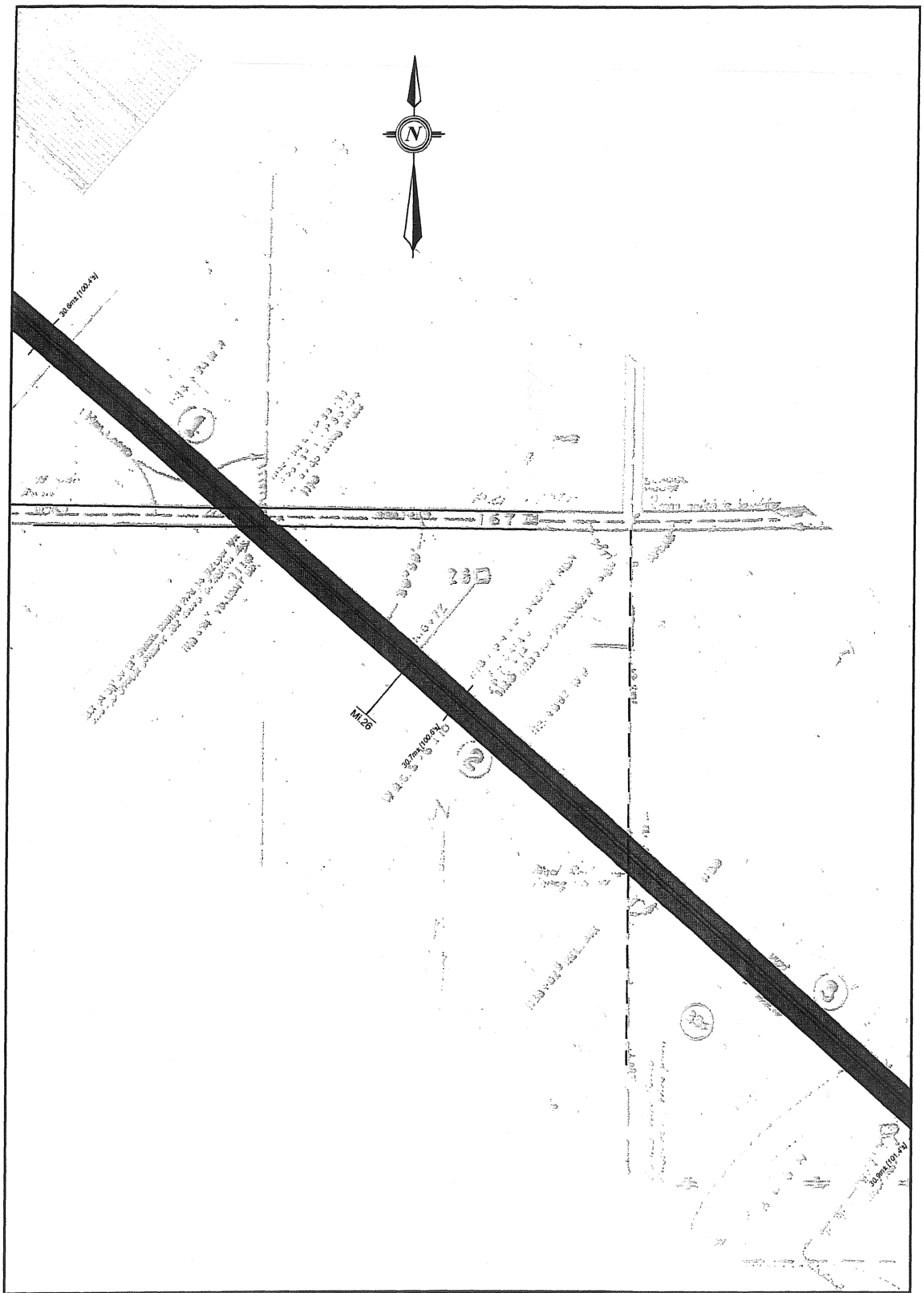
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DATE:	March 21, 2012

Subject Lands/Terrain Sujet
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Exhibit C
PAGE 22

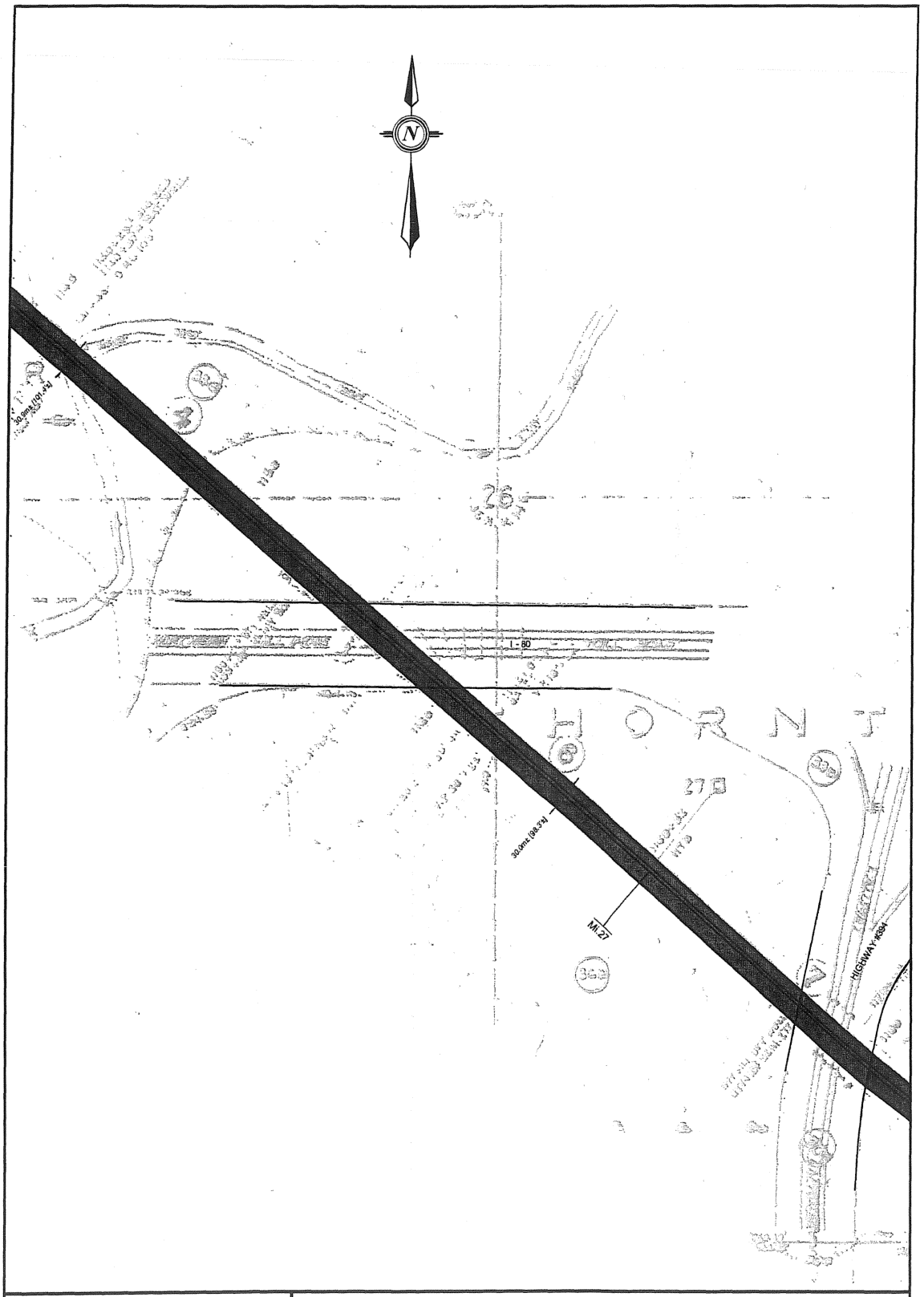
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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m
SCALE / ÉCHELLE: 1:5000

CN

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Elsdon Subdivision
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Exhibit C
PAGE 23

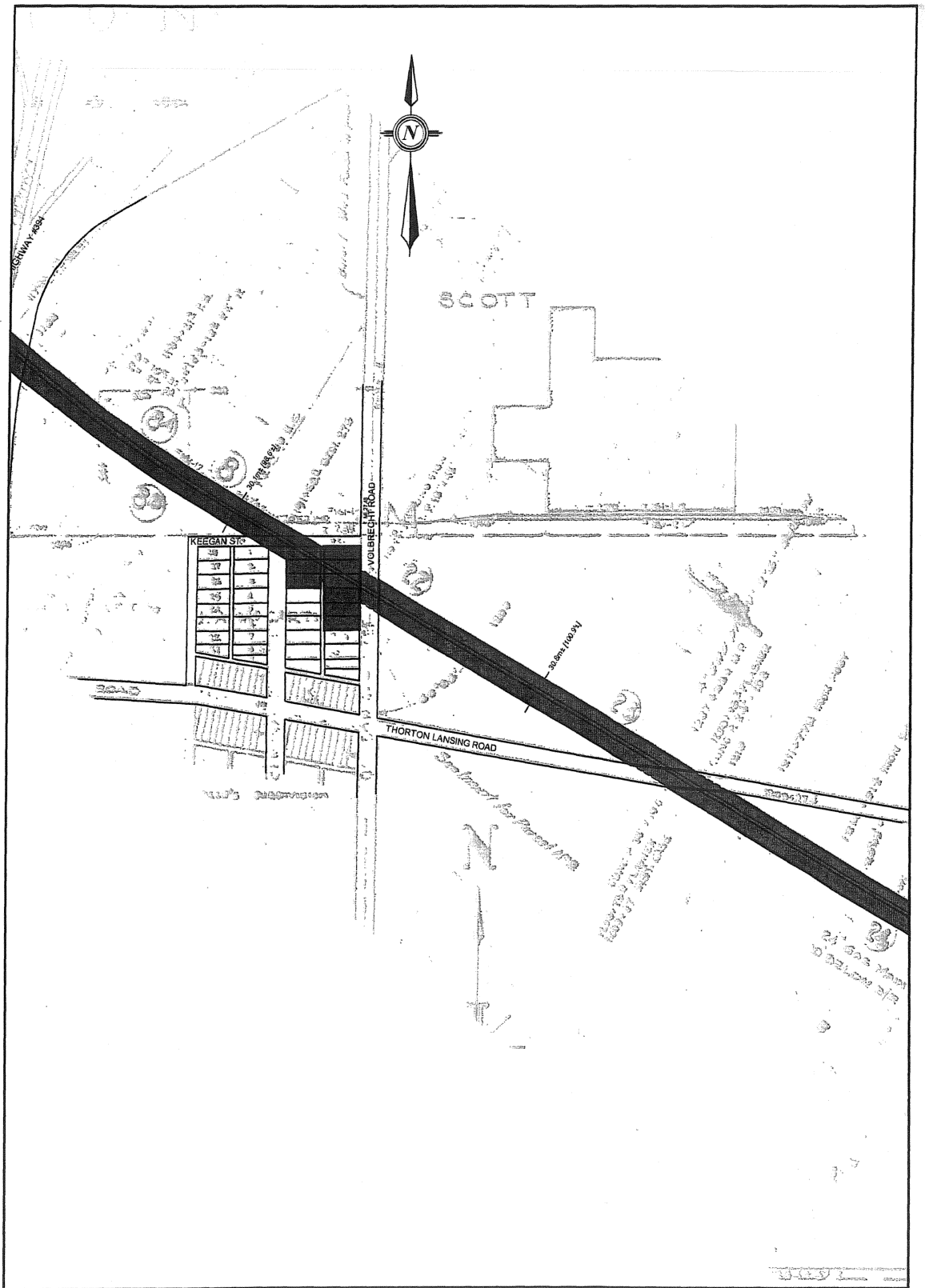
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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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DESCRIPTION:

Elsdon Subdivision
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United States of America

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Exhibit C
PAGE 24

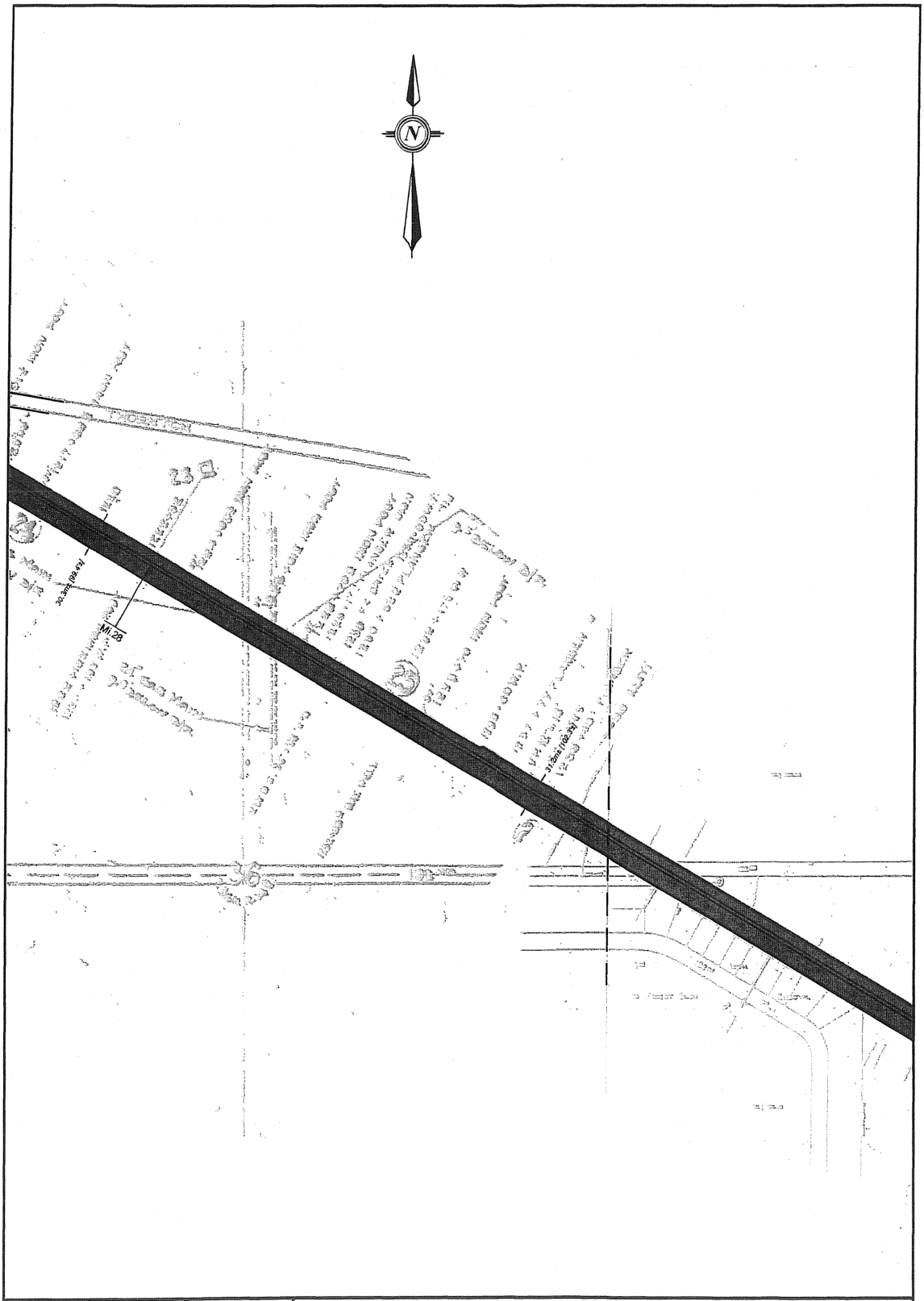
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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
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SCALE / ÉCHELLE: 1:5000

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DESCRIPTION:

Elsdon Subdivision
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Exhibit C
PAGE 25

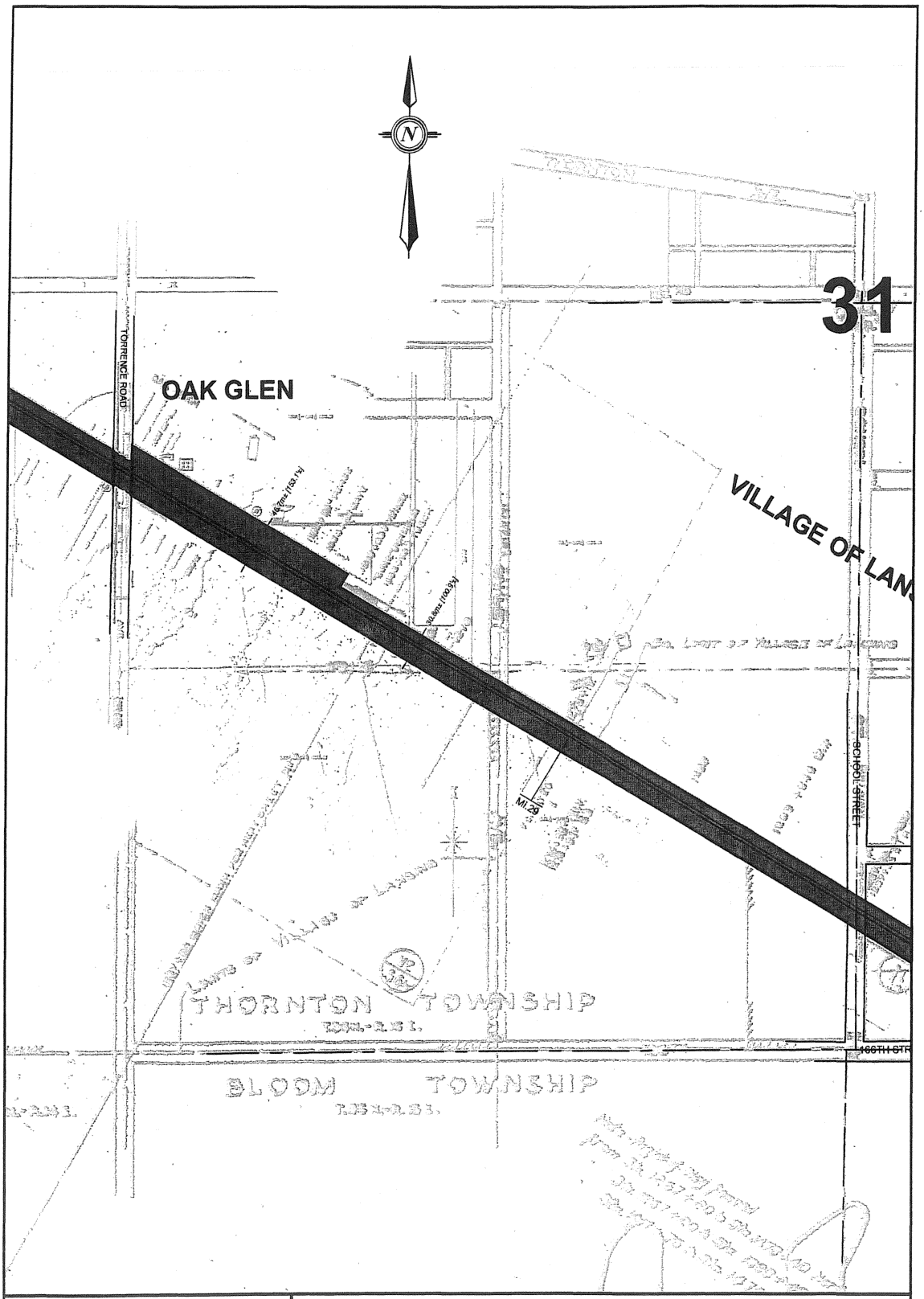
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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
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SCALE / ÉCHELLE: 1:5000

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DESCRIPTION:

Elsdon Subdivision
State of Illinois
United States of America

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Exhibit C
PAGE 26

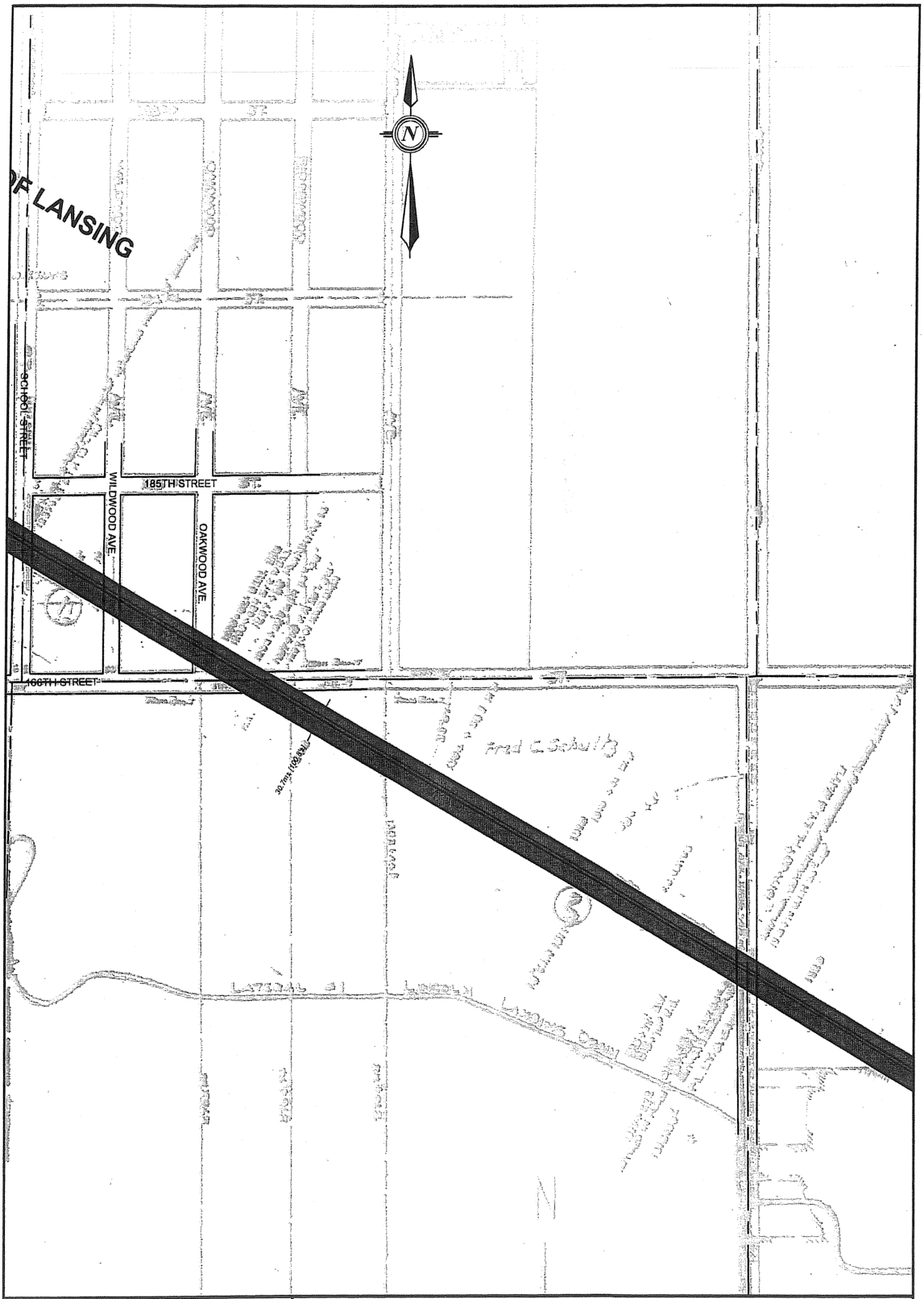
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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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DESCRIPTION:

Elsdon Subdivision
State of Illinois
United States of America

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Exhibit C
PAGE 27

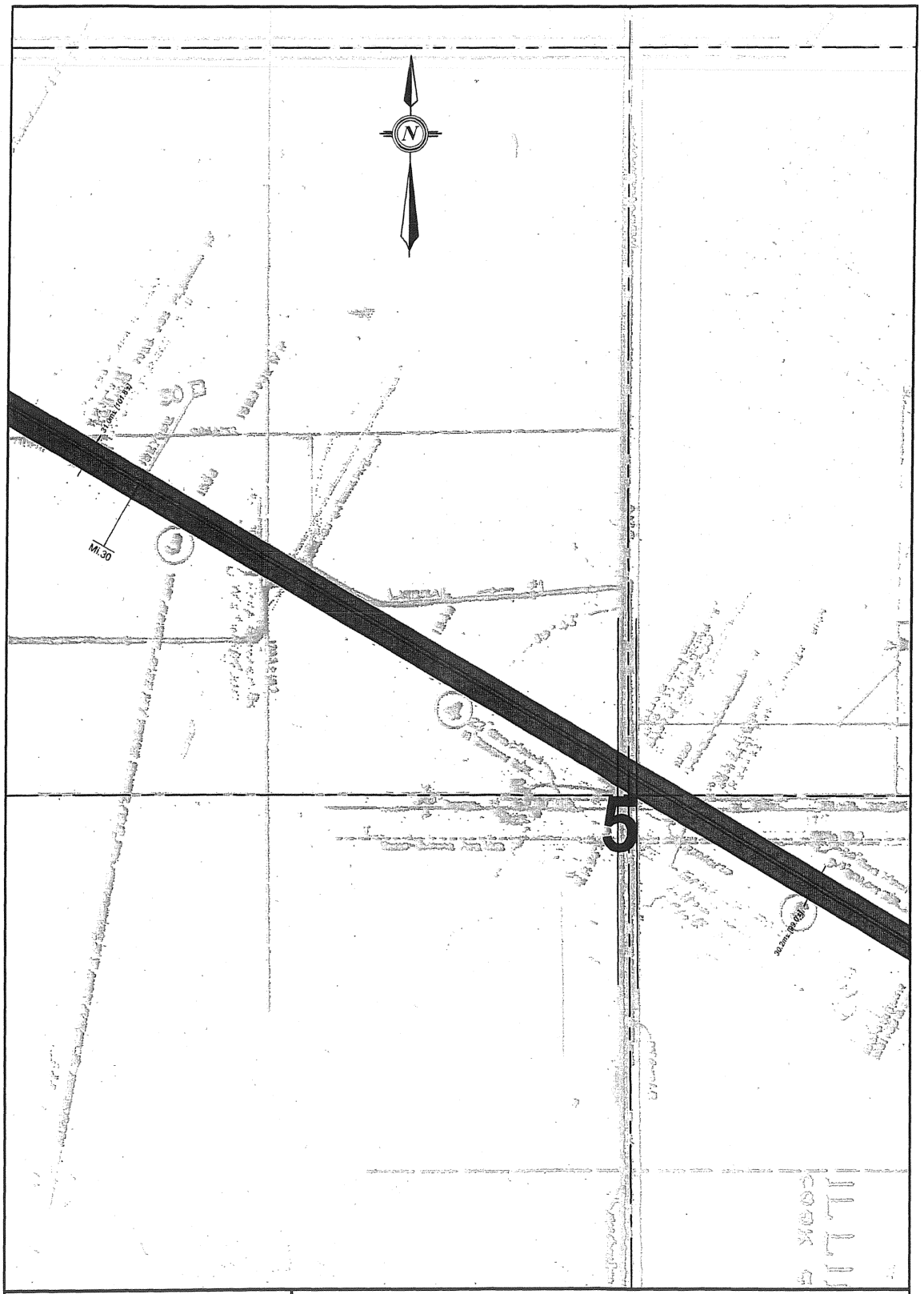
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SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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DESCRIPTION:

Elsdon Subdivision
State of Illinois
United States of America

THIS IS NOT A PLAN OF SURVEY
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Exhibit C
PAGE 28

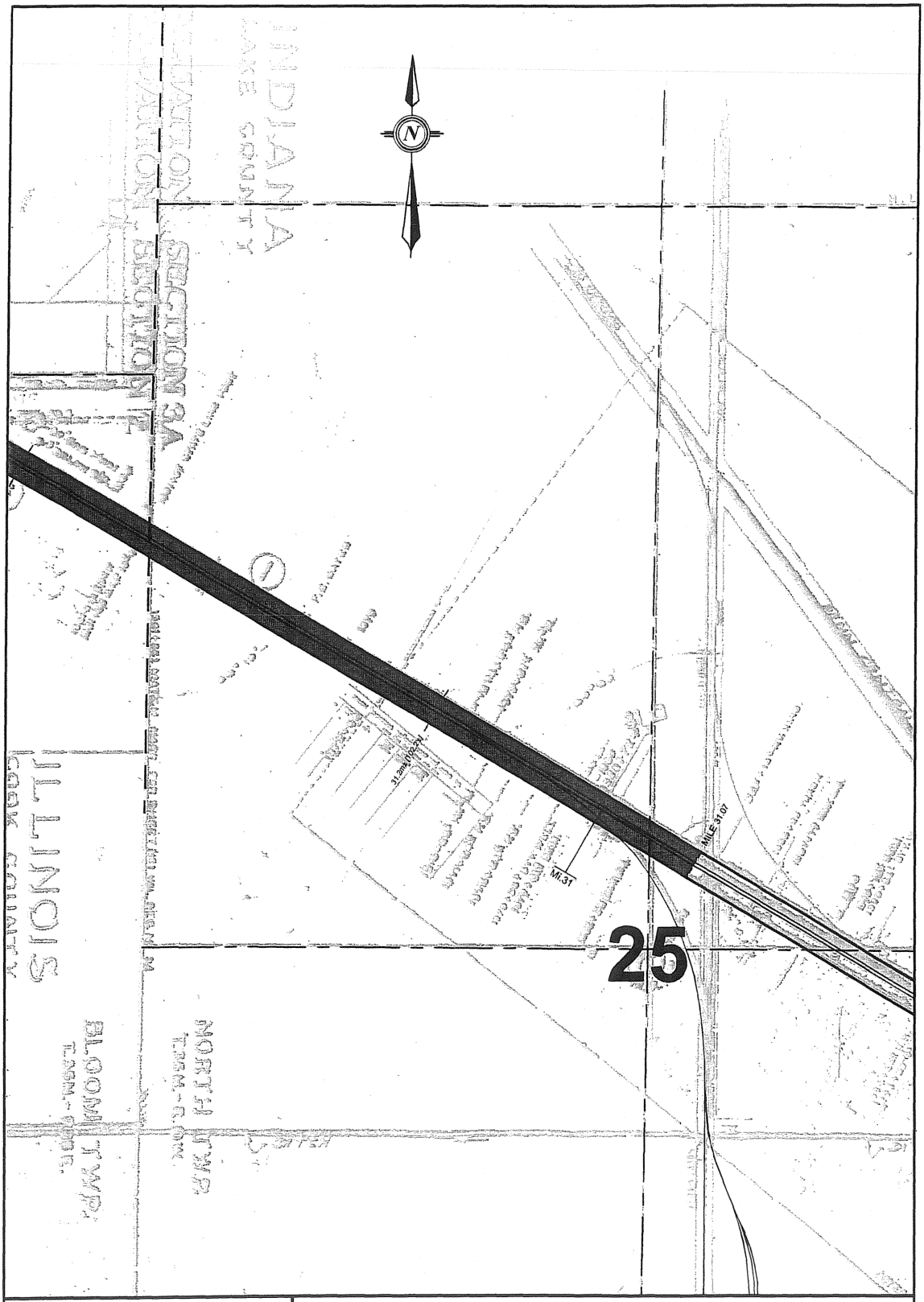
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MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

0ft 125 250 625ft
0m 50 100 200m

SCALE / ÉCHELLE: 1:5000

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DESCRIPTION:

Elsdon Subdivision
State of Illinois
United States of America

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CECI N'EST PAS UN PLAN D'ARPENTAGE

Exhibit C
PAGE 29

SUBDIVISION:	Elsdon (312)
SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	8.7 - 30.9
DATE:	March 21, 2012

Subject Lands/Terrain Sujet
CN Ownership/Propriété du CN

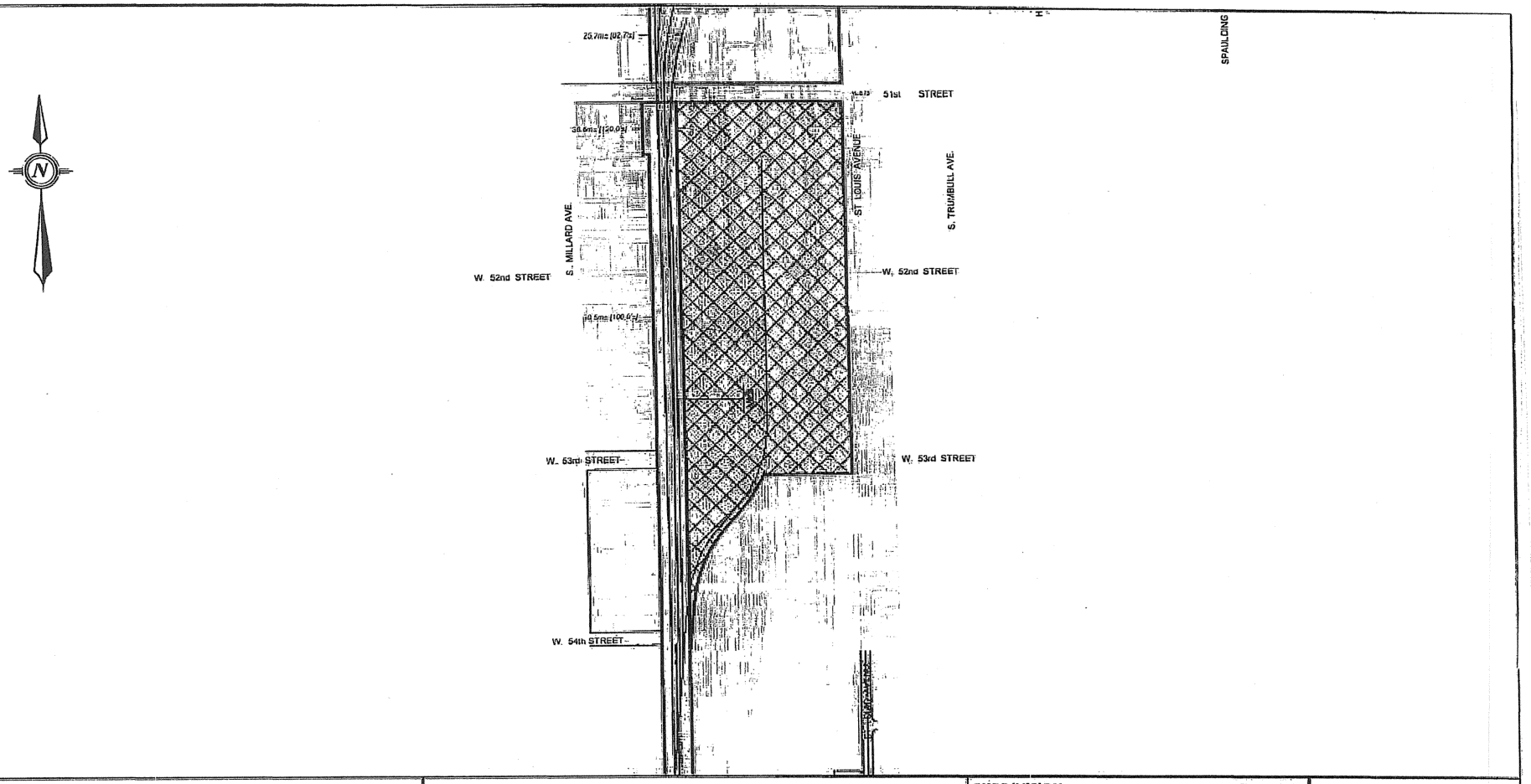
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SCALE / ÉCHELLE: 1:5000

CN

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EXHIBIT C

EXCLUDED NON-OPERATING PARCELS



DESCRIPTION:
Elsdon Subdivision
State of Illinois & Indiana
United States of America

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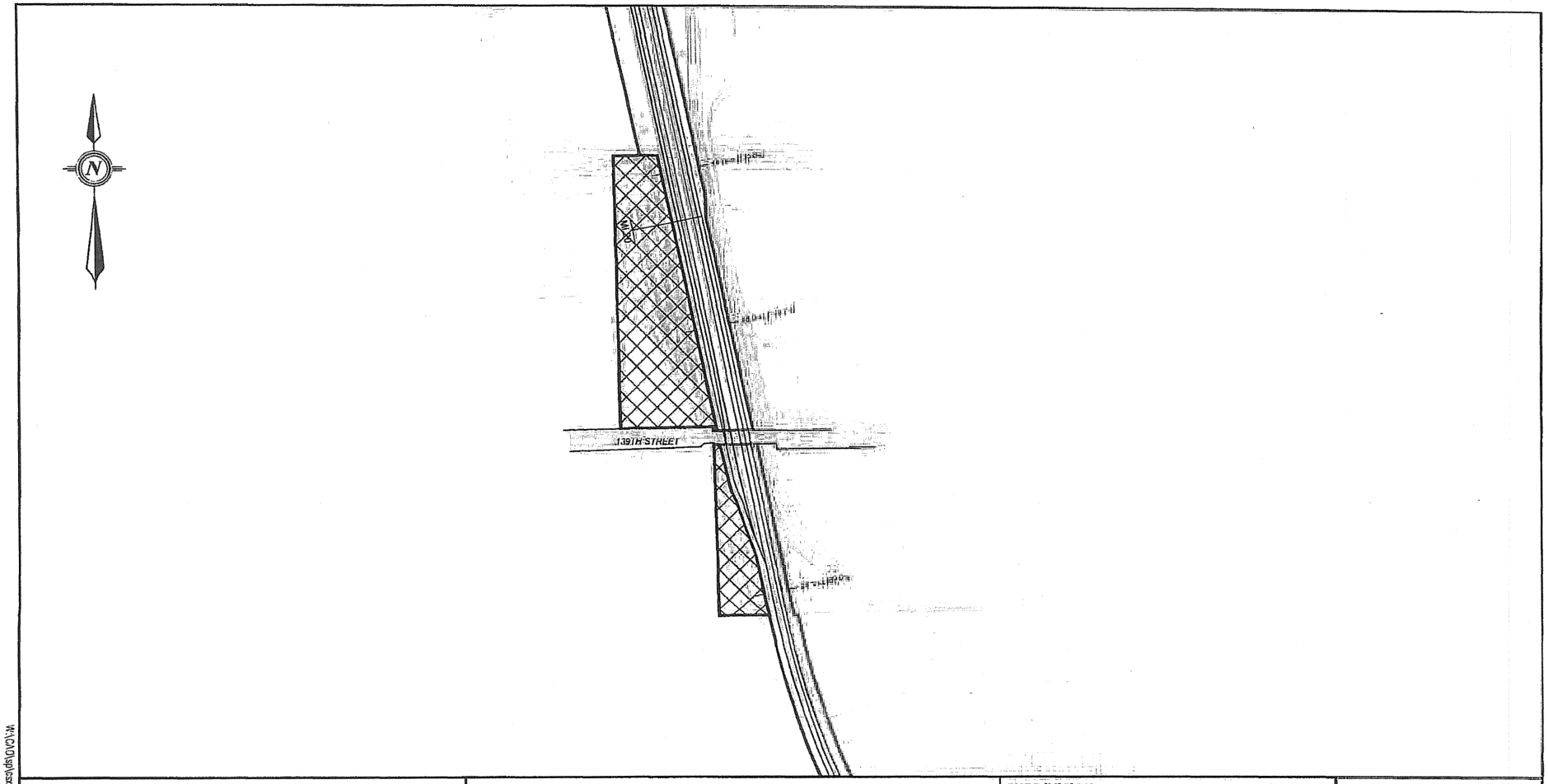
Exhibit D
PAGE 1

Subject Lands/Terrain Sujet

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0m 50 100 200m

SUBDIVISION:	Elsdon (312)
SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	As Shown
DATE:	February 9, 2012
SCALE / ÉCHELLE:	1:5000

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DESCRIPTION:
Elsdon Subdivision
State of Illinois & Indiana
United States of America

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Exhibit D
PAGE 2

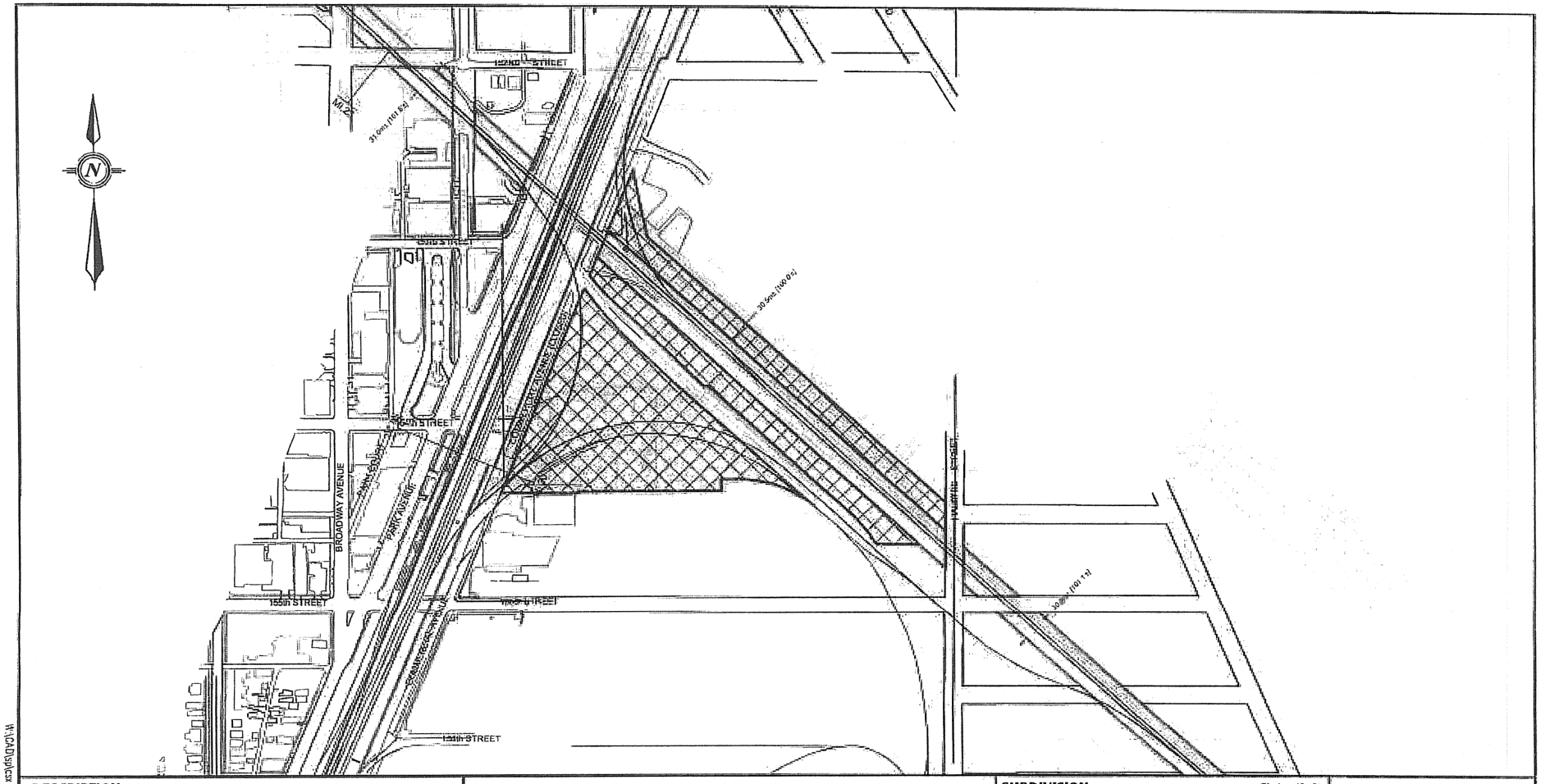
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SUBDIVISION:	Elsdon (312)
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MILEAGE / MILLIAIRE:	As Shown
DATE:	February 9, 2012
SCALE / ÉCHELLE:	1:5000

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DESCRIPTION:
Elsdon Subdivision
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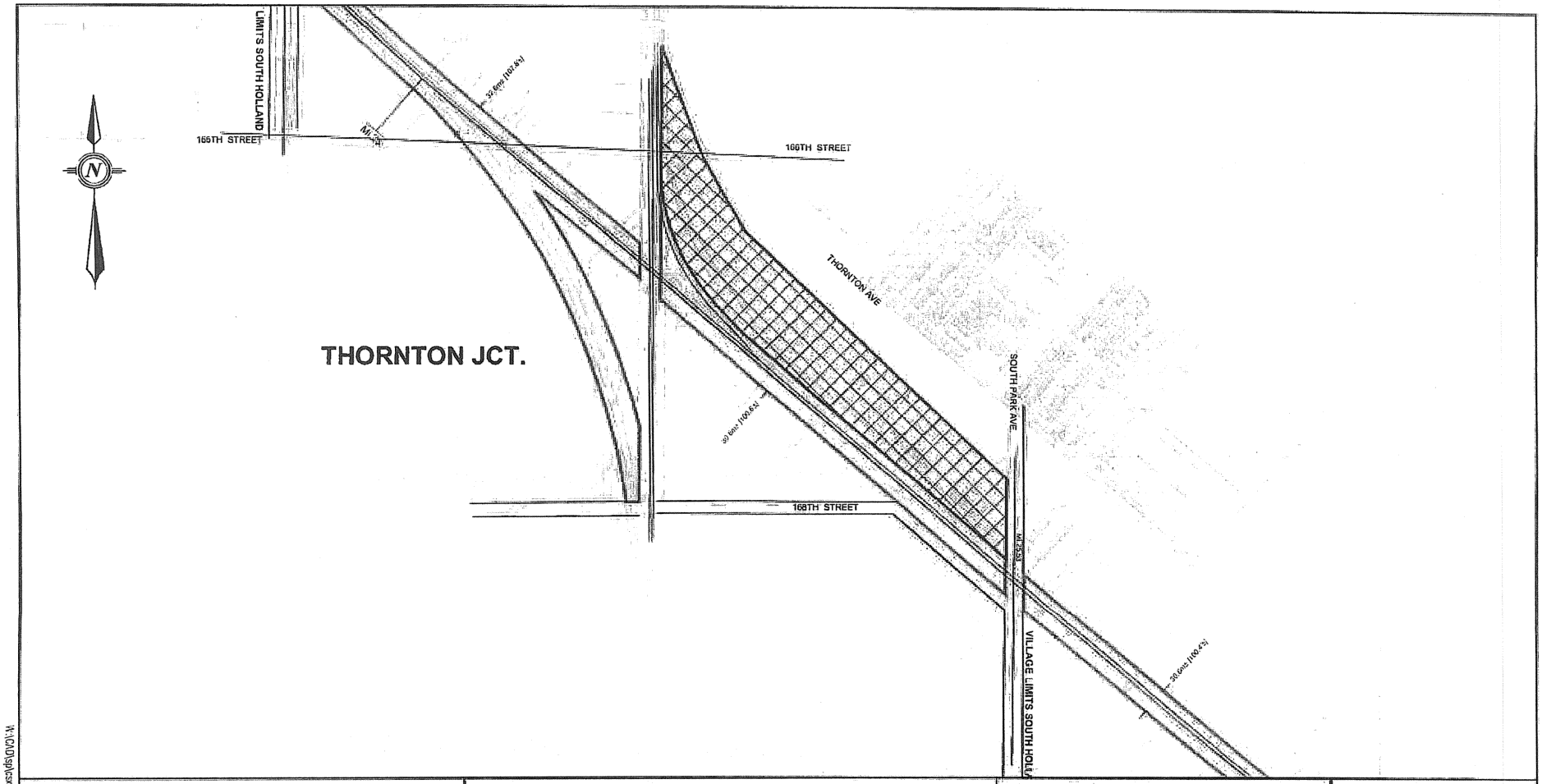
Exhibit D
PAGE 3

Subject Lands/Terrain Sujet

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0m 50 100 200m

SUBDIVISION:	Elsdon (312)
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MILEAGE / MILLIAIRE:	As Shown
DATE:	February 9, 2012
SCALE / ÉCHELLE:	1:5000

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DESCRIPTION:
Elsdon Subdivision
State of Illinois & Indiana
United States of America

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Exhibit D
PAGE 4

Subject Lands/Terrain Sujet

0: 125 250 625ft
Cm 50 100 200m

SUBDIVISION:	Elsdon (312)
SPUR / ANTENNE:	N/A
MILEAGE / MILLIAIRE:	As Shown
DATE:	February 9, 2012
SCALE / ÉCHELLE:	1:5000

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EXHIBIT D

EXISTING THIRD-PARTY AGREEMENTS

Listing of Joint Facility ***Agreements on CN Elsdon Subdivision between Munster and Elsdon***

CO	AGMT #	AGMT DATE	EXP DATE OR NOTICE PERIOD	RR	AGMT TYPE	LOCATION	ST	DESCRIPTION OF JOINT FACILITY AGREEMENT	BILLING INFO / OTHER
GT	0221	8/13/1881 4/12/1916 3/20/1939		BRC	IL	HAYFORD	IL	INTERLOCKING AND DIAMOND	MP 11.8, CN IS SENIOR PARTY., REMOTE OPERATION, CONTROLLED BY BRC, DIAMOND MAINTAINED BY BRC, CN MAINT. % - 0, INTERLOCKING MAINTAIN BY BRC, CN MAINT. % 23.08%, MAINT. BASED ON SIGNAL UNITS DATED NOVEMBER 1, 1955.
GT	7806	03/27/1991 11/25/1991		BRC	TR	CHICAGO	IL	TRACKAGE RIGHTS GRANTED TO BRC BETWEEN HAYFORD AND RAILPORT	MP BETWEEN 6.9 AND 11.8,
GT	0383	7/22/1889 10/1/1920 9/5/1962 12/5/1986	INDEFINITE	CSXT	IL	BLUE ISLAND	IL	INTERLOCKING AND DIAMOND	MP 19.5, CN IS SENIOR PARTY. MANUAL OPERATION, CONTROLLED BY CN, DIAMOND MAINTAINED BY CSX, CN MAINT. % 0, INTERLOCKING MAINTAINED BY CSXT, CN MAINT. % 0, MAINT. BASED ON AGREEMENT. FACILITY 100% BILLABLE AGAINST CSXT
GT	0445	5-12-1891 11-1-1924 3-10-1983 12/08/1998 6-24-1999 8-21-2000	90 DAYS NOTICE	CSXT	IL	HARVEY	IL	INTERLOCKING AND DIAMOND REMOVED, CSXT NOW OPERATES ON TRACKAGE RIGHTS BETWEEN PARK AVE AND VINCENNES AVE. CONNECTION WITH ITS SOUTH CHICAGO BRANCH LINE SEE AGT CA 8248	MP 23.1, CN IS SENIOR PARTY., REMOTE OPERATION, CONTROLLED BY CN, DIAMOND MAINTAINED BY CSX, CN MAINT. % - 0, INTERLOCKING MAINTAINED BY CN, CN MAINT. % - 100%, MAINT.
GT	0290	7/16/1887 7/3/1917 10/31/1938 8/22/1951 1/11/1956	30 DAYS NOTICE	CSXT	IL	MUNSTER	IN	INTERLOCKING AND DIAMOND	MP 31.1, CN IS SENIOR PARTY. REMOTE OPERATION, CONTROLLED BY CSX, DIAMOND MAINTAINED BY CSX. 1/11/1956 SUPPLEMENT MISSING
GT	3213	6/17/1906 8/1/1910 10/23/1946 12/10/1973	INDEFINITE	CSXT	JH	BLUE ISLAND	IL	CROSSING PROTECTION@ BROADWAY STREET	CN PAYS 1/3 OF COST OF MAINTENANCE AND OPERATIONS

Listing of Joint Facility ***Agreements on CN Elsdon Subdivision between Munster and Elsdon***

CO	AGMT #	AGMT DATE	EXP DATE OR NOTICE PERIOD	RR	AGMT TYPE	LOCATION	ST	DESCRIPTION OF JOINT FACILITY AGREEMENT	BILLING INFO / OTHER
GT	8248	5/18/1999	5/17/2024 60 DAYS NOTICE	CSXT	TR	HARVEY	IL	TRACKAGE RIGHTS	MP BETWEEN 22.5 AND 23.7,
GT	8576	1/18/2010		CSXT	TR	MUNSTER	IN	TRACKAGE RIGHTS	THIS AGREEMENT SHALL TERMINATE THE AGREEMENT DATED JUNE 23, 1975 AND AS AMENDED, INCLUDING ALL VERBAL AND WRITTEN AGREEMENTS THAT PERTAINED TO THE TRACKAGE RIGHTS GRANTED TO CSXT TO OPERATE OVER GTW BETWEEN MUNSTER, IN AND THORNTON JCT., IL
GT	2354	11/15/1879 9/27/1939 1/1/1993	INDEFINITE	NS/METRA	IL	CHICAGO	IL	LEASED TO METRA BY NS INTERLOCKING AND DIAMOND ASHBURN	MP 12.8, REMOTE OPERATION, CONTROLLED BY NS, DIAMOND MAINTAINED BY METRA, CN MAINT. % - 0, INTERLOCKING MAINTAINED BY METRA, CN MAINT. % - 0, MAINT. BASED ON AGREEMENT.
GT	1456	4/18/1988	90 DAYS NOTICE	UP	IL	THORNTON	IL	INTERLOCKING AND DIAMOND THORNTON JUNCTION	MP 25.2, CN IS SENIOR PARTY., REMOTE OPERATION, CONTROLLED BY UP/CN, DIAMOND MAINTAINED BY CN, CN MAINT. % - 100%, INTERLOCKING MAINTAINED BY CN, CN MAINT.100 %
GT				IHB	IL	Elsdon	IL	INTERLOCKING AND DIAMOND	NO AGREEMENT IN GTW INVENTORY, HAVE REQUESTED COPY FROM IHB 07/15/2011

EXHIBIT E

RETAINED TRACKAGE RIGHTS AGREEMENT

EXHIBIT E

TRACKAGE RIGHTS AGREEMENT

THIS AGREEMENT, entered into as of this ___ day of _____ ____, by and between the **CSX TRANSPORTATION, INC**, (hereinafter referred to as "**CSXT**" or "**OWNER**") and the **GRAND TRUNK WESTERN RAILROAD COMPANY,** (hereinafter referred to as ("**CN" or "USER"**). CSXT and CN are sometimes referred to individually herein as a "Party" and collectively as the "Parties."

WHEREAS, CSXT and CN have entered an Elsdon Easement Agreement dated as of _____, whereby CN has granted CSXT an exclusive and perpetual railroad operating easement over approximately twenty-two and twenty-two hundredths (22.37) miles of CN's Elsdon Subdivision extending from Milepost 31.07, located at or near the CSXT connection at Munster, IN to milepost 8.7, located at or near Elsdon, IL, which connects to the southern end of the BNSF Railway Company's ("BNSF") Corwith Yard and CN's track to Railport (the "Elsdon Easement"); and

WHEREAS, as an element of conveyance of the Elsdon Easement, this Agreement is being prepared and executed simultaneously with the Elsdon Easement Agreement, which contemplates that CN will retain limited overhead and local trackage rights for the movement of certain freight traffic over the Elsdon Easement, subject to the terms and conditions set forth herein.

NOW THEREFORE, the Parties, intending to be legally bound, agree as follows:

SECTION 1.0 RETENTION OF TRACKAGE RIGHTS

1.1 Subject to the terms and conditions herein provided, CN has retained limited overhead and local trackage rights for the movement of certain CN freight traffic in its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segment of Owner's railroad as shown on the plan attached hereto, made a part hereof and marked Exhibit "A" (hereinafter referred to as the "Subject Trackage"):

- Between GTW's connection with CSXT at or near Milepost 31.07 in Munster, IN and CSXT's connection to the BNSF and GTW at or near Milepost 8.7 at Elsdon, IL on CSXT's Elsdon Subdivision, including (1) all sidings, yard tracks and yard leads now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the Parties, a total distance of approximately 22.37 miles.

1.2 Reserved

1.3 Such rights shall include the right to enter and exit the Subject Trackage at:

1.3.1 CSXT's connection with the GTW or near Milepost 31.07 (Munster) on CSXT's Elsdon Subdivision in Munster, IN.

1.3.2 CSXT's connection with the Union Pacific Railroad Company ("UP") at or near Milepost 25.2 (Thornton Junction) on CSXT's Elsdon Subdivision in Thornton, IL.

1.3.3 CSXT's connection with the Illinois Central Railroad Company ("IC") at or near Milepost 23.2 (CN Jct) on CSXT's Elsdon Subdivision in Harvey, IL.

1.3.4 CSXT's connection with the IC at or near Milepost 22.6 (CJ) on CSXT's Elsdon Subdivision in Harvey, IL.

1.3.5 CSXT's connection with Indiana Harbor Belt Railroad Company ("IHB") at or near Milepost 19.3 (B.I. Jct.) on CSXT's Elsdon Subdivision in Blue Island, IL

1.3.6 CSXT's connection with The Belt Railway Company of Chicago ("BRC") at or near Milepost 11.8 (Hayford Junction) on CSXT's Elsdon Subdivision in Chicago, IL.

1.3.7 CSXT's connection to GTW or near Milepost 8.7 on CSXT's Elsdon Subdivision in Elsdon, IL.

1.3.8 CSXT's connection with BNSF at or near milepost 8.7 on CSXT's Elsdon Subdivision.

1.3.9 CSXT's connection with IHB at or near milepost 8.7 on CSXT's Elsdon Subdivision.

1.3.10 And any other existing or new location(s) that the Parties may mutually agree upon.

1.4 Mileage Table:

Stations		Munster	Thornton Jct	Harvey	Blue Island	Hayford
	Mileposts	31.07	25.2	22.6	19.3	11.8
Thornton Jct	25.2	5.9				
Harvey	22.6	8.5	*2.6*			
Blue Island	19.3	*11.8*	*5.9*	*3.3*		
Hayford	11.8	*19.3*	*13.4*	*10.8*	*7.5*	
Elsdon	8.7	*22.4*	*16.5*	*13.9*	*10.6*	*3.1*

SECTION 2.0 USE OF SUBJECT TRACKAGE

2.1 User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement.

2.2 Except as may otherwise be provided by this Agreement, User shall not use any part of the Subject Trackage for the purpose of switching, storage or servicing of cars or equipment, or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

2.3 Owner shall have exclusive control of the management and operation of the Subject Trackage. User shall not have any claim against Owner for liability on account of loss

or damage of any kind in the event the use of the Subject Trackage by User is interrupted or delayed at any time from any cause.

2.4 User shall have the right to operate in either direction over the Subject Trackage.

2.5 Owner and User shall work together to establish a schedule for the handling of User's trains.

2.6 User shall be responsible for contacting User's dispatcher and/or the UP, IHB and BRC dispatcher prior to entering the Subject Trackage to ensure that User will not be delayed from departing the Subject Trackage at the authorized exit location. User shall ensure that its trains i) have a clear route (or available offline staging capacity) beyond the Subject Trackage; ii) are not staged, held, stored, or parked on the Subject Trackage (except at the direction of Owner), or otherwise unreasonably interfere with the joint use of the Subject Trackage; iii) are staffed with qualified crews that have sufficient hours of service remaining to clear the Subject Trackage; and iv) restore all connection switches on the Subject Trackage for mainline movement on and by Owner (collectively "Clearance Obligations").

2.7 User shall provide Owner with train information via AAR EDI 161 standard format and will include train symbol, estimated time of arrival, train length, tonnage, load/empty count, locomotives, end of train device.

2.8 The rights provided to User under the terms of this Agreement are for the sole purpose of User transporting its own traffic over the Subject Trackage. Nothing herein expressed or implied is intended to or shall be construed to confer upon or to give any person, firm, partnership, corporation or governmental entity other than the User any right or benefit under or by reason of this Agreement. User shall not move traffic for or on behalf of any other party or foreign railroad or under the guise of doing business as User. In the event that User attempts to move traffic for or on behalf of another party or foreign railroad, Owner may refuse to authorize and dispatch User's train.

SECTION 3.0 RESTRICTION ON USE

3.1 The Trackage Rights herein retained are for the sole purpose of User using same for overhead and local traffic only between the terminals (including those entry and exit locations defined in Section 1.0) of Subject Trackage and User shall not perform any local freight service whatsoever, except as allowed in Section 3.4 at any point located on Subject Trackage.

3.2 The total number of CN trains (including trains operating pursuant to any future trackage rights that Owner grants (by separate agreement) to entities owned by User or owned or affiliated with CN's parent company) operating over the Subject Trackage shall not be limited except that the total number of CN/UP interchange trains using the Subject trackage between Blue Island (at or near milepost 19.3) and Munster (Milepost 31.07) shall be limited to two train pairs ((two trains in each direction) per day (the "CN/UP Interchange Limit"). The CN/UP Interchange Limit shall apply regardless of whether the interchange occurs with CN or with another railroad that is an affiliate of CN, is commonly controlled with CN, controls CN, or is subject to the control of CN, to whom Owner may grant Trackage Rights over the Subject Trackage.

3.3 Subject to the specific provisions of Section 4 of this Agreement with respect to CN/UP interchange trains, CN/UP interchange trains operated by CN will be considered those of the CN for purposes of this trackage rights agreement.

3.4 CN shall be allowed to provide local switching service on the Subject Trackage including but not limited to CN Worldwide Distribution Services (USA) Inc., CN's wholly owned subsidiary customer located on the Subject Trackage in the vicinity of Elsdon.

SECTION 4.0 COMPENSATION

4.1 The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be **[REDACTED]** per car mile (hereinafter referred to as the "Base Charge")

4.2 Thereafter and except as provided for in Section 4.3, User will pay Owner a sum computed by multiplying: (i) the Base Charge, as may be revised in accordance with Section 4.8, by (ii) the number of cars, locomotive and caboose units moved by User with its own crews and power over the Subject Trackage, by (iii) the miles identified in Section 1.4 for the applicable move. For purposes of this Agreement, each locomotive unit, each caboose, and each platform of an articulated car shall be counted as one car.

4.3 User shall not be obligated to compensate Owner for movements over the Subject Trackage for the sole purpose of interchanging freight between the Parties.

4.4 CSXT shall charge CN for CN/UP interchange trains operated by CN between Thornton Junction (Milepost 25.2) and Blue Island (Milepost 19.3), approximately 5.9 miles, pursuant to the trackage rights referenced in Section 3.

4.5 There shall be no trackage rights charges or fees for movements over the Subject Trackage for CN/UP interchange trains operated by CN between Thornton Junction (Milepost 25.2) and Munster (Milepost 31.07), approximately 5.87 miles, pursuant to the trackage rights referenced in Section 3.

4.6 With respect to articulate units, the number of cars shall be determined by the AAR Car Type Code as defined in the ULMER Specification Manual The second character in the Car Type Code field covering codes "Q" and "S" will be the factor in determining the car count for an articulated unit. For example, AAR Car Type Code (S566) would equate to a five (5) car count as these type cars have five wells capable of handling 40' to 53' containers in each well. (Car count data for articulated units are subject to change upon development of technology to separate units by car numbers.)

4.7 User will furnish to Owner, in care of Director Network Planning , or their designates, at the end of each month, a statement of the number of loaded and empty cars operated over the Subject Trackage during the month. Based on this statement, Owner will render to User a bill, computed in accordance with the provisions of this Section 4, for User's use of the Subject Trackage.

4.8 The Base Charge shall be subject to change to reflect any increases or decreases in labor, material and other costs subsequent to the base year, as hereinafter provided.

(i) The Base Charge set forth in Section 4.1 of this Agreement shall be revised effective July 1st of each year, beginning retroactively to July 1st, 2010 to compensate for the prior year increase or decrease in the cost of labor and material, excluding fuel, as reflected in Table A, Annual Indices of Charge-Out Prices and Wage Rates (1977=100), Series RCR, included in "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads (hereinafter referred to as "AAR"). In making such determination, the final "Material prices, wage rates and supplements combined (excluding fuel)" index for the East District shall be used.

The Base Charge shall be revised by calculating the percentage of increase or decrease for the year to be revised based on the final index of the most recently completed calendar year as related to the final index of the calendar year prior to the most recently completed calendar year; and applying this percentage of increase or decrease to the current Base Charge to be escalated.

(ii) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the calendar year (2008) prior to the most recently completed calendar year; "B" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the most recently completed calendar year (2009); and "C" to be the current Base Charge to be escalated; the revised Base Charge would be determined by the following formula:

B/A x C = Revised Base Charge, Rounded to Nearest Whole Cent (5 Mills or More Rounds to Next Cent)

(iii) In the event the base for the Annual Indexes of Charge-Out Prices and Wage Rates issued by the AAR shall be changed from the year 1977, appropriate revision shall be made. If the AAR or any successor organization discontinues publication of the Annual Indices of Charge-Out Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the Parties. In the absence of agreement, the matter will be referred to the Surface Transportation Board ("STB") for determination. In the event said Board is without jurisdiction to make such a determination, the Parties shall submit the matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator so appointed by said Association shall be final and binding upon the Parties. Each party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, exhibits, and counsel. The compensation, costs, and expenses of the arbitrator shall be borne equally by such parties.

PROVIDED, HOWEVER, that under no circumstances, while CN is operating over the Subject Trackage pursuant to this Agreement, shall the per car mile rate ever be less than the established Base Charge provided for in this Section 4.1.

User shall not be responsible to Owner for any compensation, charges, or fees for its use of the Subject Trackage pursuant to this Agreement (including CN/UP interchange trains, which shall be considered CN use for this purpose), except as may be specifically provided for in this Agreement.

SECTION 5.0 PAYMENT OF BILLS

5.1 All payments called for under this Agreement shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the Parties shall be adjusted in the accounts of a subsequent month.

5.2 The records of each Party, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other Party for a period of two (2) years from the date of billing.

5.3 Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 4, shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by Owner for User.

SECTION 6.0 MAINTENANCE OF SUBJECT TRACKAGE

6.1 Owner shall maintain, repair, and renew the Subject Trackage at its own expense and with its own supervision and labor. User accepts the condition of the Subject Trackage AS IS WHERE IS and Owner shall (i) keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated and (ii) keep and maintain that portion of the Subject Trackage between Hayford and Elsdon in reasonably good condition on a consistent basis and at a minimum track speed of no less than 25 miles per hour. In the event that the Owner shall fail to maintain that portion of the Subject Trackage north of Hayford in accordance with the foregoing standard and such failure shall continue for a period of thirty (30) days after receipt of written notice from the User specifying the defects and requesting repairs, then the User shall have the right to make the necessary repairs at the sole cost and expense of the Owner. Owner shall reimburse User for such repair expenses within ten (10) days after receipt of invoices therefore. Owner does not guarantee that operations over the Subject Trackage will not be interrupted. Owner shall take all reasonable steps to ensure that any interruptions will be kept to a minimum. Furthermore, except as may be otherwise provided in Section 6 and Section 12 hereof, User shall not by reason of failure or neglect on the part of Owner to maintain, repair, or renew the Subject Trackage, have or make any claim or demand against Owner or its parent corporation, subsidiaries or affiliates, or their respective directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by User resulting from any such failure or neglect

6.2 The Parties agree to negotiate modifications to the maintenance requirements outlined in this Section 6 as changes to User's local operations warrant or as agreed to between the Parties in writing.

6.3 Owner shall also perform, at the expense of User, such additional maintenance as User may reasonably require or request.

SECTION 7.0 CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

7.1 Existing connections or facilities which are jointly used by the Parties under existing agreements or practices shall continue to be maintained, repaired, and renewed by and at the expense of the Party or Parties responsible for such maintenance, repair, and renewal under such agreements or practices.

7.2 Any additional connections to the Subject Trackage which may be required by User shall be subject to the Owner's approval (including design), which shall not be unreasonably withheld or delayed, and shall be constructed, maintained, repaired, and renewed as follows:

(i) User or others shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost, liability and expense such portions of the tracks located on the right-of-way of User or others which connect the respective lines of the Parties; and

(ii) Owner shall furnish all labor and material and shall construct, maintain, repair, and renew at the sole cost, liability and expense of User such

portions of the tracks located on the right-of-way of Owner which connect the respective lines of the Parties.

(iii) Upon termination of this Agreement, Owner may at its option remove such portion of trackage and appurtenances located on property of Owner, at the sole cost and expense of User. The salvage material removed shall be released to User or, as otherwise agreed upon, Owner will credit User the current fair market value for said salvage.

SECTION 8.0 ADDITIONS, RETIREMENTS AND ALTERATIONS

8.1 Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Subject Trackage as shall, in its judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Subject Trackage and such retirements shall be excluded from the Subject Trackage.

8.2 If User requests Owner to make changes in or additions and betterments to the Subject Trackage, including without limitation changes in communication or signal facilities, for purposes required to accommodate User's operations beyond that required for Owner's operation, Owner shall make such changes in or additions and betterments to the Subject Trackage and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing, and renewing such additional or altered facilities.

SECTION 9.0 MANAGEMENT AND OPERATIONS

9.1 When operating over the Subject Trackage, User's locomotives and crews will be equipped to communicate with Owner on radio frequencies normally used by Owner in directing train movements on the Subject Trackage.

9.2 Procedures for qualification and occupancy of the Subject Trackage will be arranged by the local supervision of each carrier. All control and usage will be subject to the approval of Owner's representative or his designee.

9.3 Before its locomotives enter onto the Subject Trackage, User shall request permission from Owner's dispatcher or other designated representative at Owner's rail traffic control center or such other location as Owner may designate. Further, User shall ascertain that said Subject Trackage is clear and shall await confirmation from said representative that such permission has been issued to allow User's movements on or over the Subject Trackage. Upon completing its operations and clearing the Subject Trackage, User will notify Owner's designated representative that it has completed its operations and that its equipment has cleared the Subject Trackage. Once User has notified Owner's representatives that it has cleared the Subject Trackage, User shall not reenter the Subject Trackage without again obtaining permission from Owner's representative. User shall provide and maintain at its expense all communication facilities needed as may be required by Owner to permit User to use Owner's trackage.

9.4 User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors,

officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

9.5 User, in its use of the Subject Trackage, will comply in all respects with the safety rules, operating rules and other regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized freight speeds as provided by Owner's operating rules and regulations without the prior consent of Owner. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all their directors, officers, agents and employees from and against all liabilities when attributable to the failure of User to comply with the provisions of this subsection.

9.6 All employees of User engaged in or connected with the operations of User on or along the Subject Trackage shall be required to pass periodic examinations on the rules of Owner related to the Subject Trackage, provided, with respect to such examinations that, upon request of User, Owner shall qualify one or more of User's supervisory officers on Owner's rules and such supervisory officer or officers so qualified shall examine all employees of User engaged in or connected with User's operations on or along the Subject Trackage. Pending qualification of train and engine crews of User, Owner shall furnish a pilot or pilots, at the expense of User, as deemed necessary by Owner, to assist in operating trains of User over the Subject Trackage. User shall pay to Owner, upon receipt of bills therefore, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner to be properly qualified for operation as herein contemplated.

9.7 Owner may request an investigation at its option if User's employee working on Owner's property is alleged to have violated Owner's rules, regulations, orders, practices or instructions, or if an incident occurs which requires an investigation under applicable agreement rules. User will schedule the investigation and notify Owner's Local Transportation Officer in the territory. User's scheduling of the investigation must comply with the time limits provided in the applicable agreement on User's railroad. Owner will provide its regulations, supplements, and safety rules to User at no cost.

9.8 If Owner requests an investigation, Owner shall have the right to exclude from the Subject Trackage any employee of User, except officers, determined by Owner as the result of Owner's investigation or hearing described below, to be in violation of Owner's rules, regulations, orders, practices or instructions.

9.9 In a major offense including, but not limited to, violation of Rule G, dishonesty, insubordination, or a serious violation of operating rules or other offenses of comparable magnitude, wherein Owner desires to bar User's employee from service on Owner's territory pending an investigation by Owner, immediate verbal notification will be given to the appropriate Transportation Officer of User so that proper written notice can be issued to the employee.

9.10 If Owner requests an investigation, an Officer of User will conduct the investigation, but an officer of Owner may be present. After the investigation is concluded, a Transportation Officer of User will arrange to assess discipline, within the applicable time

limits. If Owner recommends dismissal, User reserves the right to change the recommendation to the extent of barring the individual from operating over Owner's territory. User shall release, indemnify, defend and save harmless Owner and its officers, agents and employees from and against any and all claims and expenses resulting from such exclusion.

9.11 If the disciplinary action is appealed by the employee of User to the National Railroad Adjustment Board or other tribunal lawfully created to adjudicate such cases, and if the decision of such board or tribunal sustains the employee's position, such employee shall not be barred from service on the Subject Trackage by reason of such occurrence (unless an arbitration concerning such matter is held pursuant to this Agreement and this arbitration upholds Owner's continued exclusion of such employee).

9.12 It is understood that Owner shall reimburse User for all payments that User might be required to make as a result of a successful challenge being made by the employee or his representative as to the discipline recommended by Owner and assessed by User. User agrees to notify Owner before committing itself to making payment of any claim. In the event a claim is progressed to an Adjustment Board, Owner will be given an opportunity to review User's submission. Any payments made to employees, as a result of an investigation being "overturned", shall include not only actual wages, but in addition, shall include expenses which User may be required to pay covering vacation allowances, Railroad Retirement taxes, unemployment insurance taxes and any other payroll tax or fringe benefits.

9.13 The trains, locomotives, cars, and equipment of User, Owner, and any other present or future user of the Subject Trackage or any portion thereof shall be operated on a first come, first service basis without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic. Owner does not guarantee or otherwise promise to provide any particular transit or running times over the Subject Trackage. Further, Owner does not guarantee or otherwise promise that operations over the Subject Trackage will not be interrupted. However, Owner shall make best efforts to ensure that any interruptions will be kept to a minimum.

9.14 If by reason of any mechanical failure, insufficient hours of service remaining among User's crew, or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled or unable to proceed under its own power, or fails to maintain the speed required by Owner on the Subject Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Subject Trackage, Owner shall have the option to furnish motive power or such other assistance (including but not limited to the right to recrew User's train) as may be necessary to haul, help, or push such trains, locomotives, or cars, or to properly move the disabled equipment off the Subject Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

9.15 If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, such work shall be done by Owner and User shall reimburse Owner for the cost thereof.

9.16 In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the Parties shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

SECTION 10.0 MILEAGE AND CAR HIRE

All mileage and car hire charges accruing on cars in User's account in User's trains on the Subject Trackage shall be assumed by User and reported and paid by it directly to the owner of such cars.

SECTION 11.0 CLEARING OF WRECKS

Whenever User's use of the Subject Trackage requires rerailing, wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost, liability and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Section 12 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck shall be promptly delivered to User.

SECTION 12.0 LIABILITY

12.1 The responsibility and liability between the Parties for: (i) any personal injury or death of any person (including employees of the Parties and third parties), (ii) any real or personal property damage of any person (including property of the Parties and third persons), (iii) any damage or destruction to the environment (including land, air, water, wildlife and vegetation), and (iv) all cleanup and remedial expenses, court costs, litigation expenses and attorney's fees resulting from the use of the Subject Trackage by the Parties or by third party users, all of which are collectively referred to as a "Loss", will be divided as follows:

(a) If a Loss results from the use of the Subject Trackage solely by the trains and locomotives of one of the Parties, then that using Party shall be solely responsible for the Loss, even if caused partially or completely by the other Party.

(b) If a Loss results from the use of the Subject Trackage by the trains and locomotives of both CN and CSXT, then: (i) each of CN and CSXT is solely responsible for any Loss to its own employees, locomotives and equipment in its own account including lading and (ii) CN and CSXT are equally responsible for any Loss to the Subject Trackage and Loss sustained by third parties, regardless of the proportional responsibility between or among them as to the cause of the Loss.

(c) If a Loss results from the use of the Subject Trackage by trains and locomotives of both CN and any other third party user of the Subject Trackage not a party to this Agreement, then CN's responsibility for the Loss shall be apportioned in the manner specified in Subsection (b) with the other third party user being considered CSXT for the purpose of determining CN's share of that portion of the Loss which it must assume.

(d) Whenever any liability, cost, or expense is assumed by or apportioned to any Party under the foregoing provisions, that Party shall forever protect, defend, indemnify, and save harmless the other Party and its subsidiaries and affiliates, and all of its respective directors, officers, agents, and employees from and against that liability, cost, and expense assumed by that Party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.

(e) In every case of death or injury suffered by an employee of any Party, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said Parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such Party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

(f) For purposes of determining liability, pilots furnished by CSXT to CN pursuant to this Agreement shall be considered as the employees of CN while such employees are on board or getting on or off trains of CN.

(g) If any suit or action shall be brought against any Party for damages which under the provisions of the Agreement are in whole or in part the responsibility of the other Party, said other Party shall be notified in writing by the Party sued, and the Party so notified shall have the right and be obligated to take part in the defense of such suit and shall pay a proportionate part of the judgment and cost, expense and attorneys' fees incurred in such suit according to its liability assumed hereunder.

(h) In the event of a Loss as set out herein, the Parties shall be bound by the Freight Claim Rules, Principles, and Practices of the Association of American Railroads (AAR) as to the handling of any claims for the loss or damage to lading.

(i) Notwithstanding the provisions of Section 18.5 of this Agreement, for the purposes of this Section 12 the word "equipment" shall mean and be confined to (i) trains, locomotives, cars and cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Subject Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Subject Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.

(j) For the purpose of determining liability associated with construction, maintenance, repair and renewal of connections as provided in Section 7, all work performed by Owner shall be deemed performed for the sole benefit of User and, User shall be fully liable for all cost and expense of any and all loss, damage, destruction, injury and death resulting from, arising out of, incidental to or occurring in connection with said construction, maintenance, repair and renewal except when such cost and expense of loss, damage, destruction, injury or death is caused by the sole negligence of Owner. User shall protect, indemnify, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against any and all expense and liability for which User is responsible.

SECTION 13.0 INVESTIGATION AND CLAIMS

13.1 Except as provided in Subsection 13.2 hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the Party bearing the liability, cost, and expense therefor under the provisions of this Agreement.

13.2 Each Party will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11706 and 49 C.F.R. Part 1005 (or any

revised or substitute regulations adopted to modify, supplement or supersede the regulations herein provided), or in accordance with any applicable transportation contract entered into pursuant to 49 U.S.C. Section 10709.

13.3 In the event a claim or suit is asserted against Owner or User which is the other's duty hereunder to investigate, adjust, or defend, then, unless otherwise agreed, such other Party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.

13.4 All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time employees, including claim agents, attorneys, and other employees of either Party engaged directly or indirectly in such work shall be borne by such Party.

13.5 Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Part 1005 or similar regulation, neither Party shall settle or compromise any claim, demand, suit, or cause of action for which the other Party has any liability under this Agreement without the concurrence of such other Party if the consideration for such settlement or compromise exceeds thirty-five thousand dollars ($35,000).

13.6 Each Party agrees to indemnify and hold harmless the other Party and its parent corporation, subsidiaries and affiliates, and all their respective directors, officers, agents and employees from and against any and all costs and payments, including benefits, allowances and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of its own employees, pursuant to a collective bargaining agreement. It is the intention of the Parties that each Party shall bear the full costs of protection of its own employees under employee protective conditions which may be imposed, and of grievances filed by its own employee arising under its collective bargaining agreements with its employees.

13.7 It is understood that nothing in this Section 13 shall modify or waive the conditions, obligations, assumptions or apportionments, or supersede the provisions of Section 12 hereof.

SECTION 14.0 DEFAULT AND TERMINATION

14.1 In the event of any substantial failure on the part of User to perform its obligations under this Agreement and its continuance in such default for a period of sixty (60) days after written notice thereof by certified mail from Owner, Owner shall have the right at its option, after first giving thirty (30) days' written notice thereof by certified mail; and notwithstanding any waiver by Owner of any prior breach thereof, to terminate the Trackage Rights and User's use of the Subject Trackage.

SECTION 15.0 DISPUTE RESOLUTION

15.1 If at any time a question or controversy shall arise between the Parties in connection with this Agreement upon which the Parties cannot agree, either Party shall have the right to require a meeting of designated representatives with authority to settle the matter within 30 days of written notice of a desire to meet; if it cannot be resolved within 30 days of the meeting of the Parties, then the aggrieved Party may demand arbitration. Unless other procedures are agreed to by the Parties, arbitration between the Parties pursuant to this Section 15 shall be governed by the rules and procedures set forth in this Section 15. For all purposes, this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, regardless of its conflicts of law's principles.

15.2 If the Parties to the dispute are able to agree upon a single competent and disinterested arbitrator within twenty (20) days after written notice by one Party of its desire for arbitration to the other Party, then the question or controversy shall be submitted to and settled by that single arbitrator. Otherwise, any Party (the notifying Party) may notify the other Party (the noticed Party) in writing of its request for arbitration, including with notice its appointment of one arbitrator. Within twenty (20) days after receipt of said notice, the noticed Party shall appoint an arbitrator and notify the notifying Party in writing of such appointment. Should the noticed Party fail within twenty (20) days after receipt of such notice to appoint its arbitrator, said arbitrator may be appointed by the American Arbitration Association, which shall designate said appointment from the CPR Panel of Distinguished Neutrals, or other similar body of competent neutral arbitrators which may be agreed upon between the Parties, upon application by either Party after ten (10) days' written notice to the other Party. The two arbitrators so chosen shall select one additional arbitrator to complete the board. If the arbitrators so chosen fail to agree upon an additional arbitrator, the same shall, upon application of a Party, be appointed in the same manner hereto before stated.

15.3 Upon selection of the arbitrator(s), said arbitrator(s) shall, with reasonable diligence, determine the questions as disclosed in said notice of arbitration, shall give both Parties reasonable notice of the time and place (of which the arbitrator(s) shall be the judge) of hearing evidence and argument, may take such evidence as the arbitrator(s) shall deem reasonable or as either Party may submit with witnesses required to be sworn, and hear arguments of counsel or others. If an arbitrator declines or fails to act, the Party (or Parties in the case of a single arbitrator) by whom the arbitrator was chosen or the American Arbitration Association, as the case may be, shall appoint another to act in the arbitrator's place.

15.4 After considering all evidence, testimony and arguments, said single arbitrator or the majority of said board of arbitrators shall promptly state such decision or award and the reasoning for such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. The award rendered by the arbitrator(s) may be entered as a judgment in any court in the United States of America having jurisdiction thereof and enforced as between the Parties without further evidentiary proceeding, the same as entered by the court at the conclusion of a judicial proceeding in which no appeal was taken. Until the arbitrator(s) shall issue the first decision or award upon any question submitted for arbitration, performance under this Agreement shall continue in the manner and form existing prior to the rise of such question. After delivery of said first decision or award, each Party shall forthwith comply with said first decision or award immediately after receiving it.

15.5 Each Party to the arbitration shall pay all compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all Parties to the arbitration.

15.6 The Parties may obtain discovery and offer evidence in accordance with the Federal Rules of Civil Procedure Rules 26 - 37, and Federal Rules of Evidence, as each may be amended from time to time.

SECTION 16.0 REGULATORY APPROVAL

16.1 Should implementation of this Agreement require the prior approval and authorization of the STB, User, at its own cost and expense, will initiate and thereafter diligently prosecute an action to obtain such approval and authorization or an exemption therefrom. Owner will assist and support efforts of User to obtain any such required approval and authorization or exemption.

16.2 Each Party shall assume and hold the other Party harmless from all claims by their respective employees predicated on loss of, or adverse impact on, compensation, benefits or working conditions arising from this Agreement or the activities of the Parties hereunder, whether such claims are based on conditions imposed by the STB or predicated on the Railway Labor Act or labor agreements.

SECTION 17.0 RECONVEYANCE

17.1 Nothing in this Agreement is intended or should be construed to prohibit reconveyance pursuant to Section 7 (Reconveyance of Easement) of the Elsdon Easement Agreement or limit Owner's or User's exercise of their respective rights regarding such reconveyance.

SECTION 18.0 GENERAL PROVISIONS

18.1 This Agreement and each and every provision hereof are for the exclusive benefit of the Parties and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the Parties.

18.2 All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

18.3 This Agreement and the attachments annexed hereto and integrated herewith contain the entire agreement of the Parties and supersede any and all oral understandings between the Parties.

18.4 No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both Parties.

18.5 As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of, one of the Parties such expression means the trains, locomotives, cars, or equipment in the possession of or operated by one of the Parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such Party. Whenever such locomotives, cars or equipment are owned or leased by one Party and are in the possession or account of the other Party, such locomotives, cars, and equipment shall be considered those of the other Party under this Agreement.

18.6 All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.

18.7 This Agreement is the result of mutual negotiations of the Parties, neither of whom shall be considered the drafter for purposes of contract construction.

18.8 Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be

necessary or appropriate for a Party to enforce its rights under this Agreement, during the initial and any renewal term of this Agreement, all commercial information to which access is provided or obtained hereunder will be kept confidential and will not be disclosed by either CN or CSXT to any party other than CN's and CSXT's affiliates and the respective officers, employees, and attorneys of those affiliates, without the prior written approval of the other Party.

SECTION 19.0 SUCCESSORS AND ASSIGNS

19.1 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. No Party shall transfer or assign this Agreement, or any of its rights, interests, or obligations hereunder, by merger or otherwise, to any person, firm, or corporation without obtaining the prior written consent of the other Party provided, however, such consent shall not be unreasonably withheld.

SECTION 20.0 NOTICE

20.1 Any notice required or permitted to be given by one Party to the other under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the Parties may mutually agree, and shall be addressed as follows:

If to Owner:
Director, Network Planning
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

If to User:
Region Director Contracts and Administration
Grand Trunk Western Railroad Company
17641 South Ashland Avenue
Homewood, IL 60430

20.2 Either Party may provide changes in the above addresses to the other Party by personal service or certified mail.

SECTION 21.0 COMMENCEMENT, TERM AND TERMINATION

21.1 This Agreement shall take effect immediately upon the later of (i) CSXT's acquisition of the Elsdon Easement, or (ii) the effective date of any required regulatory approvals, and shall be evidenced by an exchange of correspondence between the appropriate operating officers of the Parties. The date that User commences operations over the Subject Trackage pursuant to this Agreement shall be referred to herein as the "Commencement Date", and shall be evidenced by an exchange of correspondence between the appropriate officers of the Parties.

21.2 This Agreement shall continue in full force and effect for a period of twenty (20) year(s) from the Commencement Date, and shall continue in full force and effect, subject to renewal by either Party, for an unlimited number of additional ten (10) year terms, provided, however, (i) CN has the right to terminate this Agreement upon giving CSXT a thirty (30) day advance written Notice, and (ii) this Agreement shall automatically terminate upon reconveyance of the Subject Trackage to CN (or CN's designee) pursuant to Section 7 (Reconveyance of Easement) of the Elsdon Easement Agreement.

21.3 Termination of this Agreement shall not relieve or release either Party from any obligations assumed or from any liability which may have arisen or been incurred by either Party under the terms of this Agreement prior to the termination hereof.

21.4 Upon termination or non-renewal of this Agreement for any reason other than reconveyance of the Subject Trackage to CN (or CN's designee) pursuant to Section 7 (Reconveyance of Easement) of the Elsdon Easement Agreement, User shall within sixty (60) days initiate and thereafter diligently prosecute any action to obtain approval from the STB or other regulatory body having jurisdiction over discontinuance of the Trackage Rights herein retained. If User fails to file within (60) days, User hereby expressly authorizes Owner to file with the STB, or other regulatory body having jurisdiction, on behalf of User to abandon or discontinue the Trackage Rights retained hereunder, and User further agrees to reimburse Owner for all reasonable costs incurred in doing so.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate as of the day and year first hereinabove written.

GRAND TRUNK WESTERN RAILROAD COMPANY

WITNESS

_____ **By:** _____

Paul E. Ladue
Region Director Contracts & Administration

Date: _____

WITNESS **CSX TRANSPORTATION, INC.**

By:_____

_____

Christopher Maffett
Director, Network Planning

Date:_____

Exhibit A

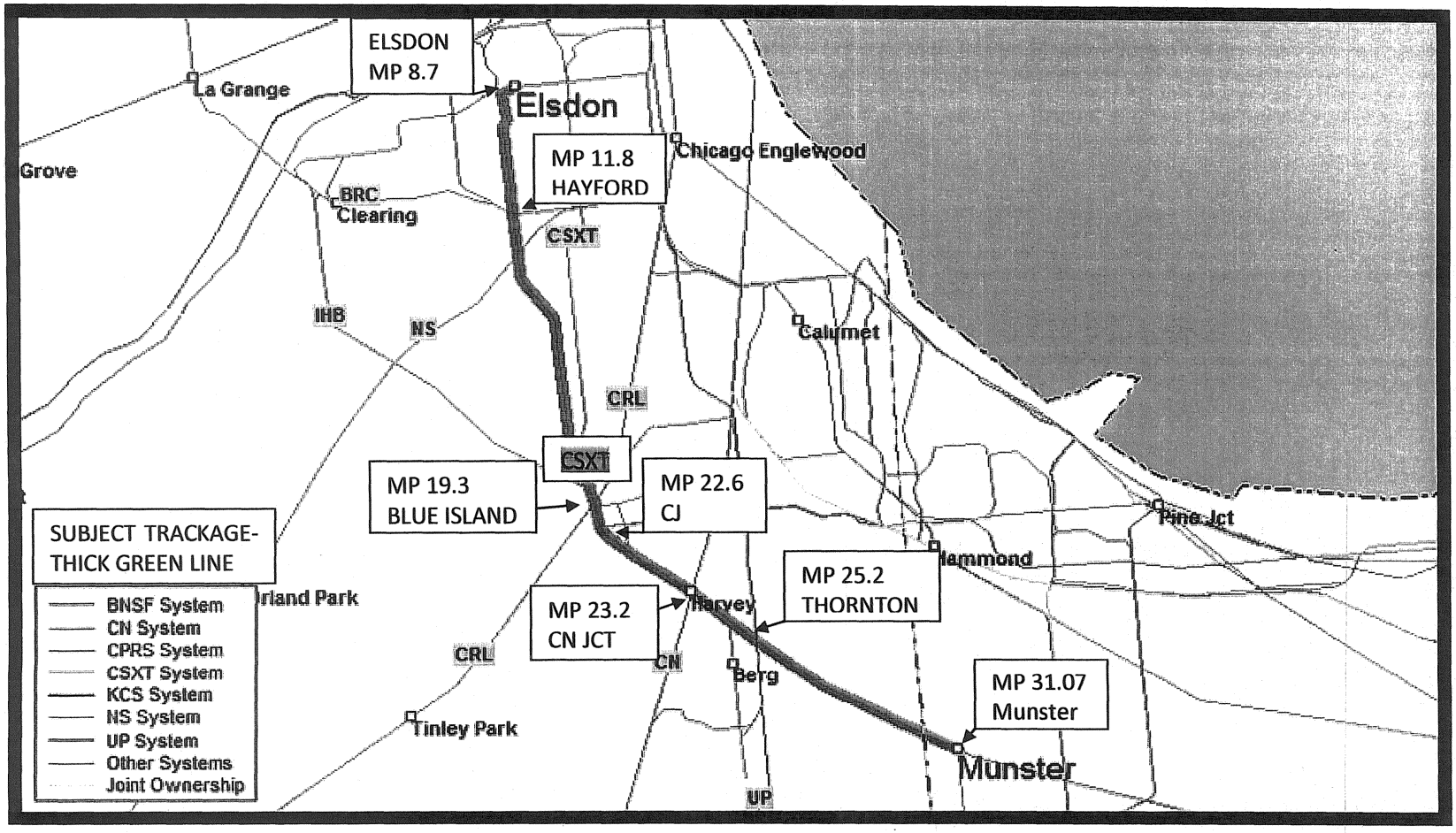

ELSDON
MP 8.7
La Grange
Elsdon
MP 11.8
HAYFORD
Chicago Englewood
Grove
BRC
Clearing
CSXT
IHB
NS
Calumet
CRL
CSXT
MP 19.3
BLUE ISLAND
MP 22.6
CJ
Pine Jct
SUBJECT TRACKAGE-
THICK GREEN LINE
BNSF System
CN System
CPRS System
CSXT System
KCS System
NS System
UP System
Other Systems
Joint Ownership
Hammond
MP 25.2
THORNTON
MP 23.2
CN JCT
Harvey
CRL
CN
Berg
MP 31.07
Munster
Tinley Park
Munster
UP

EXHIBIT F

AFFILIATE TRACKAGE RIGHTS AGREEMENT

EXHIBIT F

TRACKAGE RIGHTS AGREEMENT

THIS AGREEMENT, entered into as of this ____ day of _____, by and between the **CSX TRANSPORTATION, INC**, (hereinafter referred to as "**CSXT**" or "**OWNER**") and the **WISCONSIN CENTRAL LTD, ILLINOIS CENTRAL RAILROAD COMPANY, ELGIN, JOLIET AND EASTERN RAILROAD COMPANY and CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY,** (hereinafter collectively, and each of them individually, referred to as "**CN" or "USER")**. CSXT and CN are sometimes referred to individually herein as a "Party" and collectively as the "Parties."

WHEREAS, CSXT and Grand Trunk Western Railroad Company, a wholly owned subsidiary of Canadian National Railway Company ("GTW") have entered into the Elsdon Easement Agreement dated as of _____ __, ____, whereby GTW has granted CSXT an exclusive and perpetual railroad operating easement over approximately twenty-two and twenty-two hundredths (22.37) miles of GTW's Elsdon Subdivision extending from Milepost 31.07, located at or near the CSXT connection at Munster, IN to milepost 8.7, located at or near Elsdon, IL, which connects to the southern end of the BNSF Railway Company's ("BNSF") Corwith Yard and GTW's track to Railport (the "Elsdon Easement"); and

WHEREAS, CSXT agrees to grant limited overhead and local trackage rights for the movement of certain freight traffic over the Elsdon Easement, subject to the terms and conditions set forth herein.

NOW THEREFORE, the Parties, intending to be legally bound, agree as follows:

SECTION 1.0 **GRANT OF TRACKAGE RIGHTS**

1.1 Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate, in overhead and local trackage rights for the movement of certain CN freight service only, its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segment of Owner's railroad as shown on the plan attached hereto, made a part hereof and marked Exhibit "A" (hereinafter referred to as the "Subject Trackage"):

- Between CN's connection with CSXT at or near Milepost 31.07 in Munster, IN and CSXT's connection to the BNSF and GTW at or near Milepost 8.7 at Elsdon, IL on CSXT's Elsdon Subdivision, including (1) all sidings, yard tracks and yard leads now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the Parties, a total distance of approximately 22.37 miles.

1.2 Reserved

1.3 Such rights shall include the right to enter and exit the Subject Trackage at:

1.3.1 CSXT's connection with the GTW at or near Milepost 31.07 (Munster) on CSXT's Elsdon Subdivision in Munster, IN.

1.3.2 CSXT's connection with the Union Pacific Railroad Company ("UP") at or near Milepost 25.2 (Thornton Junction) on CSXT's Elsdon Subdivision in Thornton, IL.

1.3.3 CSXT's connection with CN at or near Milepost 23.2 (CN Jct) on CSXT's Elsdon Subdivision in Harvey, IL.

1.3.4 CSXT's connection with CN at or near Milepost 22.6 (CJ) on CSXT's Elsdon Subdivision in Harvey, IL.

1.3.5 CSXT's connection with Indiana Harbor Belt Railroad Company ("IHB") at or near Milepost 19.3 (B.I. Jct.) on CSXT's Elsdon Subdivision in Blue Island, IL

1.3.6 CSXT's connection with The Belt Railway Company of Chicago ("BRC") at or near Milepost 11.8 (Hayford Junction) on CSXT's Elsdon Subdivision in Chicago, IL.

1.3.7 CSXT's connection to GTW at or near Milepost 8.7 on CSXT's Elsdon Subdivision in Elsdon, IL.

1.3.8 CSXT's connection with BNSF at or near milepost 8.7 on CSXT's Elsdon Subdivision.

1.3.9 CSXT's connection with IHB at or near milepost 8.7 on CSXT's Elsdon Subdivision.

1.3.10 And any other existing or new location(s) that the Parties may mutually agree upon.

1.4 Mileage Table:

Stations		Munster	Thornton Jct	Harvey	Blue Island	Hayford
	Mileposts	31.07	25.2	22.6	19.3	11.8
Thornton Jct	25.2	5.9		*2.6*	*5.9*	*13.4*
Harvey	22.6	8.5	*2.6*		*3.3*	*10.8*
Blue Island	19.3	*11.8*	*5.9*	*3.3*		*7.5*
Hayford	11.8	*19.3*	*13.4*	*10.8*	*7.5*	
Elsdon	8.7	*22.4*	*16.5*	*13.9*	*10.6*	*3.1*

SECTION 2.0 USE OF SUBJECT TRACKAGE

2.1 User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement.

2.2 Except as may otherwise be provided by this Agreement, User shall not use any part of the Subject Trackage for the purpose of switching, storage or servicing of cars or equipment, or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

2.3 Owner shall have exclusive control of the management and operation of the Subject Trackage. User shall not have any claim against Owner for liability on account of loss or damage of any kind in the event the use of the Subject Trackage by User is interrupted or delayed at any time from any cause.

2.4 User shall have the right to operate in either direction over the Subject Trackage.

2.5 Owner and User shall work together to establish a schedule for the handling of User's trains.

2.6 User shall be responsible for contacting User's dispatcher and/or the UP, IHB and BRC dispatcher prior to entering the Subject Trackage to insure that User will not be delayed from departing the Subject Trackage at the authorized exit location. User shall ensure that its trains i) have a clear route (or available offline staging capacity) beyond the Subject Trackage; ii) are not staged, held, stored, or parked on the Subject Trackage (except at the direction of Owner), or otherwise unreasonably interfere with the joint use of the Subject Trackage; iii) are staffed with qualified crews that have sufficient hours of service remaining to clear the Subject Trackage; and iv) restore all connection switches on the Subject Trackage for mainline movement on and by Owner (collectively "Clearance Obligations").

2.7 User shall provide Owner with train information via AAR EDI 161 standard format and will include train symbol, estimated time of arrival, train length, tonnage, load/empty count, locomotives, end of train device.

2.8 The rights provided to User under the terms of this Agreement are for the sole purpose of User transporting its own traffic over the Subject Trackage. Nothing herein expressed or implied is intended to or shall be construed to confer upon or to give any person, firm, partnership, corporation or governmental entity other than the User any right or benefit under or by reason of this Agreement. User shall not move traffic for or on behalf of any other party or foreign railroad or under the guise of doing business as User. In the event that User attempts to move traffic for or on behalf of another party or foreign railroad, Owner may refuse to authorize and dispatch User's train.

SECTION 3.0 RESTRICTION ON USE

3.1 The Trackage Rights herein granted are granted for the sole purpose of User using same for overhead and local traffic only between the terminals (including those entry and exit locations defined in Section 1.0) of Subject Trackage and User shall not perform any local freight service whatsoever, except as allowed in Section 3.4 at any point located on Subject Trackage.

3.2 The total number of CN trains (including trains operating pursuant to any future trackage rights that Owner grants (by separate agreement) to entities owned by User or owned or affiliated with CN's parent company) operating over the Subject Trackage shall not be limited except that the total number of CN/UP interchange trains using the Subject Trackage between Blue Island (at or near milepost 19.3) and Munster (Milepost 31.07) shall be limited to two (2) train pairs (two (2) trains in each direction) per day (the "CN/UP Interchange Limit"). The CN/UP Interchange Limit shall apply regardless of whether the interchange occurs with CN or with another railroad that is an affiliate of CN, is commonly controlled with CN, controls CN, or is subject to the control of CN, to whom Owner may grant Trackage Rights over the Subject Trackage.

3.3 Subject to the specific provisions of Section 4 of this Agreement with respect to CN/UP interchange trains, CN/UP interchange trains operated by CN will be considered those of the CN for purposes of this trackage rights agreement.

3.4 CN shall be allowed to provide local switching service on the Subject Trackage including but not limited to CN Worldwide Distribution Services (USA) Inc., CN's wholly owned subsidiary customer located on the Subject Trackage in the vicinity of Elsdon.

SECTION 4.0 COMPENSATION

4.1 The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be [REDACTED] per car mile (hereinafter referred to as the "Base Charge")

4.2 Thereafter and except as provided for in Section 4.3, User will pay Owner a sum computed by multiplying: (i) the Base Charge, as may be revised in accordance with Section 4.8, by (ii) the number of cars, locomotive and caboose units moved by User with its own crews and power over the Subject Trackage, by (iii) the miles identified in Section 1.4 for the applicable move. For purposes of this Agreement, each locomotive unit, each caboose, and each platform of an articulated car shall be counted as one car.

4.3 User shall not be obligated to compensate Owner for movements over the Subject Trackage for the sole purpose of interchanging freight between the Parties.

4.4 CSXT shall charge CN for CN/UP interchange trains operated by CN between Thornton Junction (Milepost 25.2) and Blue Island (Milepost 19.3), approximately 5.9 miles, pursuant to the trackage rights referenced in Section 3.

4.5 There shall be no trackage rights charges or fees for movements over the Subject Trackage for CN/UP interchange trains operated by CN between Thornton Junction (Milepost 25.2) and Munster (Milepost 31.07), approximately 5.9 miles, pursuant to the trackage rights referenced in Section 3.

4.6 With respect to articulate units, the number of cars shall be determined by the AAR Car Type Code as defined in the ULMER Specification Manual The second character in the Car Type Code field covering codes "Q" and "S" will be the factor in determining the car count for an articulated unit. For example, AAR Car Type Code (S566) would equate to a five (5) car count as these type cars have five wells capable of handling 40' to 53' containers in each well. (Car count data for articulated units are subject to change upon development of technology to separate units by car numbers.)

4.7 User will furnish to Owner, in care of Director, Network Planning, or their designates, at the end of each month, a statement of the number of loaded and empty cars operated over the Subject Trackage during the month. Based on this statement, Owner will render to User a bill, computed in accordance with the provisions of this Section 4, for User's use of the Subject Trackage.

4.8 The Base Charge shall be subject to change to reflect any increases or decreases in labor, material and other costs subsequent to the base year, as hereinafter provided.

(i) The Base Charge set forth in Section 4.1 of this Agreement shall be revised effective July 1st of each year, beginning retroactively to July 1st, 2010 to compensate for the prior year increase or decrease in the cost of labor and material, excluding fuel, as reflected in Table A, Annual Indices of Charge-Out Prices and Wage Rates (1977=100), Series RCR, included in "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads (hereinafter referred to as "AAR"). In making such determination, the final "Material prices, wage rates and supplements combined (excluding fuel)" index for the East District shall be used.

The Base Charge shall be revised by calculating the percentage of increase or decrease for the year to be revised based on the final index of the most recently completed calendar year as related to the final index of the calendar year prior to the most recently completed calendar year; and applying this percentage of increase or decrease to the current Base Charge to be escalated.

(ii) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the calendar year (2008) prior to the most recently completed calendar year; "B" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the most recently completed calendar year (2009); and "C" to be the current Base Charge to be escalated; the revised Base Charge would be determined by the following formula:

B/A x C = Revised Base Charge, Rounded to Nearest Whole Cent (5 Mills or More Rounds to Next Cent)

(iii) In the event the base for the Annual Indexes of Charge-Out Prices and Wage Rates issued by the AAR shall be changed from the year 1977, appropriate revision shall be made. If the AAR or any successor organization discontinues publication of the Annual Indices of Charge-Out Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the Parties. In the absence of agreement, the matter will be referred to the Surface Transportation Board ("STB") for determination. In the event said Board is without jurisdiction to make such a determination, the Parties shall submit the matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator so appointed by said Association shall be final and binding upon the Parties. Each party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, exhibits, and counsel. The compensation, costs, and expenses of the arbitrator shall be borne equally by such parties.

PROVIDED, HOWEVER, that under no circumstances, while CN is operating over the Subject Trackage pursuant to this Agreement, shall the per car mile rate ever be less than the established Base Charge provided for in this Section 4.1.

User shall not be responsible to Owner for any compensation, charges, or fees for its use of the Subject Trackage pursuant to this Agreement (including CN/UP interchange trains, which shall be considered CN use for this purpose), except as may be specifically provided for in this Agreement.

SECTION 5.0 PAYMENT OF BILLS

5.1 All payments called for under this Agreement shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the Parties shall be adjusted in the accounts of a subsequent month.

5.2 The records of each Party, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other Party for a period of two (2) years from the date of billing.

5.3 Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 4, shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by Owner for User.

SECTION 6.0 MAINTENANCE OF SUBJECT TRACKAGE

6.1 Owner shall maintain, repair, and renew the Subject Trackage at its own expense and with its own supervision and labor. User accepts the condition of the Subject Trackage AS IS WHERE IS and Owner shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated. Owner does not guarantee that operations over the Subject Trackage will not be interrupted. Owner shall take all reasonable steps to ensure that any interruptions will be kept to a minimum. Furthermore, except as may be otherwise provided in Section 6 and Section 12 hereof, User shall not by reason of failure or neglect on the part of Owner to maintain, repair, or renew the Subject Trackage, have or make any claim or demand against Owner or its parent corporation, subsidiaries or affiliates, or their respective directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by User resulting from any such failure or neglect

6.2 Owner shall also perform, at the expense of User, such additional maintenance as User may reasonably require or request.

SECTION 7.0 CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

7.1 Existing connections or facilities which are jointly used by the Parties under existing agreements or practices shall continue to be maintained, repaired, and renewed by and at the expense of the Party or Parties responsible for such maintenance, repair, and renewal under such agreements or practices.

7.2 Any additional connections to the Subject Trackage which may be required by User shall be subject to the Owner's approval (including design), which shall not be unreasonably withheld or delayed, and shall be constructed, maintained, repaired, and renewed as follows:

(i) User or others shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost, liability and expense such portions of the tracks located on the right-of-way of User or others which connect the respective lines of the Parties; and

(ii) Owner shall furnish all labor and material and shall construct, maintain, repair, and renew at the sole cost, liability and expense of User such portions of the tracks located on the right-of-way of Owner which connect the respective lines of the Parties.

(iii) Upon termination of this Agreement, Owner may at its option remove such portion of trackage and appurtenances located on property of Owner, at the sole cost and expense of User. The salvage material removed shall be released to User or, as otherwise agreed upon, Owner will credit User the current fair market value for said salvage.

SECTION 8.0 ADDITIONS, RETIREMENTS AND ALTERATIONS

8.1 Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Subject Trackage as shall, in its

judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Subject Trackage and such retirements shall be excluded from the Subject Trackage.

8.2 If User requests Owner to make changes in or additions and betterments to the Subject Trackage, including without limitation changes in communication or signal facilities, for purposes required to accommodate User's operations beyond that required for Owner's operation, Owner shall make such changes in or additions and betterments to the Subject Trackage and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing, and renewing such additional or altered facilities.

SECTION 9.0 MANAGEMENT AND OPERATIONS

9.1 When operating over the Subject Trackage, User's locomotives and crews will be equipped to communicate with Owner on radio frequencies normally used by Owner in directing train movements on the Subject Trackage.

9.2 Procedures for qualification and occupancy of the Subject Trackage will be arranged by the local supervision of each carrier. All control and usage will be subject to the approval of Owner's representative or his designee.

9.3 Before its locomotives enter onto the Subject Trackage, User shall request permission from Owner's dispatcher or other designated representative at Owner's rail traffic control center or such other location as Owner may designate. Further, User shall ascertain that said Subject Trackage is clear and shall await confirmation from said representative that such permission has been issued to allow User's movements on or over the Subject Trackage. Upon completing its operations and clearing the Subject Trackage, User will notify Owner's designated representative that it has completed its operations and that its equipment has cleared the Subject Trackage. Once User has notified Owner's representatives that it has cleared the Subject Trackage, User shall not reenter the Subject Trackage without again obtaining permission from Owner's representative. User shall provide and maintain at its expense all communication facilities needed as may be required by Owner to permit User to use Owner's trackage.

9.4 User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

9.5 User, in its use of the Subject Trackage, will comply in all respects with the safety rules, operating rules and other regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized freight speeds as provided by Owner's operating rules and regulations

without the prior consent of Owner. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all their directors, officers, agents and employees from and against all liabilities when attributable to the failure of User to comply with the provisions of this subsection.

9.6 All employees of User engaged in or connected with the operations of User on or along the Subject Trackage shall be required to pass periodic examinations on the rules of Owner related to the Subject Trackage, provided, with respect to such examinations that, upon request of User, Owner shall qualify one or more of User's supervisory officers on Owner's rules and such supervisory officer or officers so qualified shall examine all employees of User engaged in or connected with User's operations on or along the Subject Trackage. Pending qualification of train and engine crews of User, Owner shall furnish a pilot or pilots, at the expense of User, as deemed necessary by Owner, to assist in operating trains of User over the Subject Trackage. User shall pay to Owner, upon receipt of bills therefore, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner to be properly qualified for operation as herein contemplated.

9.7 Owner may request an investigation at its option if User's employee working on Owner's property is alleged to have violated Owner's rules, regulations, orders, practices or instructions, or if an incident occurs which requires an investigation under applicable agreement rules. User will schedule the investigation and notify Owner's Local Transportation Officer in the territory. User's scheduling of the investigation must comply with the time limits provided in the applicable agreement on User's railroad. Owner will provide its regulations, supplements, and safety rules to User at no cost.

9.8 If Owner requests an investigation, Owner shall have the right to exclude from the Subject Trackage any employee of User, except officers, determined by Owner as the result of Owner's investigation or hearing described below, to be in violation of Owner's rules, regulations, orders, practices or instructions.

9.9 In a major offense including, but not limited to, violation of Rule G, dishonesty, insubordination, or a serious violation of operating rules or other offenses of comparable magnitude, wherein Owner desires to bar User's employee from service on Owner's territory pending an investigation by Owner, immediate verbal notification will be given to the appropriate Transportation Officer of User so that proper written notice can be issued to the employee.

9.10 If Owner requests an investigation, an Officer of User will conduct the investigation, but an officer of Owner may be present. After the investigation is concluded, a Transportation Officer of User will arrange to assess discipline, within the applicable time limits. If Owner recommends dismissal, User reserves the right to change the recommendation to the extent of barring the individual from operating over Owner's territory. User shall release, indemnify, defend and save harmless Owner and its officers, agents and employees from and against any and all claims and expenses resulting from such exclusion.

9.11 If the disciplinary action is appealed by the employee of User to the National Railroad Adjustment Board or other tribunal lawfully created to adjudicate such cases, and if the decision of such board or tribunal sustains the employee's position, such employee shall not be barred from service on the Subject Trackage by reason of such occurrence (unless an arbitration concerning such matter is held pursuant to this Agreement and this arbitration upholds Owner's continued exclusion of such employee).

9.12 It is understood that Owner shall reimburse User for all payments that User might

be required to make as a result of a successful challenge being made by the employee or his representative as to the discipline recommended by Owner and assessed by User. User agrees to notify Owner before committing itself to making payment of any claim. In the event a claim is progressed to an Adjustment Board, Owner will be given an opportunity to review User's submission. Any payments made to employees, as a result of an investigation being "overturned", shall include not only actual wages, but in addition, shall include expenses which User may be required to pay covering vacation allowances, Railroad Retirement taxes, unemployment insurance taxes and any other payroll tax or fringe benefits.

9.13 The trains, locomotives, cars, and equipment of User, Owner, and any other present or future user of the Subject Trackage or any portion thereof shall be operated on a first come, first service basis without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic. Owner does not guarantee or otherwise promise to provide any particular transit or running times over the Subject Trackage. Further, Owner does not guarantee or otherwise promise that operations over the Subject Trackage will not be interrupted. However, Owner shall make best efforts to ensure that any interruptions will be kept to a minimum.

9.14 If by reason of any mechanical failure, insufficient hours of service remaining among User's crew, or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled or unable to proceed under its own power, or fails to maintain the speed required by Owner on the Subject Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Subject Trackage, Owner shall have the option to furnish motive power or such other assistance (including but not limited to the right to recrew User's train) as may be necessary to haul, help, or push such trains, locomotives, or cars, or to properly move the disabled equipment off the Subject Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

9.15 If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, such work shall be done by Owner and User shall reimburse Owner for the cost thereof.

9.16 In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the Parties shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

SECTION 10.0 MILEAGE AND CAR HIRE

All mileage and car hire charges accruing on cars in User's account in User's trains on the Subject Trackage shall be assumed by User and reported and paid by it directly to the owner of such cars.

SECTION 11.0 CLEARING OF WRECKS

Whenever User's use of the Subject Trackage requires rerailing, wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost, liability and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever or any damage to or destruction of the environment

whatsoever, including without limitation land, air, water, wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Section 12 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck shall be promptly delivered to User.

SECTION 12.0 LIABILITY

12.1 The responsibility and liability between the Parties for: (i) any personal injury or death of any person (including employees of the Parties and third parties), (ii) any real or personal property damage of any person (including property of the Parties and third persons), (iii) any damage or destruction to the environment (including land, air, water, wildlife and vegetation), and (iv) all cleanup and remedial expenses, court costs, litigation expenses and attorney's fees resulting from the use of the Subject Trackage by the Parties or by third party users, all of which are collectively referred to as a "Loss", will be divided as follows:

(a) If a Loss results from the use of the Subject Trackage solely by the trains and locomotives of one of the Parties, then that using Party shall be solely responsible for the Loss, even if caused partially or completely by the other Party.

(b) If a Loss results from the use of the Subject Trackage by the trains and locomotives of both CN and CSXT, then: (i) each of CN and CSXT is solely responsible for any Loss to its own employees, locomotives and equipment in its own account including lading and (ii) CN and CSXT are equally responsible for any Loss to the Subject Trackage and Loss sustained by third parties, regardless of the proportional responsibility between or among them as to the cause of the Loss.

(c) If a Loss results from the use of the Subject Trackage by trains and locomotives of both CN and any other third party user of the Subject Trackage not a party to this Agreement, then CN's responsibility for the Loss shall be apportioned in the manner specified in Subsection (b) with the other third party user being considered CSXT for the purpose of determining CN's share of that portion of the Loss which it must assume.

(d) Whenever any liability, cost, or expense is assumed by or apportioned to any Party under the foregoing provisions, that Party shall forever protect, defend, indemnify, and save harmless the other Party and its subsidiaries and affiliates, and all of its respective directors, officers, agents, and employees from and against that liability, cost, and expense assumed by that Party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.

(e) In every case of death or injury suffered by an employee of any Party, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said Parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such Party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

(f) For purposes of determining liability, pilots furnished by CSXT to CN pursuant to this Agreement shall be considered as the employees of CN while such employees are on board or getting on or off trains of CN.

(g) If any suit or action shall be brought against any Party for damages which under the provisions of the Agreement are in whole or in part the responsibility of the other Party, said other Party shall be notified in writing by the Party sued, and the Party so notified shall have the right and be obligated to take part in the defense of such suit and shall pay a proportionate part of the judgment and cost, expense and attorneys' fees incurred in such suit according to its liability assumed hereunder.

(h) In the event of a Loss as set out herein, the Parties shall be bound by the Freight Claim Rules, Principles, and Practices of the Association of American Railroads (AAR) as to the handling of any claims for the loss or damage to lading.

(i) Notwithstanding the provisions of Section 18.5 of this Agreement, for the purposes of this Section 12 the word "equipment" shall mean and be confined to (i) trains, locomotives, cars and cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Subject Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Subject Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.

(j) For the purpose of determining liability associated with construction, maintenance, repair and renewal of connections as provided in Section 7, all work performed by Owner shall be deemed performed for the sole benefit of User and, User shall be fully liable for all cost and expense of any and all loss, damage, destruction, injury and death resulting from, arising out of, incidental to or occurring in connection with said construction, maintenance, repair and renewal except when such cost and expense of loss, damage, destruction, injury or death is caused by the sole negligence of Owner. User shall protect, indemnify, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against any and all expense and liability for which User is responsible.

SECTION 13.0 INVESTIGATION AND CLAIMS

13.1 Except as provided in Subsection 13.2 hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the Party bearing the liability, cost, and expense therefor under the provisions of this Agreement.

13.2 Each Party will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11706 and 49 C.F.R. Part 1005 (or any revised or substitute regulations adopted to modify, supplement or supersede the regulations herein provided), or in accordance with any applicable transportation contract entered into pursuant to 49 U.S.C. Section 10709.

13.3 In the event a claim or suit is asserted against Owner or User which is the other's duty hereunder to investigate, adjust, or defend, then, unless otherwise agreed, such other Party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.

13.4 All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time employees, including claim agents, attorneys, and other employees of either Party engaged directly or indirectly in such work shall be borne by such Party.

13.5 Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Part 1005 or similar regulation, neither Party shall settle or compromise any claim, demand, suit, or cause of action for which the other Party has any liability under this Agreement without the concurrence of such other Party if the consideration for such settlement or compromise exceeds thirty-five thousand dollars ($35,000).

13.6 Each Party agrees to indemnify and hold harmless the other Party and its parent corporation, subsidiaries and affiliates, and all their respective directors, officers, agents and employees from and against any and all costs and payments, including benefits, allowances and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of its own employees, pursuant to a collective bargaining agreement. It is the intention of the Parties that each Party shall bear the full costs of protection of its own employees under employee protective conditions which may be imposed, and of grievances filed by its own employee arising under its collective bargaining agreements with its employees.

13.7 It is understood that nothing in this Section 13 shall modify or waive the conditions, obligations, assumptions or apportionments, or supersede the provisions of Section 12 hereof.

SECTION 14.0 DEFAULT AND TERMINATION

14.1 In the event of any substantial failure on the part of User to perform its obligations under this Agreement and its continuance in such default for a period of sixty (60) days after written notice thereof by certified mail from Owner, Owner shall have the right at its option, after first giving thirty (30) days' written notice thereof by certified mail; and notwithstanding any waiver by Owner of any prior breach thereof, to terminate the Trackage Rights and User's use of the Subject Trackage.

SECTION 15.0 DISPUTE RESOLUTION

15.1 If at any time a question or controversy shall arise between the Parties in connection with this Agreement upon which the Parties cannot agree, either Party shall have the right to require a meeting of designated representatives with authority to settle the matter within 30 days of written notice of a desire to meet; if it cannot be resolved within 30 days of the meeting of the Parties, then the aggrieved Party may demand arbitration. Unless other procedures are agreed to by the Parties, arbitration between the Parties pursuant to this Section 15 shall be governed by the rules and procedures set forth in this Section 15. For all purposes, this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, regardless of its conflicts of law's principles.

15.2 If the Parties to the dispute are able to agree upon a single competent and disinterested arbitrator within twenty (20) days after written notice by one Party of its desire for arbitration to the other Party, then the question or controversy shall be submitted to and settled by that single arbitrator. Otherwise, any Party (the notifying Party) may notify the other Party (the noticed Party) in writing of its request for arbitration, including with notice its appointment of one arbitrator. Within twenty (20) days after receipt of said notice, the noticed Party shall appoint an arbitrator and notify the notifying Party in writing of such appointment. Should the noticed Party fail within twenty (20) days after receipt of such notice to appoint its arbitrator, said arbitrator may be appointed by the American Arbitration Association, which shall designate said appointment from the CPR Panel of Distinguished Neutrals, or other similar body of competent neutral arbitrators which may be agreed upon between the Parties, upon application by either Party after ten (10) days' written notice to the other Party. The two arbitrators so chosen shall select one additional arbitrator to complete the board. If the arbitrators so chosen fail to agree

upon an additional arbitrator, the same shall, upon application of a Party, be appointed in the same manner hereto before stated.

15.3 Upon selection of the arbitrator(s), said arbitrator(s) shall, with reasonable diligence, determine the questions as disclosed in said notice of arbitration, shall give both Parties reasonable notice of the time and place (of which the arbitrator(s) shall be the judge) of hearing evidence and argument, may take such evidence as the arbitrator(s) shall deem reasonable or as either Party may submit with witnesses required to be sworn, and hear arguments of counsel or others. If an arbitrator declines or fails to act, the Party (or Parties in the case of a single arbitrator) by whom the arbitrator was chosen or the American Arbitration Association, as the case may be, shall appoint another to act in the arbitrator's place.

15.4 After considering all evidence, testimony and arguments, said single arbitrator or the majority of said board of arbitrators shall promptly state such decision or award and the reasoning for such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. The award rendered by the arbitrator(s) may be entered as a judgment in any court in the United States of America having jurisdiction thereof and enforced as between the Parties without further evidentiary proceeding, the same as entered by the court at the conclusion of a judicial proceeding in which no appeal was taken. Until the arbitrator(s) shall issue the first decision or award upon any question submitted for arbitration, performance under this Agreement shall continue in the manner and form existing prior to the rise of such question. After delivery of said first decision or award, each Party shall forthwith comply with said first decision or award immediately after receiving it.

15.5 Each Party to the arbitration shall pay all compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all Parties to the arbitration.

15.6 The Parties may obtain discovery and offer evidence in accordance with the Federal Rules of Civil Procedure Rules 26 - 37, and Federal Rules of Evidence, as each may be amended from time to time.

SECTION 16.0 REGULATORY APPROVAL

16.1 Should implementation of this Agreement require the prior approval and authorization of the STB, User, at its own cost and expense, will initiate and thereafter diligently prosecute an action to obtain such approval and authorization or an exemption therefrom. Owner will assist and support efforts of User to obtain any such required approval and authorization or exemption.

16.2 Each Party shall assume and hold the other Party harmless from all claims by their respective employees predicated on loss of, or adverse impact on, compensation, benefits or working conditions arising from this Agreement or the activities of the Parties hereunder, whether such claims are based on conditions imposed by the STB or predicated on the Railway Labor Act or labor agreements.

SECTION 17.0 ABANDONMENT OF SUBJECT TRACKAGE

17.1 Notwithstanding the provisions of Section 21 of this Agreement, Owner may abandon or discontinue service over the Subject Trackage during the term of this Agreement, or any renewals hereof, upon giving User not less than ninety (90) days' written notice of Owner's intent to abandon or discontinue service. In the event regulatory authority is required to effect

such abandonment or discontinuance of service, User will not interfere with Owner's actions to seek and to exercise such authority. In the event regulatory authority is required for User to discontinue its own operations over the Subject Trackage, User will seek and diligently pursue such regulatory authority at the same time that Owner seeks regulatory authority to abandon or discontinues service over the Subject Trackage, or as soon thereafter as User may do so in accordance with applicable statutes and regulations. User shall exercise its authority to discontinue its operations pursuant to this Agreement upon the date established by Owner for abandonment of or discontinuance over the Subject Trackage by its aforesaid notice to User, or upon the earliest authorized date of exercise of the regulatory authority to discontinue operations, whichever is later. If regulatory authority for discontinuance of User's operations is not required, User shall discontinue its operations hereunder on the date that Owner is authorized to abandon or discontinue service over the Subject Trackage. Upon discontinuance of User's operations, this Agreement shall terminate and be of no further force and effect, except that termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred prior to said termination As used herein, Subject Trackage means the entire Subject Trackage or any portion or portions thereof.

17.2 User may seek discontinuance authority at any time, regardless of whether Owner has or is seeking abandonment authority.

SECTION 18.0 GENERAL PROVISIONS

18.1 This Agreement and each and every provision hereof are for the exclusive benefit of the Parties and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the Parties.

18.2 All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

18.3 This Agreement and the attachments annexed hereto and integrated herewith contain the entire agreement of the Parties and supersede any and all oral understandings between the Parties.

18.4 No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both Parties.

18.5 As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of, one of the Parties such expression means the trains, locomotives, cars, or equipment in the possession of or operated by one of the Parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such Party. Whenever such locomotives, cars or equipment are owned or leased by one Party and are in the possession or account of the other Party, such locomotives, cars, and equipment shall be considered those of the other Party under this Agreement.

18.6 All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.

18.7 This Agreement is the result of mutual negotiations of the Parties, neither of whom shall be considered the drafter for purposes of contract construction.

18.8 Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be

necessary or appropriate for a Party to enforce its rights under this Agreement, during the initial and any renewal term of this Agreement, all commercial information to which access is provided or obtained hereunder will be kept confidential and will not be disclosed by either CN or CSXT to any party other than CN's and CSXT's affiliates and the respective officers, employees, and attorneys of those affiliates, without the prior written approval of the other Party.

SECTION 19.0 SUCCESSORS AND ASSIGNS

19.1 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. No Party shall transfer or assign this Agreement, or any of its rights, interests, or obligations hereunder, by merger or otherwise, to any person, firm, or corporation without obtaining the prior written consent of the other Party provided, however, such consent shall not be unreasonably withheld.

SECTION 20.0 NOTICE

20.1 Any notice required or permitted to be given by one Party to the other under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the Parties may mutually agree, and shall be addressed as follows:

If to Owner:

Director, Network Planning
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

If to User:
Region Director Contracts and Administration
CN
17641 South Ashland Avenue
Homewood, IL 60430

20.2 Either Party may provide changes in the above addresses to the other Party by personal service or certified mail.

SECTION 21.0 COMMENCEMENT, TERM AND TERMINATION

21.1 This Agreement shall take effect immediately upon the later of (i) CSXT's acquisition of the Elsdon Easement, or (ii) the effective date of any required regulatory approvals, and shall be evidenced by an exchange of correspondence between the appropriate operating officers of the Parties. The date that User commences operations over the Subject Trackage pursuant to this Agreement shall be referred to herein as the "Commencement Date", and shall be evidenced by an exchange of correspondence between the appropriate officers of the Parties.

21.2 This Agreement shall continue in full force and effect for a period of twenty (20) year(s) from the Commencement Date, and shall continue in full force and effect, subject to renewal by either Party, for an unlimited number of additional ten (10) year terms, provided, however, CN has the right to terminate this Agreement upon giving CSXT a thirty (30) day advance written Notice.

21.3 Termination of this Agreement shall not relieve or release either Party from any obligations assumed or from any liability which may have arisen or been incurred by either Party under the terms of this Agreement prior to the termination hereof.

21.4 Upon termination or non-renewal of this Agreement for any reason, User shall within sixty (60) days initiate and thereafter diligently prosecute any action to obtain approval from the STB or other regulatory body having jurisdiction authorizing abandonment or discontinuance of the Trackage Rights herein granted. If User fails to file within (60) days, User hereby expressly authorizes Owner to file with the STB, or other regulatory body having jurisdiction, on behalf of User to abandon or discontinue the Trackage Rights granted hereunder, and User further agrees to reimburse Owner for all reasonable costs incurred in doing so.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate as of the day and year first hereinabove written.

WISCONSIN CENTRAL LTD,
ILLINOIS CENTRAL RAILROAD COMPANY
ELGIN, JOLIET AND EASTERN RAILROAD COMPANY

WITNESS **CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY**

_____ **By:** _____

Paul E. Ladue
Region Director Contracts & Administration

Date: _____

WITNESS **CSX TRANSPORTATION, INC.**

By: _____

Christopher Maffett
Director, Network Planning

Date: _____

Exhibit A

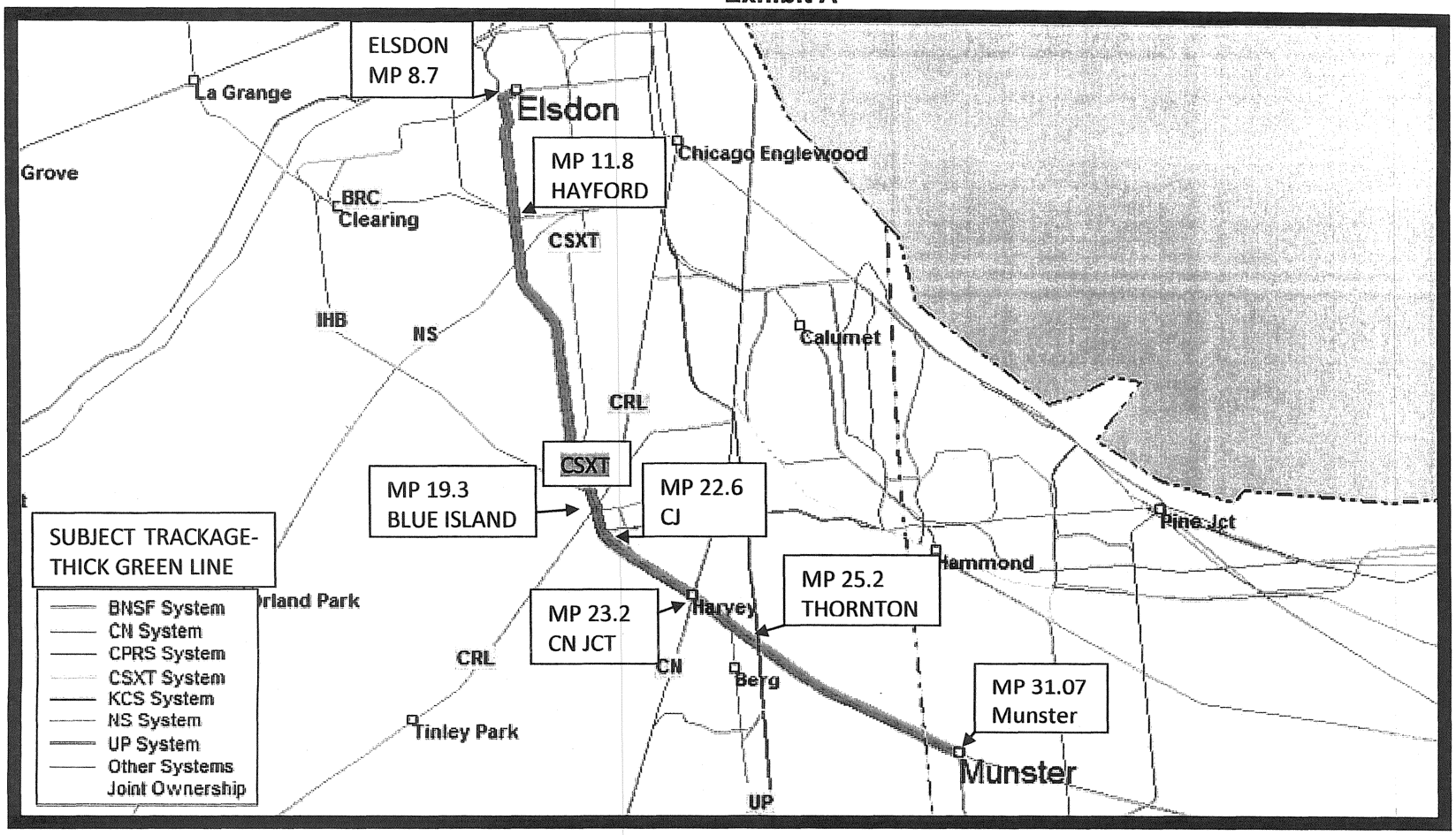

ELSDON
MP 8.7
La Grange
Elsdon
MP 11.8
HAYFORD
Chicago Englewood
Grove
BRC
Clearing
CSXT
IHB
NS
Calumet
CRL
CSXT
MP 19.3
BLUE ISLAND
MP 22.6
CJ
Pine Jct
SUBJECT TRACKAGE-
THICK GREEN LINE
BNSF System
CN System
CPRS System
CSXT System
KCS System
NS System
UP System
Other Systems
Joint Ownership
MP 25.2
THORNTON
MP 23.2
CN JCT
Harvey
CRL
CN
Berg
MP 31.07
Munster
Tinley Park
Munster
UP

Exhibit F – Leewood Easement Agreement

[Subject to revision as required to comply with applicable Tennessee law and practice and requirements for recording.]

This instrument prepared by:
Jordan H. Peters
Freeborn & Peters LLP
311 South Wacker Drive, Suite 3000
Chicago, Illinois 60606,
in consultation with counsel admitted
in the State of Tennessee

After recording return to:
_____
_____
_____

LEEWOOD EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (this "Agreement"), made and entered into as of the __ day of _____, 2013, by and between CSX Transportation, Inc., a Virginia corporation, having an address at c/o CSX Real Property, Inc. – J915, 6737 Southpoint Drive S, Jacksonville, Florida 32216-6177 ("Grantor"), and Grand Trunk Western Railroad Company, a Michigan corporation, having an address at 17641 South Ashland Avenue, Homewood, Illinois 60430 ("Grantee"),

W I T N E S S E T H:

1. Grant of Easement. Grantor, for and in consideration of Ten Dollars ($10.00) and in exchange for Grantee's Grant of Easement (Exhibit E of the Agreement for Exchange of Perpetual Easements Between CSX Transportation, Inc. and Grand Trunk Western Railroad Company (the "Exchange Agreement"), executed contemporaneously herewith), the receipt and sufficiency of which are hereby acknowledged, hereby grants to Grantee and to Grantee's successors and permitted assigns, an exclusive, perpetual non-assignable (except as provided herein) railroad operating easement (the "Easement"), over, upon and across the premises of Grantor, located in Shelby County, Tennessee, consisting generally of approximately two and one-tenth (2.1) miles of Grantor's Memphis Terminal Subdivision extending from milepost 00F371.4±, at or near Leewood, Tennessee to milepost 00F373.4±, at or near Aulon, Tennessee, and described more particularly in Exhibits A and B to this Agreement (the "Easement Premises"), TO HAVE AND TO HOLD the same unto Grantee, its successors and permitted assigns, for the purposes and upon the terms and conditions specified in this Agreement. Grantee shall also have a right of ingress and egress, over, upon and across the driveways and roadways of Grantor, if any, located on the surface of any other lands owned by Grantor and contiguous to the Easement Premises, to the extent reasonably required for access to and from the Easement Premises and a public way. The Grantor shall indemnify Grantee for the Grantee's use of any ingress or egress provided hereunder by this grant of easement. The Easement Premises does not

include certain non-operating parcels of Grantor, which are more particularly described on Exhibit C to this Agreement.

2. Appurtenances. The Easement herein granted also includes the right to use all of the appurtenances on the Easement Premises, including all of the ballast, rail, ties, bridges, culverts, signals, gates and other railroad operating structures and fixtures, affixed to or located on the Easement Premises (the "Appurtenances"). The Easement Premises along with the associated Appurtenances will be referred to collectively herein as the Easement Exchange Property.

3. Term of Easement. Subject to reconveyance of the Easement upon the terms and conditions provided in Section 7 below, the term of the Easement hereby granted is perpetual. During the term of the Easement, the Grantor of the Easement shall not seek authority to abandon the Easement Premises.

4. Use of Easement; Operation and Control of Easement; Improvements and Alterations. The Easement hereby granted is for the purpose of operating a railroad, and, except for those rights and uses expressly reserved to Grantor herein, the Easement shall be exclusive to Grantee, and Grantee shall have the right to make every use of the Easement Exchange Property for such purpose, including, without limiting the generality of the forgoing, the right, at Grantee's sole expense, to construct, maintain, operate, replace, redesign or remove a line or lines of railroad tracks, signals, communication lines and equipment, bridges, culverts, utilities, switches, pipes, conduits, tunnels, all appurtenances thereto, and any other facilities of a like character as may now exist or may hereafter be placed upon, across, over or under the Easement Premises, as well as control of and the right, obligation and responsibility for, dispatching, track maintenance and capital improvements to the Easement Exchange Property, including all interlockings, control points and connections for the Easement, including without limitation the connections at Leewood, Tennessee and Aulon, Tennessee. Grantee shall constitute the "host railroad" under 49 C.F.R. § 236.1003 for all purposes relating to the implementation of Positive Train Control under the Rail Safety Improvement Act of 2008, and shall be deemed the owner of the line segment for purposes of any determination of its rights and responsibilities under the Third Amended and Restated Shared Use Agreement dated August 17, 2011 between and among PTC-220, LLC and certain wholly-owned subsidiaries of the seven U.S. Class 1 rail carriers and any other agreement governing the actions and/or obligations of Members of PTC-220, LLC.

5. Third-Party Agreements. The Easement hereby conveyed is subject to the existing third-party agreements described in Exhibit D to this Agreement (the "Third-Party Agreements") that affect, fall within, are attached to or are indivisible from the Easement Exchange Property, and Grantee hereby agrees to accept the Easement subject to, and to assume, recognize and perform, such Third-Party Agreements. Grantor shall have the right from time to time to enter into additional third-party agreements that affect the Easement Exchange Property; provided, however, that except for agreements required by law (including a final order of a court or other tribunal of competent jurisdiction), each such agreement shall be subject to the review and approval of Grantee, which approval Grantee shall not withhold, delay or condition unreasonably, but which Grantee may withhold if, in the reasonable business judgment of Grantee, such agreement would affect Grantee's railroad operations pursuant to the Easement or impose a financial obligation on Grantee not reimbursed by the fees, if any, payable to Grantee by the third party requesting such agreement. Except for the Third-Party Agreements described

in Exhibit D, the Grantor has not provided any other third party rights over, under, or within the Easement Exchange Property. Except to the extent provided in the Third-Party Agreements, the Grantee shall have the right to grant third parties easements within the Easement Exchange Property, subject to the approval of Grantor, which approval Grantor shall not withhold, delay or condition unreasonably. Grantee shall have no responsibility for Grantor's ability to satisfy any existing or future obligations related to such agreements; provided, however, that Grantee shall cooperate with Grantor to a reasonable extent to allow Grantor to satisfy such obligations.

6. Reservation by Grantor of Certain Rights and Agreements. The Grantor hereby reserves to itself and to its successors and assigns, the following with respect to the Easement:

(a) The rights of Grantor, its successors and assigns to operate trains over the Easement Exchange Property without limitation except as expressly provided in the Trackage Rights Agreement to be executed contemporaneously with this Agreement in the form of Exhibit E attached hereto;

(b) All agreements concerning (i) billboards and (ii) fiber optics cables and/or fiber optics telecommunications lines and equipment and the appurtenances thereto existing within the Easement Premises as of the date of this Agreement (including, without limitation, the licenses and other agreements identified in Exhibit D hereto that are described as pertaining to fiber optics); and

(c) The right to locate additional (i) billboards and/or (ii) fiber optics cables and/or fiber optics telecommunications lines and equipment, and the appurtenances thereto, within the Easement Premises in the future and to grant rights to third parties at any time and from time to time to locate any such facilities within the Easement Premises; provided, however, that all such facilities shall be located in a manner that does not interfere with the railroad operations of Grantee, and all activities of the parties constructing, maintaining or operating such facilities within the Easement Premises shall be subject to Grantee's safety and operating rules in effect from time to time. Grantee shall have no responsibility for Grantor's ability to satisfy any existing or future obligations related to such agreements; provided, however, that Grantee shall cooperate with Grantor to a reasonable extent to allow Grantor to satisfy such obligations.

7. Reconveyance of Easement.

(a) With respect to the Easement, Grantee shall reconvey to Grantor (or, at Grantor's option, to Grantor's designee) and Grantor shall accept such reconveyance (or cause its designee to accept such reconveyance), if: (i) Grantee requests that Grantor accept reconveyance of the Easement; (ii) Grantee initiates proceedings seeking authority to abandon the Easement Premises or discontinue operations over the Easement Premises or serves or files notice of intent to do so; or (iii) Grantee ceases to use the Easement for significant and regular railroad operations for a period of twenty-four (24) or more consecutive months (with adjustments made for extended periods of force majeure or other events beyond the control of Grantee that prevent the full and peaceful enjoyment of the Easement) (that cessation, a "Reconveyance Event") and Grantor requests reconveyance of the Easement to Grantor or its designee within one hundred twenty (120) days of a Reconveyance Event (a "Reconveyance Notice"). For the purposes of this Agreement, "significant and regular railroad operations" means average monthly train

movements over all or any portion of the Easement of four (4) or more of Grantee's or Grantee's Affiliate's trains per month with a minimum of twenty (20) cars in each train.

(b) All Reconveyance Notices shall be served on Grantee in accordance with Section 11 of this Agreement and shall state that Grantor believes a Reconveyance Event has occurred, describe such Reconveyance Event with reasonable specificity, and state that Grantor requires reconveyance of the Easement. If within thirty (30) days after delivery of Grantor's Reconveyance Notice to Grantee, Grantee serves on Grantor a notice (an "Objection Notice") disputing the Reconveyance Event stated in Grantor's Reconveyance Notice, then the question whether a Reconveyance Event has occurred shall be resolved by arbitration, as set forth in Section 14 of this Agreement. If Grantee does not deliver a timely Objection Notice, or if Grantee delivers a timely Objection Notice but the question whether a Reconveyance Event has occurred is determined adversely to Grantee, then Grantee shall reconvey the Easement to Grantor (or Grantor's designee) as provided herein.

(c) Grantor shall initiate and thereafter diligently prosecute regulatory proceedings to obtain such approvals, exemptions, and/or authorizations as may be required for reconveyance of the Easement (collectively, "Approvals") no later than sixty (60) days after the occurrence of any one of the following events (the "Triggering Event"):

(i) delivery of Grantee's request for reconveyance pursuant to subsection (a),

(ii) Grantee's initiation of proceedings seeking authority to abandon the Easement Premises or discontinue operations over the Easement Premises, or Grantee's service or filing of notice of intent to do so,

(iii) thirty (30) days after delivery of Grantor's Reconveyance Notice pursuant to subsection (b), if Grantee has not within that time period delivered an Objection Notice pursuant to subsection (b),

(iv) withdrawal by Grantee of an Objection Notice that was delivered by Grantee pursuant to subsection (b), or

(v) entry of the final award of the arbitrator if Grantee delivered an Objection Notice pursuant to subsection (b) and Grantee's objection was determined adversely to Grantee.

Grantee shall cooperate with Grantor to the extent reasonably necessary for Grantor to obtain such Approvals. If Grantor fails to initiate such regulatory proceedings within sixty (60) days of the Triggering Event, then Grantee may initiate such regulatory proceedings on Grantor's behalf as may be required for the Approvals, and Grantor shall reimburse Grantee for all reasonable costs incurred in doing so. Grantor shall bear the costs of any conditions that may be imposed on the Approvals; provided, however, that Grantor and Grantee shall each bear the cost of any conditions imposed for the protection of its own employees. Grantor and Grantee shall cooperate and work diligently to prepare and execute all instruments and documents as necessary for Approval and timely reconveyance as provided herein (the "Reconveyance Documents"). The Reconveyance Documents shall include all instruments and documents reasonably requested by the Grantor to reconvey all rights granted to and all obligations assumed by Grantee under

this Agreement back to Grantor (or to a party designated by Grantor), including, without limitation, the agreements assumed by the Grantee pursuant to Article 7 of the Exchange Agreement.

(d) Reconveyance of the Easement pursuant to this Section 7 shall be by a quitclaim deed, in a recordable form and otherwise reasonably acceptable to Grantor. Within thirty (30) days after all required Approvals, if any, take effect, or, if no Approvals are required, within sixty (60) days of the Triggering Event, Grantee shall deliver such deed to Grantor or Grantor's designee.

(e) Grantor shall pay or cause to be paid to Grantee the consideration of Ten Dollars ($10.00) for the reconveyance. Upon delivery of the deed, the Easement shall be deemed reconveyed for all purposes and Grantee shall have no further rights thereunder; provided, however, that Grantee shall remain liable to Grantor for any obligation of Grantee under this Agreement, and any other agreement between Grantor and Grantee pertaining to the subject matter hereof, that has accrued but has not been performed as of the effective date of such reconveyance. Such reconveyance shall include the Appurtenances, as set forth in Section 2 above, and any improvements or betterments added to the Easement Premises by Grantee (the "Grantee Improvements"), and Grantor shall pay or cause to be paid to Grantee the then Net Liquidation Value (the "NLV") of the Grantee Improvements. The NLV of the Grantee Improvements shall be determined by computing the current appraised market value of such properties for other than rail transportation purposes, less all costs of dismantling and disposition of improvements necessary to make the remaining properties available for their highest and best use and complying with applicable zoning, land use, and environmental regulations.

8. Indemnification. To the maximum extent permitted by law, Grantee shall reimburse Grantor for any and all loss or damage and shall indemnify, save harmless and defend Grantor from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees in any manner caused by, arising from, incident to, connected with or growing out of this Agreement or the use of the Easement Exchange Property by Grantee or a party claiming by, through or under Grantee; provided, however, that the foregoing indemnity shall not be in derogation of any liability of Grantor expressly provided for in Exhibit E to this Agreement which arises out of the operation of Grantor's trains pursuant to the Easement. However, Grantee's indemnification obligation set forth herein shall not extend to any tax liability, recordation or transfer taxes incurred by Grantor under this Easement or any increased property tax assessments associated with third party modifications to the Easement Premises such as billboards or fiber optics cables and/or fiber optics telecommunications lines and equipment, and the appurtenances thereto, or any suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees in any manner caused by, arising from, incident to, connected with or growing out of third party modifications to the Easement Premises made by Grantor or its assigns, other than repairs made pursuant to Section 13, such as the billboard and fiber optic agreements described in Sections 6(b) and (c) above. To the maximum extent permitted by law, Grantor shall reimburse Grantee for any and all loss or damage and shall indemnify, save harmless and defend Grantee from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees in any manner caused by, arising from, incident to, connected with or growing out of this Agreement or the

ingress, egress or use of the Easement Exchange Property by Grantee or a party claiming by, through or under Third-Party Agreements with the Grantor.

9. Assignment of Easement Rights by Grantee. Grantee shall have the right, without Grantor's consent, (a) to assign its rights under this Agreement in whole or in part, or to grant operating rights over the Easement Exchange Property from time to time, to any Affiliate (defined in Section 22 below) of Grantee, (b) to grant trackage rights or operating rights to other freight rail carriers over all or portions of the Easement Exchange Property with a term commensurate with that of the Easement, and (c) in the event of a sale of substantially all of the assets or business of Grantee, or the merger or consolidation of Grantee into or with another firm, to assign this Agreement and Grantee's Easement to such firm or corporation acquiring substantially all of the assets or business of Grantee, or merging or consolidating with Grantee; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of the Grantee under this Agreement and the Easement that existed prior to such assignment. Grantee shall also have the right to subcontract any of its rights and obligations hereunder to any Affiliate, provided that in such instance, Grantor shall have a direct right to contact such affiliate concerning railroad operations and a direct right of action against such Affiliate under this Agreement. Except as provided in the foregoing clauses (a), (b) and (c), Grantee shall have no right to assign this Agreement, or any of Grantee's rights hereunder, to any party without the prior written consent of Grantor. Grantor agrees that Grantor will not withhold its consent to a proposed assignment unreasonably, but Grantor may withhold its consent, in its sole discretion, if the proposed assignment is to another railroad.

10. Grantor's Title. Grantor represents to Grantee that Grantor has a sufficient interest in the Easement Exchange Property to enter into this Agreement and to grant the Easement. Grantor shall indemnify, defend and hold harmless Grantee, from and against all claims, liability, cost and expense, including reasonable attorneys' fees, incurred by Grantee, as a result of any third party claim that Grantor's interest in any material part of the Easement Exchange Property was not sufficient for Grantor to grant the rights granted to Grantee herein.

11. Notices. All notices hereunder shall be in writing and sent by hand delivery or by certified mail, return receipt requested, or by Federal Express, UPS, or other reputable overnight air courier with receipted delivery, to the addresses listed at the beginning of this Agreement, or such other address as may be established by a party pursuant to notice in accordance with this section.

12. Property Taxes. Grantee shall list the Easement Exchange Property as part of Grantee's railroad operating property on Grantee's tax returns filed with the Tennessee Department of Revenue or other taxing authority having jurisdiction of the Easement Exchange Property and shall pay all taxes levied thereon during Grantee's ownership of the Easement.

13. Maintenance of Easement Exchange Property.

(a) From and after the effective date of this Agreement and throughout the time of Grantee's ownership of the Easement, Grantee, at Grantee's sole expense (subject to Subsections 13(b) and 13(c)), shall maintain the Easement Exchange Property in good condition and repair and in a condition that complies with all applicable laws, rules and regulations, including,

without limiting the generality of the foregoing, all applicable laws, rules and regulations related to the maintenance of railroad track, crossings, bridges and other structures and any reporting obligations related thereto. Subsections 13(b) and 13(c) shall not apply to switches that do not serve customers, but access yards and other railroad property or other railroads.

(b) From and after the effective date of this Agreement and throughout the time of Grantee's ownership of the Easement, Grantee shall maintain, at no expense to Grantor (except as noted below), all switches that are part of the Easement Exchange Property as of the date hereof, and all switches that become part of the Easement Exchange Property through the construction of additional trackage to isolate local switching and provide Grantor with sufficient head room at the west end of the Leewood Yard to operate without interfering with operations over the main line, in a condition suitable for normal railroad operations and in a condition that complies with all applicable laws, rules and regulations; provided, however, that if Grantee notifies Grantor in writing that any such switch has been used by neither Grantor nor Grantee to provide rail service to a customer for twelve (12) consecutive months ("Non-Use Notice"), Grantor may, within thirty (30) days after receipt of said notice, (1) serve a Dispute Notice pursuant to Section 14, disputing the basis for the Non-Use Notice, that is, that the switch has not been so used by either Grantor or Grantee for twelve (12) consecutive months, (2) notify Grantee in writing that it will assume all expenses for maintaining and in the future replacing said switch ("Assumption Notice"), or (3) serve both a Dispute Notice and, subject to the Dispute Notice, an Assumption Notice. If Grantor serves a Dispute Notice, the Grantor and Grantee shall seek to resolve the dispute within twenty (20) days of service of that notice, as provided in Section 14. If the Grantor and Grantee cannot resolve said dispute within that time, then the dispute shall be submitted for mandatory and binding arbitration pursuant to Section 14. If Grantor shall fail to serve either an Assumption Notice or a Dispute Notice within thirty (30) days of receipt of Grantee's Non-Use Notice, or if Grantor serves a Dispute Notice and the dispute is resolved against Grantor, then Grantee may remove the turnout at its sole expense, subject to any necessary regulatory authority. If Grantor serves an Assumption Notice within thirty (30) days of receipt of Grantee's Non-Use Notice, then Grantee shall not remove the switch, but, upon resolution of any outstanding related Dispute Notice in favor of Grantee, Grantor shall reimburse the Grantee for all maintenance and capital expense for said switch, unless and until such time as Grantor or Grantee begins or resumes providing rail service through use of the switch to any customer, at which time Grantee shall resume bearing all expenses for maintaining and in the future replacing said switch, subject, however, to Grantee's right to serve a Non-Use Notice pursuant to this Section 13 in the event that the switch is not used for a subsequent period of twelve (12) consecutive months to provide service to a customer. Nothing in this Agreement is intended to or shall be interpreted to preclude or limit Grantor or Grantee from recovering capital and maintenance expenses relating to switches from customers and other third parties.

(c) If a switch has been removed and would have to be replaced for Grantor to serve a customer, or an inactive switch would have to be replaced or upgraded for Grantor to serve a customer, it is the expectation of the parties that the customer shall be responsible for the capital expenses for such switch. If a customer does not agree to assume responsibility for such a switch, and Grantee nonetheless replaces or upgrades the switch at the request of Grantor or as required by law to enable Grantor to provide requested service, then Grantor shall reimburse the Grantee for the capital expenses for such switch. After the switch has been installed, replaced, or upgraded, Grantee shall resume bearing all expenses for maintaining and in the future replacing

said switch, subject, however, to Grantee's right to serve a Non-Use Notice pursuant to this Section 13 in the event that the switch is not used for a subsequent period of twelve (12) consecutive months to provide service to a customer.

14. Resolution of Disputes. Each of the parties hereto stipulates and agrees that any dispute, controversy or claim, arising out of or relating to this Agreement or the breach, termination or validity thereof ("Dispute") that is not resolved by negotiations between senior officers of the parties within 20 days after receipt by a party of written notice ("Dispute Notice") of such Dispute shall be submitted to mandatory and binding arbitration under the following terms and conditions (unless mutually agreed otherwise in writing):

(a) Selection of Arbitrators. If the parties are able to agree upon a single competent and disinterested arbitrator who is experienced in railroad matters and transportation law within 20 days after written notice by one party of its desire for arbitration to the other party, then the question or controversy shall be submitted to and settled by that single arbitrator. Otherwise, any party (the notifying party) may notify the other party (the noticed party) in writing of its request for arbitration and nominating one arbitrator. Within 20 days after receipt of said notice, the noticed party shall appoint an arbitrator and notify the notifying party in writing of such appointment. Should the noticed party fail within 20 days after receipt of such notice to name its arbitrator, such party's arbitrator may be appointed by the American Arbitration Association ("AAA"), which shall designate such appointment from the CPR Panel of Distinguished Neutrals, or other similar body of competent neutral arbitrators which may be agreed upon between the parties, upon application by either party after ten days' written notice to the other party. The two arbitrators so chosen shall select one additional arbitrator who is experienced in railroad matters and transportation law to complete the board. If the arbitrators so chosen fail to agree upon an additional arbitrator, the same shall, upon application of a party, be appointed in the same manner provided above.

(b) Conduct of Arbitration. In addition to damages, the arbitral tribunal may award any remedy provided for under applicable law and the terms of this Agreement, including, without limitation, specific performance or other forms of injunctive relief. The arbitrators shall apply the law of the State of Illinois to the substance of the Dispute and will have no power or authority, under the rules of the AAA or otherwise, to amend or disregard any provision of this Agreement. Upon selection of the arbitrators, said arbitrators shall, with reasonable diligence, (i) determine the questions as disclosed in the notice of arbitration, (ii) give both parties reasonable notice of the time (of which the arbitrators shall be the judge) of hearing evidence and argument, which shall take place in Chicago, Illinois, (iii) take such evidence as the arbitrators shall deem reasonable or as either party may submit with witnesses required to be sworn, and (iv) hear arguments of counsel or others. If an arbitrator declines or fails to act, the party (or parties in the case of a single arbitrator) by whom the arbitrator was chosen or the AAA, as the case may be, shall appoint another to act in the arbitrator's place.

(c) Findings and Conclusions. After considering all evidence, testimony and arguments, the single arbitrator or a majority of the board of arbitrators, as applicable, shall promptly state such decision or award and the reasoning for such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. The award rendered by the arbitrators may be entered as a judgment in any court in the

United States of America having jurisdiction thereof and enforced as between the parties without further evidentiary proceeding, the same as entered by the court at the conclusion of a judicial proceeding in which no appeal was taken. Until the arbitrators shall issue the first decision or award upon any question submitted for arbitration, performance under this Agreement shall continue in the manner and form existing prior to the rise of such question. After delivery of said first decision or award, each party shall forthwith comply with said first decision or award immediately after receiving it.

(d) Temporary Equitable Relief. By agreeing to arbitration, the parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies, as may be available under the jurisdiction of such court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(e) Costs and Attorneys Fees. Each party to the arbitration shall pay all compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all parties to the arbitration.

(f) Discovery and Evidentiary Rules. The parties may obtain discovery and offer evidence in accordance with the Federal Rules of Civil Procedure Rules 26 – 37, and Federal Rules of Evidence, as each may be amended from time to time.

15. Easement to Run with Land. The Easement herein granted is intended to touch and concern and run with the land and benefit and be binding upon all present and future owners of the Easement Exchange Property.

16. Condition of Easement. Except as expressly stated in this Agreement, Grantor specifically disclaims any warranty, guaranty, or representation, oral or written, past, present, or future, of, as to, or concerning (i) the nature and condition of the Easement Exchange Property, including, without limitation, the water, soil and geology, and the utility or suitability thereof, for any and all activities and uses which Grantee may elect to conduct thereon, (ii) the nature and extent of any right-of-way, encumbrance, reservation, or condition, or (iii) the compliance of the Easement or operations on the Easement Exchange Property with any laws, rules, ordinances, or other regulations of any governmental or other body. The conveyance of the Easement is made on an "As-Is/Where-Is" basis, and Grantee acknowledges in consideration of the agreements of Grantor herein, that, except to the extent expressly provided otherwise herein, Grantor makes no warranty or representation with respect to the Easement Exchange Property, express or implied, or arising by operation of law, including but in no way limited to, any warranty of title or condition (including without limitation the environmental condition), habitability, merchantability, or fitness for a particular purpose. Grantee acknowledges to Grantor that it has not relied on any representations made by Grantor or any agent, broker, attorney, consultant,

employee, officer, director, or other representative of Grantor, in order to induce Grantee to enter into this Agreement, except as specifically stated herein.

17. Waiver. No waiver of any provision of this Agreement shall be effective unless it is in writing, signed by all the parties against whom it is asserted and any such written waiver shall be applicable only to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

18. Construction. This Agreement and the grant of the Easement herein shall not be strictly construed but shall be given a reasonable construction so that the intention of the parties to confer permanent and commercially usable rights of enjoyment of the Easement is carried out.

19. Attorneys' Fees and Costs. In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to recover all costs in connection therewith, including reasonable attorneys' fees and costs incurred at all levels of proceedings, from the non-prevailing party.

20. Governing Law. This Agreement and the Easement hereby granted shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to the conflict of laws or choice of laws principles of any jurisdiction, including the State of Illinois. except that the granting provisions hereof applicable to real property shall be governed by the laws of the State of Tennessee.

21. Further Assurances. Each party shall execute, acknowledge and deliver to the other party such documents, instruments and certificates, and take such other action as the parties may reasonably request in order to give effect to the purposes or provisions of this Agreement.

22. Affiliates. As used in this Agreement, "Affiliate" or "Affiliates" means any entity that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with Grantor or Grantee, as applicable, with the term "control" meaning, for this purpose, the power to direct the management and policies of an entity or individual, directly or indirectly, whether through the ownership of voting securities or partnership, membership or other ownership interests, or by contract or otherwise.

23. Execution in Counterparts. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute one instrument. Counterparts of this Agreement may be exchanged via electronic means or facsimile, and any electronic or facsimile copy of any party's signature shall be deemed to be an original signature for all purposes; provided, however that if counterparts are so executed by electronic means or facsimile, then upon request of either party original signatures shall be exchanged promptly thereafter.

[Signature page follows.]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement as of the date first above written.

CSX Transportation, Inc., a Virginia corporation

By:_____

Title:_____

Grand Trunk Western Railroad Company,
a Michigan corporation

By:_____

Title:_____

STATE OF _____)
) SS
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of Grand Trunk Western Railroad Company, a Michigan corporation, being the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he or she signed and delivered the said instrument and caused the seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as his or her own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 2011.

_____
Notary Public

STATE OF _____)
) SS
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of CSX Transportation, Inc., a Virginia corporation, being the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he or she signed and delivered the said instrument and caused the seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as his or her own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 2011.

_____
Notary Public

EXHIBIT A

EASEMENT PREMISES

EXHIBIT A

Certain tracts, parcels of land generally located between Chelsea Avenue on the north and U.S. Highway 72 on the south, City of Memphis, Shelby County, Tennessee and further described as follows:

Parcels: 19 as depicted on the Right of Way and Track Map, L&N Railroad Company, Memphis Terminal, Valuation Section V-27, Sheet 1 (V12999), said map incorporated herein by reference;

Parcels: 13, 13A & 12 as depicted on the Station Map, L&N Railroad Company, Memphis Terminal, Valuation Section V-27, Sheet S2 (V20000), said map incorporated herein by reference;

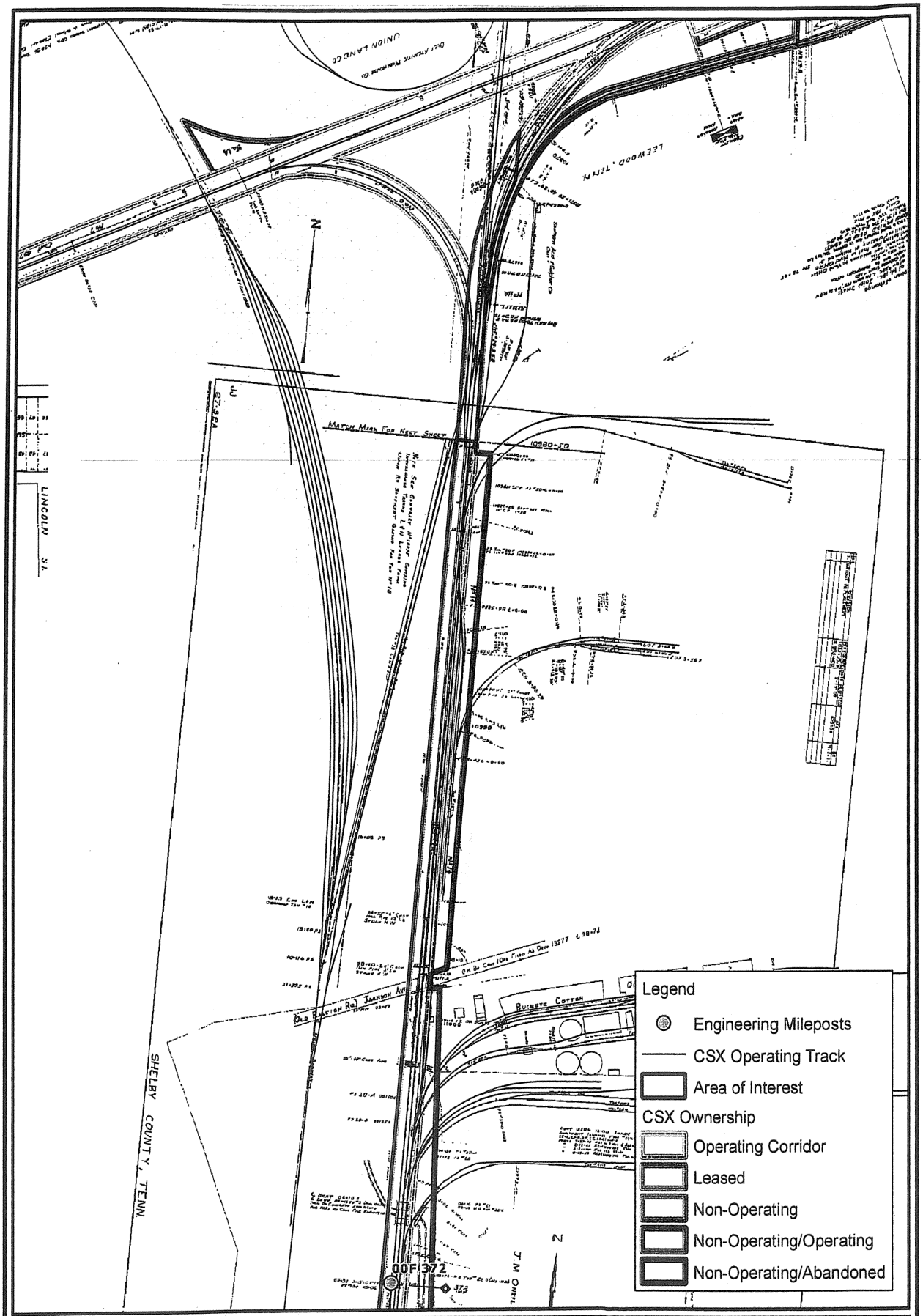
A portion of Parcel 5 being the area needed to make the connection into Track Number 2 that connects to Track Number 15 and the area needed to make the connection into Track Number 1 that connects to Track Number 16 and does not interfere with railroad operations, encumber the land under nor connect to Track numbers 17, 18 & 19 as depicted on the Station Map, L&N Railroad Company, Memphis Terminal, Valuation Section V-27, Sheet S2 (V20000), said map incorporated herein by reference;

Parcels: 1, 14, 2, 4, 5, 9A, 6 13, 10 & 8 as depicted on the Right of Way and Track Map, L&N Railroad Company, Memphis Terminal, Valuation Section V-27, Sheet S2A (V20057), said map incorporated herein by reference;

Parcels: 1, 6, 6A, 7, 8, 11, 13, 14, 15, 16, 18, 19, 20, 22, 23, 24, 25, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 51, 52, 53, 54, 55, 56, 59 & 60 as depicted on the Station Map, L&N Railroad Company, Memphis Terminal, Valuation Section V-27, Sheet S2B (V20001), said map incorporated herein by reference.

EXHIBIT B

MAPS OF EASEMENT PREMISES



CSX Transportation, Inc.
Easement Exchange with CN

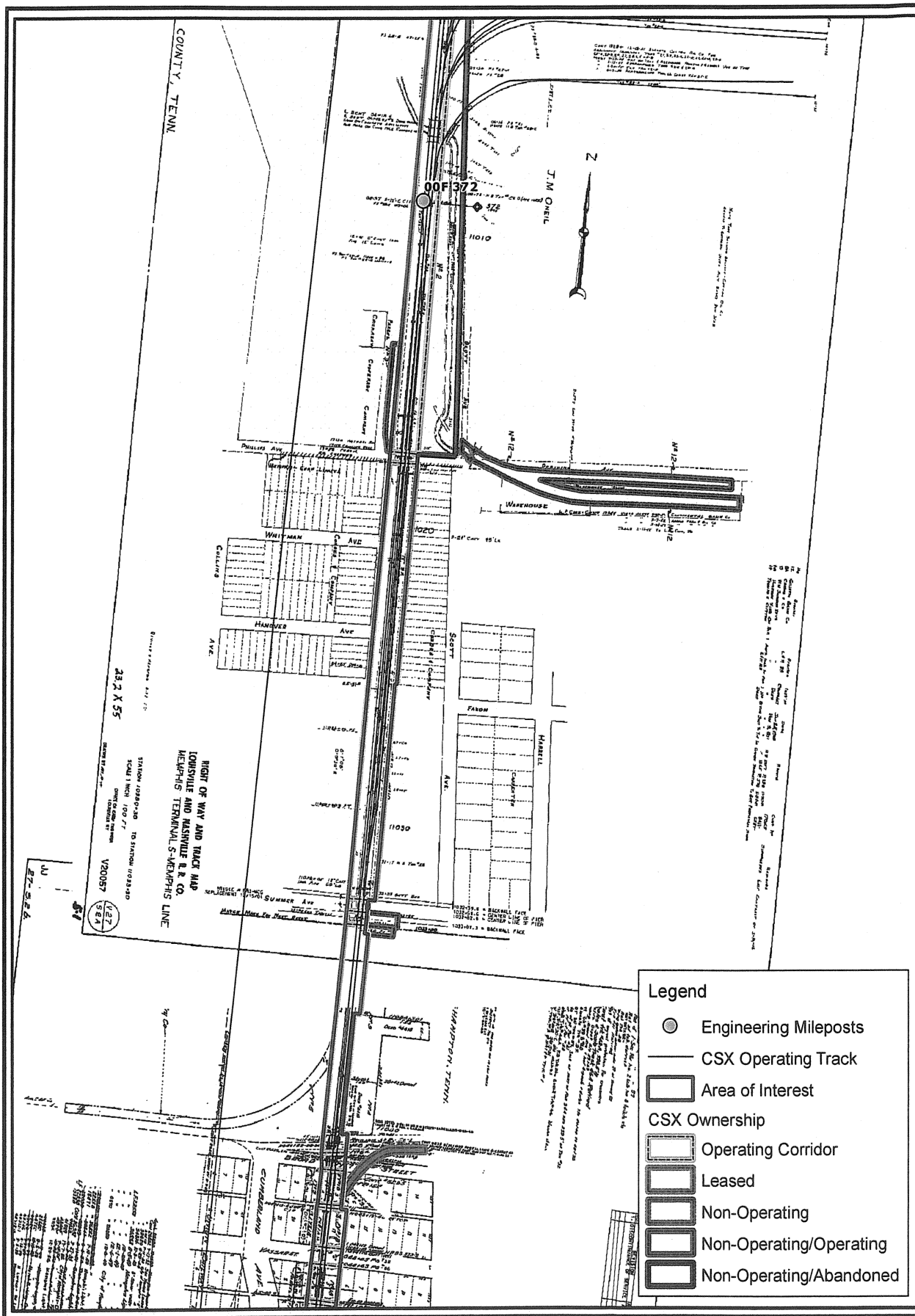
Site ID: TN-157-1042752
Shelby County - Memphis, TN
Memphis Division - Memphis Terminal Subdivision
Milepost 00F 370.83 to 00F 343.40

Map 1 of 3

1 inch = 300 feet

0 100 200 300 400 500 Feet

CSX How tomorrow moves



CSX Transportation, Inc.
Easement Exchange with CN

Site ID: TN-157-1042752
Shelby County - Memphis, TN
Memphis Division - Memphis Terminal Subdivision
Milepost 00F 370.83 to 00F 343.40

Map 2 of 3

1 inch = 300 feet

0 100 200 300 400 500 Feet

CSX How tomorrow moves



CSX Transportation, Inc.
Easement Exchange with CN

Site ID: TN-157-1042752
Shelby County - Memphis, TN
Memphis Division - Memphis Terminal Subdivision
Milepost 00F 370.83 to 00F 343.40

Map 3 of 3

1 inch = 300 feet

0 100 200 300 400 500 Feet

CSX How tomorrow moves

EXHIBIT C

EXCLUDED NON-OPERATING PARCELS

NONE

EXHIBIT D

EXISTING THIRD-PARTY AGREEMENTS

CSX REAL PROPERTY , INC.

FINAL

CONTRACT REPORT

July 25, 2012

TO: KEVIN HURLEY

CSX RPI CONTRACT ID: **2011 9**

REGARDING THE PENDING SALE TO ( ) INVOLVING SITE ID: (TN - 157 - 1042752) LOCATED IN MEMPHIS, TN IN SHELBY COUNTY, A REVIEW OF THE AVAILABLE RECORDS INDICATES THE FOLLOWING CONTRACTS OCCUPY THE SUBJECT PROPERTY:

MAPPED CONTRACTS IN SITE

CONTRACT	NAME	DATE	STATUS	USE CODE	MILEPOST	CONVERT TO EASE	TYPE	AMOUNT	TERM	#DAYS	ACTION	IMAGE
CSX 055545	MEMPHIS NETWORX LLC	03/13/2006	A	EN	00F 372.61	N	FIBER M/DATA PUBLIC R/W		LT		PARTIAL ASSIGNMENT	Y
LN 019258	MEMPHIS TN	10/11/1921	A	EN	00F 371.24	N	PIPELINE - SEWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 020575	MEMPHIS TN	07/11/1923	A	EN	00F 373.41	N	PIPELINE - SEWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 026942 745	BELLSOUTH TELECOMMUNICATIONS NC	08/18/1960	A	CM	00F 372.60	N	WIRELINE-TELE/COMM ATA CROSSING	$0.00	TW	30	PARTIAL ASSIGNMENT	Y
LN 028451	MEMPHIS LIGHT GAS AND WATER DI VISION	09/13/1935	A	EN	00F 371.98	N	PIPELINE - GAS - CROSSING	$100.00	TW	30	PARTIAL ASSIGNMENT	Y
LN 028451	MEMPHIS LIGHT GAS AND WATER DI VISION	09/13/1935	A	EN	00F 372.22	N	PIPELINE - GAS - CROSSING	$100.00	TW	30	PARTIAL ASSIGNMENT	Y
LN 033454 003	VELSICOL CHEMICAL CORP	03/21/1947	A	EN	00F 371.27	N	PIPELINE - MISC - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 036552 002	MEMPHIS TN	08/05/1949	A	EN	00F 372.60	N	PIPELINE - GAS - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 036552 006	MEMPHIS LIGHT GAS AND WATER	07/10/1950	A	EN	00F 372.60	N	PIPELINE - GAS PUBLIC R/W		LT		PARTIAL ASSIGNMENT	Y
LN 045311	MEMPHIS TN	05/15/1959	A	EN	00F 372.45	N	PIPELINE - GAS - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 046905	MEMPHIS CITY OF	04/06/1961	A	EN	00F 371.81	N	PIPELINE - WATER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 046993 005	MEMPHIS TN	01/04/1962	A	EN	00F 372.98	N	WIRELINE - POWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 046993 006	MEMPHIS TN	03/29/1962	A	EN	00F 372.75	N	WIRELINE - POWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 056142	MEMPHIS LIGHT GAS AND WATER	09/14/1970	A	EN	00F 372.16	N	WIRELINE - POWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
CSX 040292	Union Pacific Railroad	01/15/2002	A		00F 372.45	N	JOINT FACILITY - NONBILLING	$1.00			NO ASSIGN-RESERVE	Y
NCL 000737	ILLINOIS CENTRAL RAILROAD CO E T AL	01/22/1907	A	98	00F 371.71	N	JOINT TRACKAGE RIGHTS		LT		NO ASSIGN-RESERVE	Y
CSX 014662	CSX INTERMODAL TERMINALS INC	06/06/1991	A	FT	00F 371.30	N	REAL ESTATE - LAND ONLY	$200.04	TW	30	FULLY ASSIGNED	Y
CSX 027106	COMCAST CABLE COMMUNICATIONS ANAGEMENT	10/11/1995	A	EN	00F 371.78	N	FIBER OPTIC - CABLE TV - CROSSING	$356.10	TW	30	FULLY ASSIGNED	Y

Izabella Tulchinsky
GIS Data Analyst

CSX REAL PROPERTY , INC.
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CONTRACT	NAME	DATE	STATUS	USE CODE	MILEPOST	CONVERT TO EASE	TYPE	AMOUNT	TERM	#DAYS	ACTION	IMAGE
CSX 028314	COMCAST CABLE COMMUNICATIONS ANAGEMENT	09/11/1996	A	EN	00F 373.40	N	FIBER OPTIC - CABLE TV - CROSSING	$350.00	TW	30	FULLY ASSIGNED	Y
CSX 028658	MEMPHIS LIGHT GAS AND WATER DI VISION	02/05/1996	A	EN	00F 371.78	N	PIPELINE - WATER - CROSSING	$0.00	LT		FULLY ASSIGNED	Y
CSX 028659	MEMPHIS LIGHT GAS AND WATER DI VISION	02/05/1997	A	EN	00F 371.56	N	PIPELINE - GAS - CROSSING	$0.00	LT		FULLY ASSIGNED	Y
CSX 035027	CENTURYTEL FIBER CO II LLC	05/06/1999	A	EN	00F 372.45	N	EMPTY CONDUIT	$0.00	LT		FULLY ASSIGNED	Y
CSX 038330	ADELPHIA BUSINESS SOLUTIONS OF TENNESSEE	05/04/2000	A	EN	00F 373.40	N	FIBER M/DATA PUBLIC R/W		LT		FULLY ASSIGNED	Y
CSX 044383	MEMPHIS CITY OF	11/08/2002	A	EN	00F 373.40	N	FIBER M/DATA CROSSING	$200.00	LT		FULLY ASSIGNED	Y
CSX 660745	CITY OF MEMPHIS, TENNESSEE	09/20/2010	A	EN	00F 372.75	N	FIBER M/DATA PUBLIC R/W		LT		FULLY ASSIGNED	Y
DOT 348548 P	TENNESSEE DEPT OF TRANSPORTATI ON	08/04/1996	A	XG	00F 371.78	N	CROSSING - OVERPASS		LT		FULLY ASSIGNED	Y
DOT 348551 X	MEMPHIS TN ET AL	01/06/1931	A	XG	00F 372.45	N	CROSSING - OVERPASS		LT		FULLY ASSIGNED	Y
DOT 348552 E	TENNESSEE DEPT OF TRANSPORTATI ON	10/21/1987	A	XG	00F 372.60	N	CROSSING - PUBLIC ROADWAY		LT		FULLY ASSIGNED	Y
DOT 348552 E01	MEMPHIS TN	12/07/1954	A	XG	00F 372.62	N	CROSSING - PUBLIC ROADWAY		LT		FULLY ASSIGNED	Y
LN 020289 001	MEMPHIS TN	03/02/1923	A	EN	00F 372.60	N	PIPELINE - SEWER - LONGITUDINAL		LT		FULLY ASSIGNED	Y
LN 020289 002	MEMPHIS CITY OF	12/06/1949	A	EN	00F 373.19	N	PIPELINE - SEWER - CROSSING		TW	30	FULLY ASSIGNED	Y
LN 024432	MEMPHIS TN	02/14/1929	A	EN	00F 372.05	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 026942 721	BELLSOUTH TELECOMMUNICATIONS NC	08/18/1960	A	CM	00F 371.78	N	WIRELINE-TELE/COMM ATA CROSSING		TW	30	FULLY ASSIGNED	Y
LN 026942 721	BELLSOUTH TELECOMMUNICATIONS NC	08/18/1960	A	CM	00F 371.78	N	WIRELINE-TELE/COMM ATA CROSSING	$0.00	TW	30	FULLY ASSIGNED	Y
LN 026942 721	BELLSOUTH TELECOMMUNICATIONS NC	08/18/1960	A	CM	00F 372.18	N	WIRELINE-TELE/COMM ATA CROSSING	$0.00	TW	30	FULLY ASSIGNED	Y
LN 032070	MEMPHIS TN	01/24/1941	A	EN	00F 371.97	N	MISC ENCROACHMENT POLE/ANCHOR/GUY		LT		FULLY ASSIGNED	Y
LN 033155	MEMPHIS LIGHT GAS AND WATER	10/18/1966	A	EN	00F 371.44	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y
LN 033454 002	VELSICOL CHEMICAL CORP	03/21/1947	A	EN	00F 371.70	N	PIPELINE - SEWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 033620	MEMPHIS TN	05/23/1944	A	EN	00F 373.01	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y

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GIS Data Analyst

CSX REAL PROPERTY , INC.
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July 25, 2012

TO: KEVIN HURLEY

CSX RPI CONTRACT ID: **2011 9**

CONTRACT	NAME	DATE	STATUS	USE CODE	MILEPOST	CONVERT TO EASE	TYPE	AMOUNT	TERM	#DAYS	ACTION	IMAGE
LN 034313	MEMPHIS TN	09/14/1945	A	EN	00F 371.78	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 001	MEMPHIS TN	06/09/1948	A	EN	00F 372.45	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 003	MEMPHIS LIGHT GAS AND WATER	12/01/1949	A	EN	00F 372.60	N	PIPELINE - GAS PUBLIC R/W		LT		FULLY ASSIGNED	Y
LN 036552 005	MEMPHIS TN	12/22/1949	A	EN	00F 372.60	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 009	MEMPHIS TN	03/27/1953	A	EN	00F 372.60	N	WIRELINE-TELE/COMM ATA CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 010	MEMPHIS TN	03/27/1953	A	EN	00F 372.17	N	WIRELINE-TELE/COMM ATA CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 011	MEMPHIS TN	12/30/1960	A	EN	00F 372.17	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 037901	MEMPHIS TN	12/06/1949	A	EN	00F 373.12	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 039573	MEMPHIS TN	12/18/1951	A	EN	00F 371.78	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y
LN 042405	MEMPHIS TN	09/15/1955	A	EN	00F 373.41	N	WIRELINE-TELE/COMM ATA CROSSING		LT		FULLY ASSIGNED	Y
LN 043428	BELLSOUTH TELECOMMUNICATIONS NC	12/21/1956	A	EN	00F 373.34	N	MISC ENCROACHMENT POLE/ANCHOR/GUY	$50.00	TW	30	FULLY ASSIGNED	Y
LN 047249	MEMPHIS LIGHT GAS AND WATER	05/19/1961	A	EN	00F 372.16	N	PIPELINE - GAS PUBLIC R/W		LT		FULLY ASSIGNED	Y
LN 047650	VELSICOL CHEMICAL CORP	10/14/1961	A	EN	00F 371.60	N	PIPELINE - SEWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 048149	MEMPHIS CITY OF LIGHT GAS AND WATER DIVI	06/04/1962	A	EN	00F 371.76	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y
LN 048385	MEMPHIS TN	09/17/1962	A	EN	00F 372.32	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 048706	MEMPHIS TN	12/31/1962	A	EN	00F 373.01	N	MISC ENCROACHMENT POLE/ANCHOR/GUY		LT		FULLY ASSIGNED	Y
LN 049640	MEMPHIS CITY OF	11/01/1963	A	EN	00F 372.91	N	PIPE - DRAINAGE		LT		FULLY ASSIGNED	Y
LN 053707	MEMPHIS LIGHT GAS AND WATER	02/12/1968	A	EN	00F 371.81	N	MISC ENCROACHMENT POLE/ANCHOR/GUY		LT		FULLY ASSIGNED	Y
LN 054873	TENNESSEE DEPT OF TRANSPORTATI ON	07/23/1969	A	XG	00F 372.75	N	CROSSING - OVERPASS		LT		FULLY ASSIGNED	Y
LN 054986	MEMPHIS LIGHT GAS AND WATER	10/01/1969	A	EN	00F 371.96	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 066430	MEMPHIS CITY OF LIGHT GAS AND WATER	02/12/1981	A	EN	00F 372.42	N	PIPELINE - WATER - CROSSING		LT		FULLY ASSIGNED	Y

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CONTRACT	NAME	DATE	STATUS	USE CODE	MILEPOST	CONVERT TO EASE	TYPE	AMOUNT	TERM	#DAYS	ACTION	IMAGE
SCL 008065 T32	BELLSOUTH TELECOMMUNICATIONS NC	08/27/1963	A	EN	00F 372.17	N	WIRELINE-TELE/COMM ATA CROSSING		TW	90	FULLY ASSIGNED	Y

Total Number of Agreements 58

A REVIEW OF THE SYSTEM MAP SHOWING FIBER OPTIC LOCATIONS INDICATES THERE ARE FIBER OPTIC LINES(S) EITHER ON OR IN THE VICINITY OF THE SUBJECT PROPERTY. HOWEVER, THE CORRIDOR DEVELOPMENT GROUP WITHIN RPI SHOULD BE CONSULTED FOR DETAILS OR EXACT LOCATIONS BEFORE EXECUTING A PURCHASE AND SALE AGREEMENT.

DO NOT ASSIGN

CSX-038639-001(360NETWORKS USA INC) CSX-038639-002(360NETWORKS USA INC)

EASEMENT (NUMBER UNKNOWN) ENCUMBERS THE SITE
GENERAL AGREEMENTS SCL 008065 AND LN 026942 WITH BELLSOUTH TELECOMMUNICATIONS INC. ARE PARTIALLY ASSIGNED TO THE BUYER

Izabella Tulchinsky
GIS Data Analyst

EXHIBIT E

RETAINED TRACKAGE RIGHTS AGREEMENT

EXHIBIT E

TRACKAGE RIGHTS AGREEMENT

THIS AGREEMENT, entered into as of this ___ day of _____ ____, by and between the **GRAND TRUNK WESTERN RAILROAD COMPANY,** (hereinafter referred to as "**CN" or "OWNER")** and **CSX TRANSPORTATION, INC**, (hereinafter referred to as "**CSXT**" or "**USER**"). CSXT and CN are sometimes referred to individually herein as a "Party" and collectively as the "Parties."

WHEREAS, CSXT and CN have entered a Leewood Easement Agreement dated as of _____ __, ____, whereby CSXT has granted to CN an exclusive and perpetual railroad operating easement over approximately two and one-tenth (2.1) miles of CSXT's Memphis Terminal Subdivision extending from CSXT milepost 00F371.4, located at or near Leewood, TN to CSXT milepost 00F373.4, located at or near Aulon, TN ("Leewood Easement"); and

WHEREAS, as an element of the conveyance of the Leewood Easement, this Agreement is being prepared and executed simultaneously with the Leewood Easement Agreement, which contemplates that CSXT will retain limited overhead and local trackage rights for the movement of certain freight traffic over the Leewood Easement subject to the terms and conditions set forth herein.

NOW THEREFORE, the Parties, intending to be legally bound, agree as follows:

SECTION 1.0 RETENTION OF TRACKAGE RIGHTS

1.1 Subject to the terms and conditions herein provided, CSXT has retained limited overhead and local trackage rights only for the movement of certain CSXT freight traffic, in its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segment of Owner's railroad as shown on the plan attached hereto, made a part hereof and marked Exhibit "A" (hereinafter referred to as the "Subject Trackage"):

- Between CN's connection with CSXT at or near CN milepost 387.9 at Leewood, TN and CN's connection to CSXT at or near CN's milepost 390.0 at Aulon, TN on CN's Shelby Subdivision, including (1) all sidings, yard tracks, and yard leads, now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and industrial leads as provided in Section 3.1, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the Parties, a total distance of approximately 2.1 miles.

1.2 Reserved

1.3 Such rights shall also include the right to enter and exit the Subject Trackage at CN's connection with CSXT at or near CN milepost 388.2 on CN's Shelby Subdivision in Leewood, TN, and any other existing or new location(s) that the Parties may mutually agree upon.

SECTION 2.0 USE OF SUBJECT TRACKAGE

2.1 User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement.

2.2 Except as may otherwise be provided by this Agreement, including the need for headroom, run-around, and similar activity required as part of User's need to serve customers as allowed for in Section 3.1, User shall not use any part of the Subject Trackage for the purpose of switching, storage or servicing of cars or equipment, or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

2.3 Owner shall have exclusive control of the management and operation of the Subject Trackage. User shall not have any claim against Owner for liability on account of loss or damage of any kind in the event the use of the Subject Trackage by User is interrupted or delayed at any time from any cause.

2.4 User shall have the right to operate in either direction over the Subject Trackage.

2.5 Owner and User shall work together to establish a schedule for the handling of User's trains.

2.6 User shall be responsible for contacting User's dispatcher prior to entering the Subject Trackage to insure that User will not be delayed from departing the Subject Trackage at the authorized exit location. User shall ensure that its trains i) have a clear route (or available offline staging capacity) beyond the Subject Trackage; ii) are not staged, held, stored, or parked on the Subject Trackage (except at the direction of Owner), or otherwise unreasonably interfere with the joint use of the Subject Trackage; iii) are staffed with qualified crews that have sufficient hours of service remaining to clear the Subject Trackage; and iv) restore all connection switches on the Subject Trackage for mainline movement on and by Owner (collectively "Clearance Obligations").

2.7 User shall provide Owner with train information via AAR EDI 161 standard format and will include train symbol, estimated time of arrival, train length, tonnage, load/empty count, locomotives, end of train device.

2.8 The rights provided to User under the terms of this Agreement are for the sole purpose of User transporting its own traffic over the Subject Trackage. Nothing herein expressed or implied is intended to or shall be construed to confer upon or to give any person, firm, partnership, corporation or governmental entity other than the User any right or benefit under or by reason of this Agreement. User shall not move traffic for or on behalf of any other party or foreign railroad or under the guise of doing business as User. In the event that User attempts to move traffic for or on behalf of another party or foreign railroad, Owner may refuse to authorize and dispatch User's train.

SECTION 3.0 RESTRICTION ON USE

3.1 The trackage rights herein retained are for the sole purpose of User using same for overhead and local traffic only between the terminals (including those entry and exit locations defined in Section 1.0) of Subject Trackage and such local freight service located on Subject Trackage shall be subject to the terms and conditions as provided in the January 22, 1907 agreement, as amended, between the predecessors of Illinois Central Railroad Company and CSXT.

3.2 The total number of CSXT trains operating over the Subject trackage shall be limited to sixteen (16) trains per day (the "Train Threshold"). The Parties by mutual written agreement may increase the number of CSXT trains permitted to operate over the Subject Trackage subject to such terms as the Parties may agree upon at the time. CN may determine in its sole discretion on a day to day basis, to permit additional CSXT trains to operate over the Subject Trackage upon request by CSXT.

3.3 CSXT shall not be obligated to compensate CN for movements over the Subject Trackage for the sole purpose of interchanging between the Parties.

3.4 CSXT movements over the Subject Trackage for the sole purpose of interchange between the Parties shall not count towards or against the Train Threshold identified in Section 3.2.

SECTION 4.0 COMPENSATION

4.1 The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be **[REDACTED]** per car mile (hereinafter referred to as the "Base Charge")

4.2 Thereafter and except as provided for in Section 4.3, User will pay Owner a sum computed by multiplying: (i) the Base Charge, as may be revised in accordance with Section 4.6, by (ii) the number of cars, locomotive and caboose units moved by User with its own crews and power over the Subject Trackage, by (iii) 2.1 miles. For purposes of this Agreement, each locomotive unit, each caboose, and each platform of an articulated car shall be counted as one car.

4.3 User shall not be obligated to compensate Owner for movements over the Subject Trackage for the sole purpose of interchanging freight between the Parties.

4.4 With respect to articulated units, the number of cars shall be determined by the AAR Car Type Code as defined in the ULMER Specification Manual The second character in the Car Type Code field covering codes "Q" and "S" will be the factor in determining the car count for an articulated unit. For example, AAR Car Type Code (S566) would equate to a five (5) car count as these type cars have five wells capable of handling 40' to 53' containers in each well. (Car count data for articulated units are subject to change upon development of technology to separate units by car numbers.)

4.5 User will furnish to Owner, in care of Manager Contract Compliance, or their designees, at the end of each month, a statement of the number of loaded and empty cars operated over the Subject Trackage during the month. Based on this statement, Owner will render to User a bill, computed in accordance with the provisions of this Section 4, for User's use of the Subject Trackage.

4.6 The Base Charge shall be subject to change to reflect any increases or decreases in labor, material and other costs subsequent to the base year, as hereinafter provided.

(i) The Base Charge set forth in Section 4.1 of this Agreement shall be revised effective July 1st of each year, beginning retroactively to July 1st, 2010 to compensate for the prior year increase or decrease in the cost of labor and material, excluding fuel, as reflected in Table A, Annual Indices of Charge-Out Prices and Wage Rates (1977=100), Series RCR, included in "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads (hereinafter referred to as "AAR"). In making such determination, the final "Material prices, wage rates and supplements combined (excluding fuel)" index for the East District shall be used.

The Base Charge shall be revised by calculating the percentage of increase or decrease for the year to be revised based on the final index of the most recently completed calendar year as related to the final index of the calendar year prior to the most recently completed calendar year; and applying this percentage of increase or decrease to the current Base Charge to be escalated.

(ii) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the calendar year (2008) prior to the most recently completed calendar year; "B" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the most recently completed calendar year (2009); and "C" to be the current Base Charge to be escalated; the revised Base Charge would be determined by the following formula:

B/A x C = Revised Base Charge, Rounded to Nearest Whole Cent (5 Mills or More Rounds to Next Cent)

(iii) In the event the base for the Annual Indexes of Charge-Out Prices and Wage Rates issued by the AAR shall be changed from the year 1977, appropriate revision shall be made. If the AAR or any successor organization discontinues publication of the Annual Indices of Charge-Out Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the Parties. In the absence of agreement, the matter will be referred to the Surface Transportation Board ("STB") for determination. In the event said Board is without jurisdiction to make such a determination, the Parties shall submit the matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator so appointed by said Association shall be final and binding upon the Parties. Each Party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, exhibits, and counsel. The compensation, costs, and expenses of the arbitrator shall be borne equally by such Parties.

PROVIDED, HOWEVER, that under no circumstances, while CSXT is operating over the Subject Trackage pursuant to this Agreement, shall the per car mile rate ever be less than the established Base Charge provided for in Section 4.1hereof.

User shall not be responsible to Owner for any compensation, charges, or fees for its use of the Subject Trackage pursuant to this Agreement (including CSXT/CN interchange trains), except as may be specifically provided for in this Agreement.

SECTION 5.0 PAYMENT OF BILLS

5.1 All payments called for under this Agreement shall be made by User within thirty (30) days after receipt of bills therefore. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the Parties shall be adjusted in the accounts of a subsequent month.

5.2 The records of each Party, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other Party for a period of two (2) years from the date of billing.

5.3 Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 4, shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by Owner for User.

SECTION 6.0 MAINTENANCE OF SUBJECT TRACKAGE

6.1 Owner shall maintain, repair, and renew the Subject Trackage at its own expense and with its own supervision and labor. User accepts the condition of the Subject Trackage AS IS WHERE IS and Owner shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated. Owner does not guarantee the condition of the Subject Trackage or that operations there over will not be interrupted. Owner shall take all reasonable steps to ensure that any interruptions will be kept to a minimum. Furthermore, except as may be otherwise provided in Section 12 hereof, User shall not by reason of failure or neglect on the part of Owner to maintain, repair, or renew the Subject Trackage, have or make any claim or demand against Owner or its parent corporation, subsidiaries or affiliates, or their respective directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by User resulting from any such failure or neglect.

6.2 Owner shall also perform, at the expense of User, such additional maintenance as User may reasonably require or request.

SECTION 7.0 CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

7.1 Existing connections or facilities which are jointly used by the Parties under existing agreements or practices shall continue to be maintained, repaired, and renewed by and at the expense of the Party or Parties responsible for such maintenance, repair, and renewal under such agreements or practices.

7.2 Any additional connections to the Subject Trackage which may be required by User shall be subject to the Owner's approval (including design) , which shall not be unreasonably withheld or delayed, and shall be constructed, maintained, repaired, and renewed as follows:

(i) User or others shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost, liability and expense such portions of the tracks located on the right-of-way of User or others which connect the respective lines of the Parties; and

(ii) Owner shall furnish all labor and material and shall construct, maintain, repair, and renew at the sole cost, liability and expense of User such portions of the tracks located on the right-of-way of Owner which connect the respective lines of the Parties.

(iii) Upon termination of this Agreement, Owner may at its option remove such portion of trackage and appurtenances located on property of Owner, at the sole cost and expense of User. The salvage material removed shall be released to User or, as otherwise agreed upon, Owner will credit User the current fair market value for said salvage.

SECTION 8.0 ADDITIONS, RETIREMENTS AND ALTERATIONS

8.1 Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Subject Trackage as shall, in its judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Subject Trackage and such retirements shall be excluded from the Subject Trackage.

8.2 If User requests Owner to make changes in or additions and betterments to the Subject Trackage, including without limitation changes in communication or signal facilities, for purposes required to accommodate User's operations beyond that required for Owner's operation, Owner shall make such changes in or additions and betterments to the Subject Trackage and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing, and renewing such additional or altered facilities.

SECTION 9.0 MANAGEMENT AND OPERATIONS

9.1 When operating over the Subject Trackage, User's locomotives and crews will be equipped to communicate with Owner on radio frequencies normally used by Owner in directing train movements on the Subject Trackage.

9.2 Procedures for qualification and occupancy of the Subject Trackage will be arranged by the local supervision of each carrier. All control and usage will be subject to the approval of Owner's representative or his designee.

9.3 Before its locomotives enter onto the Subject Trackage, User shall request permission from Owner's dispatcher or other designated representative at Owner's rail traffic control center or such other location as Owner may designate. Further, User shall ascertain that said Subject Trackage is clear and shall await confirmation from said representative that such permission has been issued to allow User's movements on or over the Subject Trackage. Upon completing its operations and clearing the Subject Trackage, User will notify Owner's designated representative that it has completed its operations and that its equipment has cleared the Subject Trackage. Once User has notified Owner's representatives that it has cleared the Subject Trackage, User shall not reenter the Subject Trackage without again

obtaining permission from Owner's representative. User shall provide and maintain at its expense all communication facilities needed as may be required by Owner to permit User to use Owner's trackage.

9.4 User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

9.5 User, in its use of the Subject Trackage, will comply in all respects with the safety rules, operating rules and other regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized freight speeds as provided by Owner's operating rules and regulations without the prior consent of Owner. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all their directors, officers, agents and employees from and against all liabilities when attributable to the failure of User to comply with the provisions of this subsection.

9.6 All employees of User engaged in or connected with the operations of User on or along the Subject Trackage shall be required to pass periodic examinations on the rules of Owner related to the Subject Trackage, provided, with respect to such examinations that, upon request of User, Owner shall qualify one or more of User's supervisory officers on Owner's rules and such supervisory officer or officers so qualified shall examine all employees of User engaged in or connected with User's operations on or along the Subject Trackage. Pending qualification of train and engine crews of User, Owner shall furnish a pilot or pilots, at the expense of User, as deemed necessary by Owner, to assist in operating trains of User over the Subject Trackage. User shall pay to Owner, upon receipt of bills therefore, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner to be properly qualified for operation as herein contemplated.

9.7 Owner may request an investigation at its option if a User's employee working on Owner's property is alleged to have violated Owner's rules, regulations, orders, practices or instructions, or if an incident occurs which requires an investigation under applicable agreement rules. User will schedule the investigation and notify Owner's Local Transportation Officer in the territory. User's scheduling of the investigation must comply with the time limits provided in the applicable agreement on User's railroad. Owner will provide its regulations, supplements, and safety rules to User at no cost.

9.8 If Owner requests an investigation, Owner shall have the right to exclude from the Subject Trackage any employee of User, except officers, determined by Owner as the result

of Owner's investigation or hearing described below, to be in violation of Owner's rules, regulations, orders, practices or instructions.

9.9 In a major offense including, but not limited to, violation of Rule G, dishonesty, insubordination, or a serious violation of operating rules or other offenses of comparable magnitude, wherein Owner desires to bar User's employee from service on Owner's territory pending an investigation by Owner, immediate verbal notification will be given to the appropriate Transportation Officer of User so that proper written notice can be issued to the employee.

9.10 If Owner requests an investigation, an Officer of User will conduct the investigation, but an officer of Owner may be present. After the investigation is concluded, a Transportation Officer of User will arrange to assess discipline, within the applicable time limits. If Owner recommends dismissal, User reserves the right to change the recommendation to the extent of barring the individual from operating over Owner's territory. User shall release, indemnify, defend and save harmless Owner and its officers, agents and employees from and against any and all claims and expenses resulting from such exclusion.

9.11 If the disciplinary action is appealed by the employee of User to the National Railroad Adjustment Board or other tribunal lawfully created to adjudicate such cases, and if the decision of such board or tribunal sustains the employee's position, such employee shall not be barred from service on the Subject Trackage by reason of such occurrence (unless an arbitration concerning such matter is held pursuant to this Agreement and this arbitration upholds Owner's continued exclusion of such employee).

9.12 It is understood that Owner shall reimburse User for all payments that User might be required to make as a result of a successful challenge being made by the employee or his representative as to the discipline recommended by Owner and assessed by User. User agrees to notify Owner before committing itself to making payment of any claim. In the event a claim is progressed to an Adjustment Board, Owner will be given an opportunity to review User's submission. Any payments made to employees, as a result of an investigation being "overturned", shall include not only actual wages, but in addition, shall include expenses which User may be required to pay covering vacation allowances, Railroad Retirement taxes, unemployment insurance taxes and any other payroll tax or fringe benefits.

9.13 The trains, locomotives, cars, and equipment of User, Owner, and any other present or future user of the Subject Trackage or any portion thereof shall be operated on a first come, first service basis without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic. Owner does not guarantee or otherwise promise to provide any particular transit or running times over the Subject Trackage. Further, Owner does not guarantee or otherwise promise that operations over the Subject Trackage will not be interrupted. However, Owner shall make best efforts to ensure that any interruptions will be kept to a minimum.

9.14 If by reason of any mechanical failure, insufficient hours of service remaining among User's crew, or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled or unable to proceed under its own power, or fails to maintain the speed required by Owner on the Subject Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Subject Trackage, Owner shall have the option to furnish motive power or such other assistance (including but not limited to the right to recrew User's train) as may be necessary to haul, help, or push such trains, locomotives, or

cars, or to properly move the disabled equipment off the Subject Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

9.15 If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, such work shall be done by Owner and User shall reimburse Owner for the cost thereof.

9.16 In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the Parties shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

SECTION 10.0 MILEAGE AND CAR HIRE

All mileage and car hire charges accruing on cars in User's account in User's trains on the Subject Trackage shall be assumed by User and reported and paid by it directly to the owner of such cars.

SECTION 11.0 CLEARING OF WRECKS

Whenever User's use of the Subject Trackage requires rerailing, wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost, liability and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Section 12 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck shall be promptly delivered to User.

SECTION 12.0 LIABILITY

12.1 The responsibility and liability between the Parties for: (i) any personal injury or death of any person (including employees of the Parties and third parties), (ii) any real or personal property damage of any person (including property of the Parties and third persons), (iii) any damage or destruction to the environment (including land, air, water, wildlife and vegetation), and (iv) all cleanup and remedial expenses, court costs, litigation expenses and attorney's fees resulting from the use of the Subject Trackage by the Parties or by third party users, all of which are collectively referred to as a "Loss", will be divided as follows:

(a) If a Loss results from the use of the Subject Trackage solely by the trains and locomotives of one of the Parties, then that using Party shall be solely responsible for the Loss, even if caused partially or completely by the other Party.

(b) If a Loss results from the use of the Subject Trackage by the trains and locomotives of both CN and CSXT, then: (i) each of CN and CSXT is solely responsible for any Loss to its own employees, locomotives and equipment in its own account including

lading and (ii) CN and CSXT are equally responsible for any Loss to the Subject Trackage and Loss sustained by third parties, regardless of the proportional responsibility between or among them as to the cause of the Loss.

(c) If a Loss results from the use of the Subject Trackage by trains and locomotives of both CSXT and any other third party user of the Subject trackage not a party to this Agreement, then CSXT's responsibility for the Loss shall be apportioned in the manner specified in Subsection (b) with the other third party user being considered CN for the purpose of determining CSXT's share of that portion of the Loss which it must assume.

(d) Whenever any liability, cost, or expense is assumed by or apportioned to any Party under the foregoing provisions, that Party shall forever protect, defend, indemnify, and save harmless the other Party and its subsidiaries and affiliates, and all of its respective directors, officers, agents, and employees from and against that liability, cost, and expense assumed by that Party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.

(e) In every case of death or injury suffered by an employee of any Party, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said Parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such Party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

(f) For purposes of determining liability, pilots furnished by CN to CSXT pursuant to this Agreement shall be considered as the employees of CSXT while such employees are on board or getting on or off trains of CSXT.

(g) If any suit or action shall be brought against any Party for damages which under the provisions of the Agreement are in whole or in part the responsibility of the other Party, said other Party shall be notified in writing by the Party sued, and the Party so notified shall have the right and be obligated to take part in the defense of such suit and shall pay a proportionate part of the judgment and cost, expense and attorneys' fees incurred in such suit according to its liability assumed hereunder.

(h) In the event of a Loss as set out herein, the Parties shall be bound by the Freight Claim Rules, Principles, and Practices of the Association of American Railroads (AAR) as to the handling of any claims for the loss or damage to lading.

(i) Notwithstanding the provisions of Section 18.5 of this Agreement, for the purposes of this Section 12 the word "equipment" shall mean and be confined to (i) trains, locomotives, cars and cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Subject Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Subject Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.

(j) For the purpose of determining liability associated with construction, maintenance, repair and renewal of connections as provided in Section 7, all work performed by Owner shall be deemed performed for the sole benefit of User and, User shall be fully liable for all cost and expense of any and all loss, damage, destruction, injury and death resulting from, arising out of, incidental to or occurring in connection with said construction, maintenance, repair and renewal except when such cost and expense of loss, damage, destruction, injury or death is caused by the sole negligence of Owner. User shall protect, indemnify, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against any and all expense and liability for which User is responsible.

SECTION 13.0 INVESTIGATION AND CLAIMS

13.1 Except as provided in Subsection 13.2 hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the Party bearing the liability, cost, and expense therefor under the provisions of this Agreement.

13.2 Each Party will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11706 and 49 C.F.R. Part 1005 (or any revised or substitute regulations adopted to modify, supplement or supersede the regulations herein provided), or in accordance with any applicable transportation contract entered into pursuant to 49 U.S.C. Section 10709.

13.3 In the event a claim or suit is asserted against Owner or User which is the other's duty hereunder to investigate, adjust, or defend, then, unless otherwise agreed, such other Party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.

13.4 All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time employees, including claim agents, attorneys, and other employees of either Party engaged directly or indirectly in such work shall be borne by such Party.

13.5 Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Part 1005 or similar regulation, neither Party shall settle or compromise any claim, demand, suit, or cause of action for which the other Party has any liability under this Agreement without the concurrence of such other Party if the consideration for such settlement or compromise exceeds thirty-five thousand dollars ($35,000).

13.6 Except as may be otherwise provided for in Section 9.12, each Party agrees to indemnify and hold harmless the other Party and its parent corporation, subsidiaries and affiliates, and all their respective directors, officers, agents and employees from and against any and all costs and payments, including benefits, allowances and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of its own employees, pursuant to a collective bargaining agreement. It is the intention of the Parties that each Party shall bear the full costs of protection of its own employees under employee protective conditions which may be imposed, and of grievances filed by its own employee arising under its collective bargaining agreements with its employees.

13.7 It is understood that nothing in this Section 13 shall modify or waive the conditions, obligations, assumptions or apportionments, or supersede the provisions of Section 12 hereof.

SECTION 14.0 DEFAULT AND TERMINATION

14.1 In the event of any substantial failure on the part of User to perform its obligations under this Agreement and its continuance in such default for a period of sixty (60) days after written notice thereof by certified mail from Owner, Owner shall have the right at its option, after first giving thirty (30) days' written notice thereof by certified mail; and notwithstanding any waiver by Owner of any prior breach thereof, to terminate the Trackage Rights and User's use of the Subject Trackage.

SECTION 15.0 DISPUTE RESOLUTION

15.1 If at any time a question or controversy shall arise between the Parties in connection with this Agreement upon which the Parties cannot agree, either Party shall have the right to require a meeting of designated representatives with authority to settle the matter within 30 days of written notice of a desire to meet; if it cannot be resolved within 30 days of the meeting of the Parties, then the aggrieved Party may demand arbitration. Unless other procedures are agreed to by the Parties, arbitration between the Parties pursuant to this Section 15 shall be governed by the rules and procedures set forth in this Section 15. For all purposes, this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, regardless of its conflicts of law's principles.

15.2 If the Parties to the dispute are able to agree upon a single competent and disinterested arbitrator within twenty (20) days after written notice by one Party of its desire for arbitration to the other Party, then the question or controversy shall be submitted to and settled by that single arbitrator. Otherwise, any Party (the notifying Party) may notify the other Party (the noticed Party) in writing of its request for arbitration and nominating one arbitrator. Within twenty (20) days after receipt of said notice, the noticed Party shall appoint an arbitrator and notify the notifying Party in writing of such appointment. Should the noticed Party fail within twenty (20) days after receipt of such notice to name its arbitrator, said arbitrator may be appointed by the American Arbitration Association, which shall designate said appointment from the CPR Panel of Distinguished Neutrals, or other similar body of competent neutral arbitrators which may be agreed upon between the Parties, upon application by either Party after ten (10) days' written notice to the other Party. The two arbitrators so chosen shall select one additional arbitrator to complete the board. If the arbitrators so chosen fail to agree upon an additional arbitrator, the same shall, upon application of a Party, be appointed in the same manner hereto before stated.

15.3 Upon selection of the arbitrator(s), said arbitrator(s) shall, with reasonable diligence, determine the questions as disclosed in said notice of arbitration, shall give both Parties reasonable notice of the time and place (of which the arbitrator(s) shall be the judge) of hearing evidence and argument, may take such evidence as the arbitrator(s) shall deem reasonable or as either Party may submit with witnesses required to be sworn, and hear arguments of counsel or others. If an arbitrator declines or fails to act, the Party (or Parties in the case of a single arbitrator) by whom the arbitrator was chosen or the American Arbitration Association, as the case may be, shall appoint another to act in the arbitrator's place.

15.4 After considering all evidence, testimony and arguments, said single arbitrator or the majority of said board of arbitrators shall promptly state such decision or award and the reasoning for such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. The award rendered by the arbitrator(s) may be entered as a judgment in any court in the United States of America having jurisdiction thereof and enforced as between the Parties without further evidentiary proceeding, the same as entered by the court at the conclusion of a judicial proceeding in which no appeal was taken. Until the arbitrator(s) shall issue the first decision or award upon any question submitted for arbitration, performance under this Agreement shall continue in the manner and form existing prior to the rise of such question. After delivery of said first decision or award, each Party shall forthwith comply with said first decision or award immediately after receiving it.

15.5 Each Party to the arbitration shall pay all compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all Parties to the arbitration.

15.6 The Parties may obtain discovery and offer evidence in accordance with the Federal Rules of Civil Procedure Rules 26 - 37, and Federal Rules of Evidence, as each may be amended from time to time.

SECTION 16.0 REGULATORY APPROVAL

16.1 Should implementation of this Agreement require the prior approval and authorization of the STB, User, at its own cost and expense, will initiate and thereafter diligently prosecute an action to obtain such approval and authorization or an exemption therefrom. Owner will assist and support efforts of User to obtain any such required approval and authorization or exemption.

16.2 Each Party shall assume and hold the other Party harmless from all claims by their respective employees predicated on loss of, or adverse impact on, compensation, benefits or working conditions arising from this Agreement or the activities of the Parties hereunder., whether such claims are based on conditions imposed by the STB or predicated on the Railway Labor Act or labor agreements.

SECTION 17.0 RECONVEYANCE

17.1 Nothing in this Agreement is intended or should be construed to prohibit reconveyance pursuant to Section 7 (Reconveyance of Easement) of the Leewood Easement Agreement or limit Owner's or User's exercise of the respective rights regarding reconveyance.

SECTION 18.0 GENERAL PROVISIONS

18.1 This Agreement and each and every provision hereof are for the exclusive benefit of the Parties and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the Parties.

18.2 All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

18.3 This Agreement and the attachments annexed hereto and integrated herewith contain the entire agreement of the Parties and supersede any and all oral understandings between the Parties.

18.4 No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both Parties.

18.5 As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of, one of the Parties such expression means the trains, locomotives, cars, or equipment in the possession of or operated by one of the Parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such Party. Whenever such locomotives, cars or equipment are owned or leased by one Party and are in the possession or account of the other Party, such locomotives, cars, and equipment shall be considered those of the other Party under this Agreement.

18.6 All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.

18.7 This Agreement is the result of mutual negotiations of the Parties, neither of whom shall be considered the drafter for purposes of contract construction.

18.8 Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be necessary or appropriate for a Party to enforce its rights under this Agreement, during the initial and any renewal term of this Agreement, all commercial information to which access is provided or obtained hereunder will be kept confidential and will not be disclosed by either CN or CSXT to any party other than CN's and CSXT's affiliates and the respective officers, employees, and attorneys of those affiliates, without the prior written approval of the other Party.

SECTION 19.0 SUCCESSORS AND ASSIGNS

19.1 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. No Party shall transfer or assign this Agreement, or any of its rights, interests, or obligations hereunder, by merger or otherwise, to any person, firm, or corporation without obtaining the prior written consent of the other Party provided, however, such consent shall not be unreasonably withheld.

SECTION 20.0 NOTICE

20.1 Any notice required or permitted to be given by one Party to the other under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the Parties may mutually agree, and shall be addressed as follows:

If to Owner:
Region Director Contracts and Administration
Grand Trunk Western Railroad Company
17641 South Ashland Avenue
Homewood, IL 60430

If to User:
Director, Network Planning
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

20.2 Either Party may provide changes in the above addresses to the other Party by personal service or certified mail.

SECTION 21.0 COMMENCEMENT, TERM AND TERMINATION

21.1 This Agreement shall take effect immediately upon the later of (i) CN's acquisition of the Leewood Easement, or (ii) the effective date of any required regulatory approvals, and shall be evidenced by an exchange of correspondence between the appropriate operating officers of the Parties. The date that User commences operations over the Subject Trackage pursuant to this Agreement shall be referred to herein as the "Commencement Date", and shall be evidenced by an exchange of correspondence between the appropriate officers of the Parties.

21.2 This Agreement shall continue in full force and effect for a period of twenty (20) year(s) from the Commencement Date, and shall continue in full force and effect, subject to renewal by either Party, for an unlimited number of additional ten (10) year terms, provided, however, (i) CSXT has the right to terminate this Agreement upon giving CN a thirty (30) day advance written Notice and (ii) this Agreement shall automatically terminate upon reconveyance of the Subject Trackage to CSXT (or CSXT's designee) pursuant to Section 7 (Reconveyance of Easement) of the Leewood Easement Agreement

21.3 Termination of this Agreement shall not relieve or release either Party from any obligations assumed or from any liability which may have arisen or been incurred by either Party under the terms of this Agreement prior to the termination hereof.

21.4 Upon termination or non-renewal of this Agreement for any other reason other than reconveyance of the Subject Trackage to CSXT (or CSXT's designee) pursuant to Section 7 (Reconveyance of Easement) of the Leewood Easement Agreement, User shall within sixty (60) days initiate and thereafter diligently prosecute any action to obtain approval from the STB or other regulatory body having jurisdiction over discontinuance of the Trackage Rights herein retained. If User fails to file within (60) days, User hereby expressly authorizes Owner to file with the STB, or other regulatory body having jurisdiction, on behalf of User to abandon or discontinue the Trackage Rights retained hereunder, and User further agrees to reimburse Owner for all reasonable costs incurred in doing so.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate as of the day and year first hereinabove written.

WITNESS

_____

GRAND TRUNK WESTERN RAILROAD COMPANY

By:_____

Paul E. Ladue
Region Director Contracts & Administration

Date: _____

WITNESS

_____

CSX TRANSPORTATION, INC.

By:_____

Christopher Maffett
Director, Network Planning

Date:_____

Exhibit A

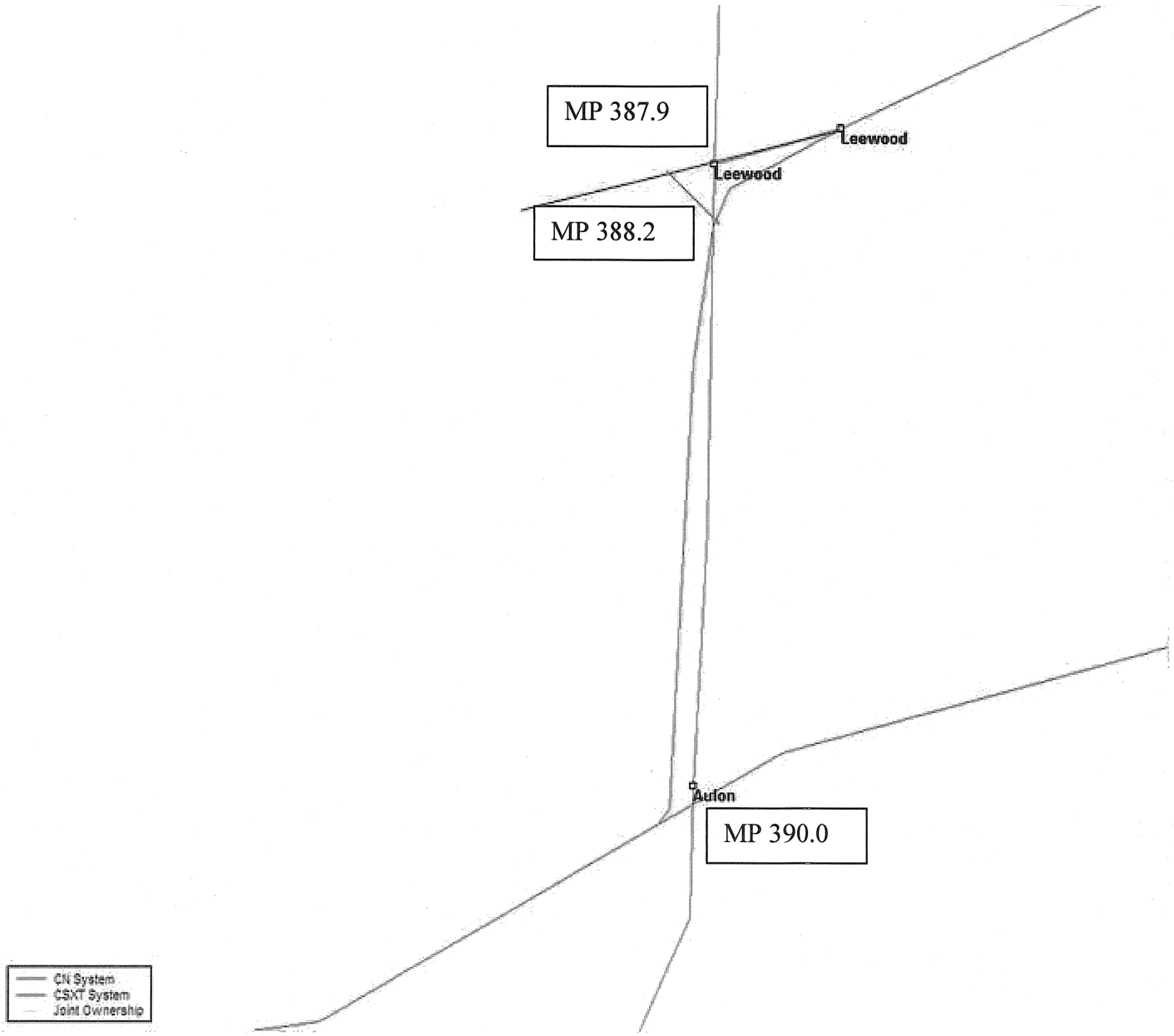

MP 387.9
Leewood
Leewood
MP 388.2
Aulon
MP 390.0
CN System
CSXT System
Joint Ownership

EXHIBIT A

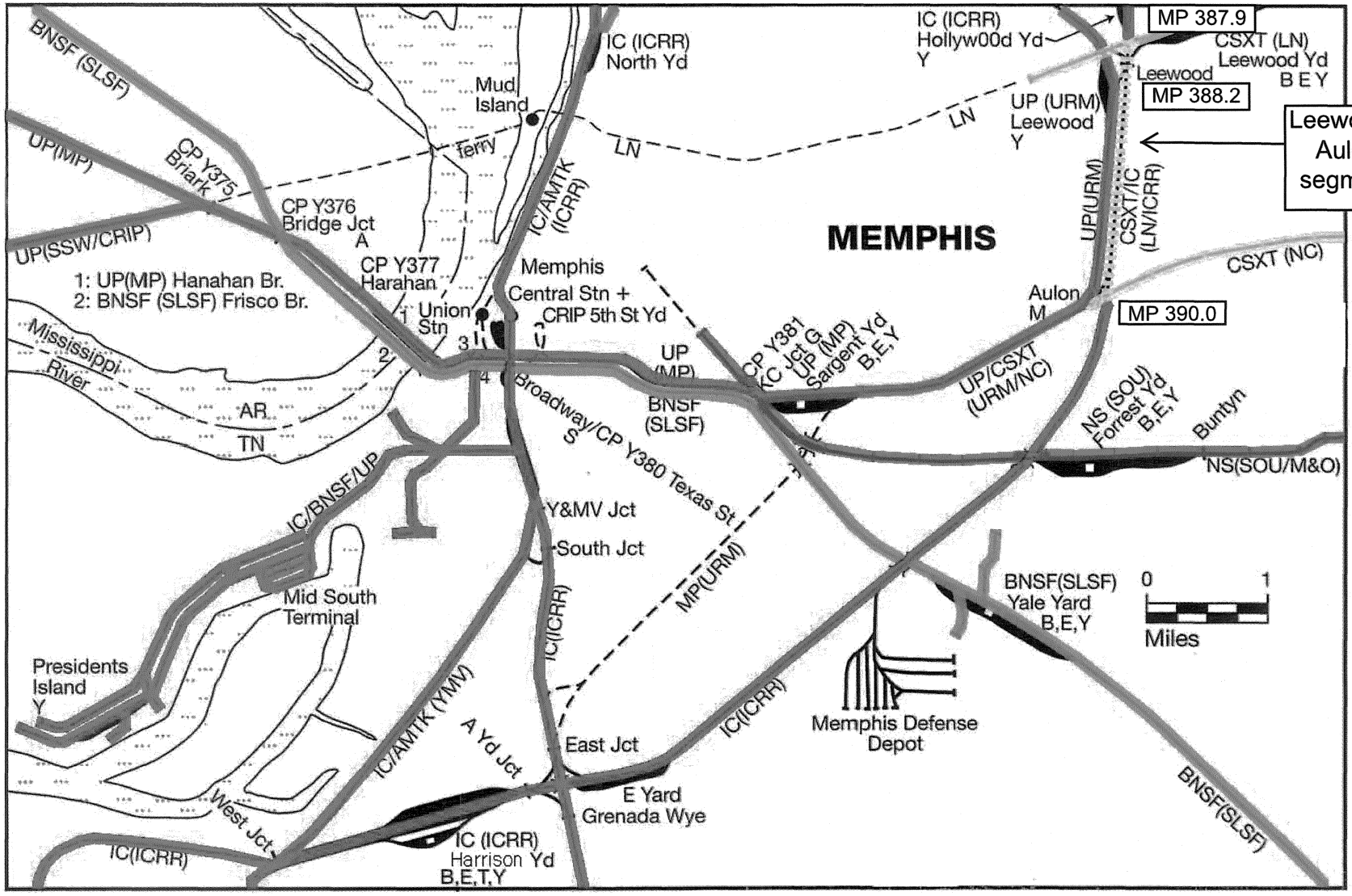
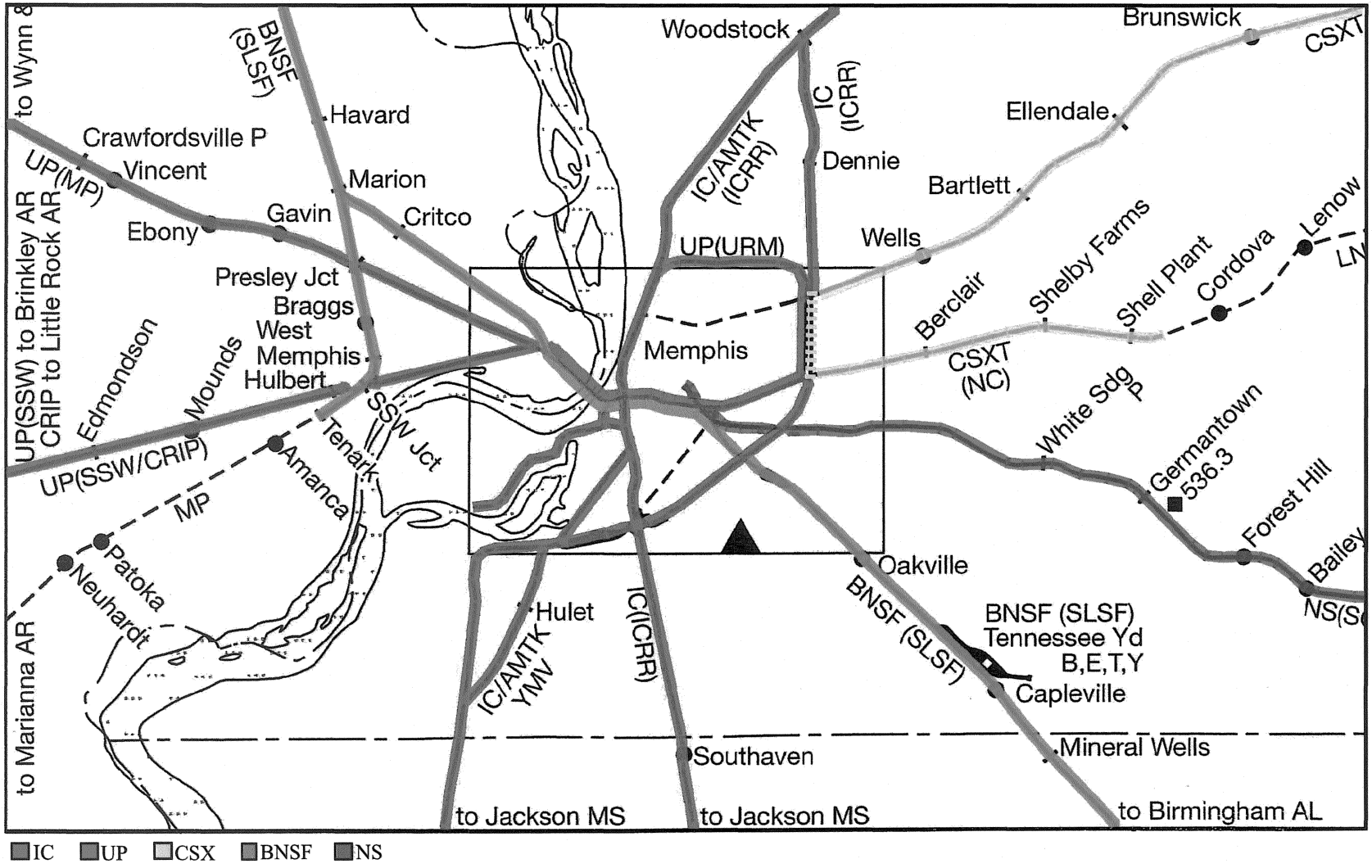


Exhibit A – Map



IC UP CSX BNSF NS

FORM OF ASSUMPTION AGREEMENT

This Assumption Agreement, dated as of _____, 2011 (this "Agreement"), is by and between _____, a _____ corporation ("Assignor"), and _____, a _____ corporation ("Assignee").

RECITALS

A. Assignor and Assignee are parties to that certain Agreement for Exchange of Perpetual Easements, dated as of _____, 2011 (the "Exchange Agreement"), pursuant to which Assignor has agreed to convey to Assignee the _____ Easement, subject to the _____ Assumed Third Party Agreements.

B. Assignor has agreed to assign to Assignee the _____ Assumed Third Party Agreements, and Assignee has agreed to assume the _____ Assumed Third Party Agreements, as set forth in the Exchange Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee, intending to be legally bound, hereby agree as follows:

1. Incorporation of Recitals; Definitions. The Recitals set forth above are hereby incorporated in this Agreement, with the same effect and as though fully set forth herein. Undefined capitalized terms used herein shall have the meanings assigned to them in the Exchange Agreement.

2. Assignment. Assignor hereby assigns, exchanges, transfers, and sets over (collectively, the "Assignment") to Assignee all of Assignor's legal, beneficial, and other right, title, benefit, privileges and interest in and to the _____ Assumed Third Party Agreements, effective as of the date hereof, in accordance with the terms and conditions of this Agreement and the Exchange Agreement to the extent assignable by Assignor.

3. Assumption. Assignee hereby accepts the Assignment, assumes the _____ Assumed Third Party Agreements and agrees to observe, perform, pay, and otherwise discharge when due all obligations under the _____ Assumed Third Party Agreements arising or accruing on and after the date hereof. Assignor hereby agrees to perform all obligations of Assignor pursuant to the Assigned Contracts accruing prior to the date hereof.

4. Effective Date. This Assignment and Assumption Agreement is effective as of 12:01 a.m. Central Time on the date hereof.

5. Consents to Assignment. In accordance with Section 7.__ of the Exchange Agreement, to the extent that the Assignment of any of the _____ Assumed Third Party

Agreements shall require the consent of another party thereto, Assignor shall use commercially reasonable efforts to obtain the written consent of such party.

6. Governing Law. This Agreement and the obligations of the parties hereunder will be governed by and construed in accordance with the laws of the State of Illinois without giving effect to any choice of law principles that may require the application of any other laws.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

8. Further Assurances; Contracts Unintentionally Omitted from or Included in Assignment. Each party hereby agrees that it will, at any time and from time to time after the date hereof, and without further consideration, take all such further actions, and execute and deliver all such further instruments or documents, as may be reasonably requested by the other party to effectuate the purposes of this Agreement. In addition, in the event it is discovered by any party after the date hereof that (a) a contract that Assignor was obligated to assign to Assignee and Assignee was obligated to assume or take Assignment of under the Exchange Agreement was omitted from this Assignment, or (b) a contract was included as an Assumed Third Party Agreement which under the Exchange Agreement should have been excluded, the parties agree, upon request by Assignor or Assignee, to execute and deliver an Assignment of such omitted contract (an "Additional Assignment"), or a cancellation of Assignment of such contract that should have been excluded (a "Cancellation of Assignment"), such Additional Assignment or Cancellation of Assignment, as applicable, to be effective as of the Effective Date hereof. All of the provisions of this Agreement shall apply to such Additional Assignment as though the contract assigned thereby had been included herein originally. To the extent any provision of this Agreement conflicts with a provision of the Exchange Agreement, the terms and conditions of the Exchange Agreement shall control.

9. Expenses. Except as otherwise expressly provided in the Exchange Agreement, the parties will each bear its own costs and expenses incurred in connection with the preparation, execution and performance of this Agreement.

10. Successors and Assigns. The provisions of this Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and their respective successors and assigns.

11. Third Parties. The assumption by Assignee of the _____ Assumed Third Party Agreements by Assignor as provided in Section 3 of this Agreement is not intended by the parties to expand the rights or remedies of any third party against Assignee or Assignor, as the case may be, as compared to the rights and remedies which such third party would have had against Assignor had Assignee not consummated the transactions contemplated by the Exchange Agreement. Nothing contained herein will, or should be construed to, prejudice the right of Assignee or Assignor, as the case may be, to contest any claim or demand with respect to any litigation or liability assumed or not assumed, respectively, hereunder; and Assignee or Assignor, as the case may be, will have all rights which Assignor has or may have to defend or contest any such claim or demand (except as aforesaid).

12. Amendments and Waivers. No amendment, modification, waiver, replacement, termination, or cancellation of any provision of this Agreement will be valid, unless the same will be in writing and signed by Assignee and Assignor.

13. Headings. The article and section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

14. Notices. All communications under this Agreement shall be made in writing and shall be deemed given when delivered in person or deposited with the U.S. Postal Service, postage prepaid for certified mail, return receipt requested, or upon transmission of a facsimile properly directed to:

Assignor: _____
_____
_____
Attn: _____

with copies to:

_____
_____
_____
Attn: _____

Assignee: _____
_____
_____
Attn: _____

with copies to:

_____
_____
_____
Attn: _____

Either party hereto may change its address or designate different or other persons or entities to receive copies by notifying the other party in a manner described in this Section 14.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Assignor:

[NAME OF COMPANY]

By: _____
Name: _____
Its: _____

Assignee:

[NAME OF COMPANY]

By: _____
Name: _____
Its: _____

Exhibit H - CSXT Assumed Third Party Agreements

SOUTH CHICAGO CABLE INC	L8-20	Prop - Licence	#	Wire	Underground	2010/3000926	2010/ILPR/200041	598313	15.50	0.00	75.00
SOUTH CHICAGO CABLE INC	L8-21	Prop - Licence	#	Wire	Overhead	2010/3000927	2010/ILPR/200042	598321	15.50	0.00	75.00
COMMONWEALTH EDISON CO INC	L38-95	Prop - Licence	MA	Wire	Overhead	2010/3000586	2010/ILPR/200246	690793 018	16.00	0.00	0.00
COMMONWEALTH EDISON CO INC	L38-95	Prop - Licence	MA	Wire	Overhead	2010/3000586	2010/ILPR/200249	690793 024	15.70	0.00	0.00
COMMONWEALTH EDISON CO INC	L38-95	Prop - Licence	MA	Wire	Overhead	2010/3000586	2010/ILPR/200283	690793 022	15.53	15.55	
VILLAGE OF EVERGREEN PARK	L63-10	Prop - Licence	#	Sewer/Water	Underground	2010/3000914	2010/ILPR/200029	598090	15.10	0.00	
VILLAGE OF EVERGREEN PARK	L63-17	Prop - Licence	#	Sewer/Water	Underground	2010/3000917	2010/ILPR/200032	598145	15.10	0.00	
VILLAGE OF EVERGREEN PARK	L63-33	Prop - Licence	#	Sewer/Water	Underground	2010/3000923	2010/ILPR/200038	598284	15.03	0.00	
ILLINOIS BELL TELEPHONE CO INC	L118-09	Prop - Licence	#	Wire	Underground	2010/3000912	2010/ILPR/200027	598049	15.50	0.00	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200189	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200190	677222	6.90	31.60	0.00
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200191	677222	6.90	31.60	0.00
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200192	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200193	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200194	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200195	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200196	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200197	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200198	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200199	677222	6.90	31.60	0.00
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200200	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200201	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200202	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200203	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200204	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200205	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200206	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200207	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200208	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/ILPR/200209	677222	6.90	31.60	
QWEST COMMUNICATIONS CORP	677222	Prop - Licence	EA	Fibre Optic	Underground	2010/3000481	2010/INPR/200177	677222	6.90	31.60	
US SPRINT COMMUNICATIONS CO.	908730	Prop - Licence	#	Fibre Optic	Underground	2010/3002658	2010/ILPR/200339	908730	15.46	16.79	
US SPRINT COMMUNICATIONS CO.	908730	Prop - Licence	#	Fibre Optic	Underground	2010/3002658	2010/ILPR/200340	908730	13.31	15.46	
CNE FIBER DEVELOPMENT INC.	690398	Prop - Licence	#	Fibre Optic	Underground	2010/3000585	2010/ILPR/200215	690398	15.46	16.79	
CNE FIBER DEVELOPMENT INC.	690398	Prop - Licence	#	Fibre Optic	Underground	2010/3000585	2010/ILPR/200226	690398	13.31	15.46	
NORTHERN ILLINOIS GAS CO.	L63-14	Prop - Licence	#	Oil/Gas Pipe	Underground	2010/3000916	2010/ILPR/200031	598129	15.10	0.00	15.00
VERIZON SERVICES	908705	Prop - Licence	EA	Fibre Optic	Underground	2010/3002656	2010/ILPR/200327	908705	15.46	16.79	

Exhibit H – CSXT Assumed Third Party Agreements

VERIZON SERVICES	908705	Prop - Licence	EA	Fibre Optic	Underground	2010/3002656	2010/ILPR/200328	908705	13.31	15.46	

Exhibit I – Reserved Fiber Optic and Billboard Agreements

Document Number	Agreement
677222	Qwest Communications Corp. fiber optic easement from MP 6.9 to MP 31.6, Elsdon Sub
908730	US Sprint Communications Co. fiber optic easement from MP 13.31 to MP 16.79, Elsdon Sub
690398	CNE Fiber Development Inc. fiber optic easement from MP 13.31 to MP 16.79, Elsdon Sub
908705	Verizon Services fiber optic easement from MP 13.31 to MP 16.79, Elsdon Sub
	Existing and future billboard installations from MP 8.7 to MP 30.9, Elsdon Sub

CSX REAL PROPERTY , INC.
FINAL
CONTRACT REPORT

July 25, 2012

TO: KEVIN HURLEY

CSX RPI CONTRACT ID: **2011 9**

REGARDING THE PENDING SALE TO ( ) INVOLVING SITE ID: (TN - 157 - 1042752) LOCATED IN
MEMPHIS, TN IN SHELBY COUNTY, A REVIEW OF THE AVAILABLE RECORDS INDICATES THE FOLLOWING CONTRACTS OCCUPY THE SUBJECT PROPERTY:

MAPPED CONTRACTS IN SITE

CONTRACT	NAME	DATE	STATUS	USE CODE	MILEPOST	CONVERT TO EASE	TYPE	AMOUNT	TERM	#DAYS	ACTION	IMAGE
CSX 055545	MEMPHIS NETWORX LLC	03/13/2006	A	EN	00F 372.61	N	FIBER M/DATA PUBLIC R/W		LT		PARTIAL ASSIGNMENT	Y
LN 019258	MEMPHIS TN	10/11/1921	A	EN	00F 371.24	N	PIPELINE - SEWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 020575	MEMPHIS TN	07/11/1923	A	EN	00F 373.41	N	PIPELINE - SEWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 026942 745	BELLSOUTH TELECOMMUNICATIONS NC	08/18/1960	A	CM	00F 372.60	N	WIRELINE-TELE/COMM ATA CROSSING	$0.00	TW	30	PARTIAL ASSIGNMENT	Y
LN 028451	MEMPHIS LIGHT GAS AND WATER DI VISION	09/13/1935	A	EN	00F 371.98	N	PIPELINE - GAS - CROSSING	$100.00	TW	30	PARTIAL ASSIGNMENT	Y
LN 028451	MEMPHIS LIGHT GAS AND WATER DI VISION	09/13/1935	A	EN	00F 372.22	N	PIPELINE - GAS - CROSSING	$100.00	TW	30	PARTIAL ASSIGNMENT	Y
LN 033454 003	VELSICOL CHEMICAL CORP	03/21/1947	A	EN	00F 371.27	N	PIPELINE - MISC - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 036552 002	MEMPHIS TN	08/05/1949	A	EN	00F 372.60	N	PIPELINE - GAS - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 036552 006	MEMPHIS LIGHT GAS AND WATER	07/10/1950	A	EN	00F 372.60	N	PIPELINE - GAS PUBLIC R/W		LT		PARTIAL ASSIGNMENT	Y
LN 045311	MEMPHIS TN	05/15/1959	A	EN	00F 372.45	N	PIPELINE - GAS - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 046905	MEMPHIS CITY OF	04/06/1961	A	EN	00F 371.81	N	PIPELINE - WATER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 046993 005	MEMPHIS TN	01/04/1962	A	EN	00F 372.98	N	WIRELINE - POWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 046993 006	MEMPHIS TN	03/29/1962	A	EN	00F 372.75	N	WIRELINE - POWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
LN 056142	MEMPHIS LIGHT GAS AND WATER	09/14/1970	A	EN	00F 372.16	N	WIRELINE - POWER - CROSSING		LT		PARTIAL ASSIGNMENT	Y
CSX 040292	Union Pacific Railroad	01/15/2002	A		00F 372.45	N	JOINT FACILITY - NONBILLING	$1.00			NO ASSIGN-RESERVE	Y
NCL 000737	ILLINOIS CENTRAL RAILROAD CO E T AL	01/22/1907	A	98	00F 371.71	N	JOINT TRACKAGE RIGHTS		LT		NO ASSIGN-RESERVE	Y
CSX 014662	CSX INTERMODAL TERMINALS INC	06/06/1991	A	FT	00F 371.30	N	REAL ESTATE - LAND ONLY	$200.04	TW	30	FULLY ASSIGNED	Y
CSX 027106	COMCAST CABLE COMMUNICATIONS ANAGEMENT	10/11/1995	A	EN	00F 371.78	N	FIBER OPTIC - CABLE TV - CROSSING	$356.10	TW	30	FULLY ASSIGNED	Y

Izabella Tulchinsky
GIS Data Analyst

Exhibit J – GTW Assumed Third Party Agreements

CSX REAL PROPERTY , INC.

FINAL

CONTRACT REPORT

July 25, 2012

TO: KEVIN HURLEY

CSX RPI CONTRACT ID: **2011 9**

CONTRACT	NAME	DATE	STATUS	USE CODE	MILEPOST	CONVERT TO EASE	TYPE	AMOUNT	TERM	#DAYS	ACTION	IMAGE
CSX 028314	COMCAST CABLE COMMUNICATIONS ANAGEMENT	09/11/1996	A	EN	00F 373.40	N	FIBER OPTIC - CABLE TV - CROSSING	$350.00	TW	30	FULLY ASSIGNED	Y
CSX 028658	MEMPHIS LIGHT GAS AND WATER DI VISION	02/05/1996	A	EN	00F 371.78	N	PIPELINE - WATER - CROSSING	$0.00	LT		FULLY ASSIGNED	Y
CSX 028659	MEMPHIS LIGHT GAS AND WATER DI VISION	02/05/1997	A	EN	00F 371.56	N	PIPELINE - GAS - CROSSING	$0.00	LT		FULLY ASSIGNED	Y
CSX 035027	CENTURYTEL FIBER CO II LLC	05/06/1999	A	EN	00F 372.45	N	EMPTY CONDUIT	$0.00	LT		FULLY ASSIGNED	Y
CSX 038330	ADELPHIA BUSINESS SOLUTIONS OF TENNESSEE	05/04/2000	A	EN	00F 373.40	N	FIBER M/DATA PUBLIC R/W		LT		FULLY ASSIGNED	Y
CSX 044383	MEMPHIS CITY OF	11/08/2002	A	EN	00F 373.40	N	FIBER M/DATA CROSSING	$200.00	LT		FULLY ASSIGNED	Y
CSX 660745	CITY OF MEMPHIS, TENNESSEE	09/20/2010	A	EN	00F 372.75	N	FIBER M/DATA PUBLIC R/W		LT		FULLY ASSIGNED	Y
DOT 348548 P	TENNESSEE DEPT OF TRANSPORTATI ON	08/04/1996	A	XG	00F 371.78	N	CROSSING - OVERPASS		LT		FULLY ASSIGNED	Y
DOT 348551 X	MEMPHIS TN ET AL	01/06/1931	A	XG	00F 372.45	N	CROSSING - OVERPASS		LT		FULLY ASSIGNED	Y
DOT 348552 E	TENNESSEE DEPT OF TRANSPORTATI ON	10/21/1987	A	XG	00F 372.60	N	CROSSING - PUBLIC ROADWAY		LT		FULLY ASSIGNED	Y
DOT 348552 E01	MEMPHIS TN	12/07/1954	A	XG	00F 372.62	N	CROSSING - PUBLIC ROADWAY		LT		FULLY ASSIGNED	Y
LN 020289 001	MEMPHIS TN	03/02/1923	A	EN	00F 372.60	N	PIPELINE - SEWER - LONGITUDINAL		LT		FULLY ASSIGNED	Y
LN 020289 002	MEMPHIS CITY OF	12/06/1949	A	EN	00F 373.19	N	PIPELINE - SEWER - CROSSING		TW	30	FULLY ASSIGNED	Y
LN 024432	MEMPHIS TN	02/14/1929	A	EN	00F 372.05	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 026942 721	BELLSOUTH TELECOMMUNICATIONS NC	08/18/1960	A	CM	00F 371.78	N	WIRELINE-TELE/COMM ATA CROSSING		TW	30	FULLY ASSIGNED	Y
LN 026942 721	BELLSOUTH TELECOMMUNICATIONS NC	08/18/1960	A	CM	00F 371.78	N	WIRELINE-TELE/COMM ATA CROSSING	$0.00	TW	30	FULLY ASSIGNED	Y
LN 026942 721	BELLSOUTH TELECOMMUNICATIONS NC	08/18/1960	A	CM	00F 372.18	N	WIRELINE-TELE/COMM ATA CROSSING	$0.00	TW	30	FULLY ASSIGNED	Y
LN 032070	MEMPHIS TN	01/24/1941	A	EN	00F 371.97	N	MISC ENCROACHMENT POLE/ANCHOR/GUY		LT		FULLY ASSIGNED	Y
LN 033155	MEMPHIS LIGHT GAS AND WATER	10/18/1966	A	EN	00F 371.44	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y
LN 033454 002	VELSICOL CHEMICAL CORP	03/21/1947	A	EN	00F 371.70	N	PIPELINE - SEWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 033620	MEMPHIS TN	05/23/1944	A	EN	00F 373.01	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y

Izabella Tulchinsky
GIS Data Analyst

CSX REAL PROPERTY , INC.
FINAL
CONTRACT REPORT

July 25, 2012

TO: KEVIN HURLEY

CSX RPI CONTRACT ID: **2011 9**

CONTRACT	NAME	DATE	STATUS	USE CODE	MILEPOST	CONVERT TO EASE	TYPE	AMOUNT	TERM	#DAYS	ACTION	IMAGE
LN 034313	MEMPHIS TN	09/14/1945	A	EN	00F 371.78	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 001	MEMPHIS TN	06/09/1948	A	EN	00F 372.45	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 003	MEMPHIS LIGHT GAS AND WATER	12/01/1949	A	EN	00F 372.60	N	PIPELINE - GAS PUBLIC R/W		LT		FULLY ASSIGNED	Y
LN 036552 005	MEMPHIS TN	12/22/1949	A	EN	00F 372.60	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 009	MEMPHIS TN	03/27/1953	A	EN	00F 372.60	N	WIRELINE-TELE/COMM ATA CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 010	MEMPHIS TN	03/27/1953	A	EN	00F 372.17	N	WIRELINE-TELE/COMM ATA CROSSING		LT		FULLY ASSIGNED	Y
LN 036552 011	MEMPHIS TN	12/30/1960	A	EN	00F 372.17	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 037901	MEMPHIS TN	12/06/1949	A	EN	00F 373.12	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 039573	MEMPHIS TN	12/18/1951	A	EN	00F 371.78	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y
LN 042405	MEMPHIS TN	09/15/1955	A	EN	00F 373.41	N	WIRELINE-TELE/COMM ATA CROSSING		LT		FULLY ASSIGNED	Y
LN 043428	BELLSOUTH TELECOMMUNICATIONS NC	12/21/1956	A	EN	00F 373.34	N	MISC ENCROACHMENT POLE/ANCHOR/GUY	$50.00	TW	30	FULLY ASSIGNED	Y
LN 047249	MEMPHIS LIGHT GAS AND WATER	05/19/1961	A	EN	00F 372.16	N	PIPELINE - GAS PUBLIC R/W		LT		FULLY ASSIGNED	Y
LN 047650	VELSICOL CHEMICAL CORP	10/14/1961	A	EN	00F 371.60	N	PIPELINE - SEWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 048149	MEMPHIS CITY OF LIGHT GAS AND WATER DIVI	06/04/1962	A	EN	00F 371.76	N	PIPELINE - GAS - CROSSING		LT		FULLY ASSIGNED	Y
LN 048385	MEMPHIS TN	09/17/1962	A	EN	00F 372.32	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 048706	MEMPHIS TN	12/31/1962	A	EN	00F 373.01	N	MISC ENCROACHMENT POLE/ANCHOR/GUY		LT		FULLY ASSIGNED	Y
LN 049640	MEMPHIS CITY OF	11/01/1963	A	EN	00F 372.91	N	PIPE - DRAINAGE		LT		FULLY ASSIGNED	Y
LN 053707	MEMPHIS LIGHT GAS AND WATER	02/12/1968	A	EN	00F 371.81	N	MISC ENCROACHMENT POLE/ANCHOR/GUY		LT		FULLY ASSIGNED	Y
LN 054873	TENNESSEE DEPT OF TRANSPORTATION	07/23/1969	A	XG	00F 372.75	N	CROSSING - OVERPASS		LT		FULLY ASSIGNED	Y
LN 054986	MEMPHIS LIGHT GAS AND WATER	10/01/1969	A	EN	00F 371.96	N	WIRELINE - POWER - CROSSING		LT		FULLY ASSIGNED	Y
LN 066430	MEMPHIS CITY OF LIGHT GAS AND WATER	02/12/1981	A	EN	00F 372.42	N	PIPELINE - WATER - CROSSING		LT		FULLY ASSIGNED	Y

Izabella Tulchinsky
GIS Data Analyst

CSX REAL PROPERTY , INC.

FINAL

CONTRACT REPORT

July 25, 2012

TO: KEVIN HURLEY

CSX RPI CONTRACT ID: **2011 9**

CONTRACT	NAME	DATE	STATUS	USE CODE	MILEPOST	CONVERT TO EASE	TYPE	AMOUNT	TERM	#DAYS	ACTION	IMAGE
SCL 008065 T32	BELLSOUTH TELECOMMUNICATIONS NC	08/27/1963	A	EN	00F 372.17	N	WIRELINE-TELE/COMM ATA CROSSING		TW	90	FULLY ASSIGNED	Y

Total Number of Agreements 58

A REVIEW OF THE SYSTEM MAP SHOWING FIBER OPTIC LOCATIONS INDICATES THERE ARE FIBER OPTIC LINES(S) EITHER ON OR IN THE VICINITY OF THE SUBJECT PROPERTY. HOWEVER, THE CORRIDOR DEVELOPMENT GROUP WITHIN RPI SHOULD BE CONSULTED FOR DETAILS OR EXACT LOCATIONS BEFORE EXECUTING A PURCHASE AND SALE AGREEMENT.

DO NOT ASSIGN

CSX-038639-001(360NETWORKS USA INC) CSX-038639-002(360NETWORKS USA INC)

EASEMENT (NUMBER UNKNOWN) ENCUMBERS THE SITE
GENERAL AGREEMENTS SCL 008065 AND LN 026942 WITH BELLSOUTH TELECOMMUNICATIONS INC. ARE PARTIALLY ASSIGNED TO THE BUYER

Izabella Tulchinsky
GIS Data Analyst

Exhibit K – CSXT Reserved Fiber Optic & Billboard Agreements

GTW-CSX Easement Swap **Exhibit K**

Fiber Optic Agreements

CSX 038639-001	360 Networks USA Inc.
CSX 038639-002	360 Networks USA Inc.

CSXT-3

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35522

CSX TRANSPORTATION, INC.—ACQUISITION—
GRAND TRUNK WESTERN RAILROAD COMPANY

APPLICATION

VOLUME 3 OF 3

DIRECTLY RELATED TRACKAGE RIGHTS NOTICES OF EXEMPTION

Peter J. Shudtz, Esq.
Steven C. Armbrust, Esq.
CSX Transportation, Inc.
500 Water Street J-150
Jacksonville, FL 32202
(904) 359-1229

Louis E. Gitomer, Esq.
Melanie B. Yasbin, Esq.
Law Offices of Louis E. Gitomer, LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou@lgraillaw.com

Attorneys for: CSX Transportation, Inc.

Dated: August 13, 2012

Exhibit A – Baltimore and Ohio Chicago Terminal Railroad Company—Trackage Rights Exemption—CSX Transportation, Inc.

Exhibit B – Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railroad Company, Illinois Central Railroad Company, and Wisconsin Central Ltd. — Trackage Rights Exemption—CSX Transportation, Inc.

EXHIBIT A

Baltimore and Ohio Chicago Terminal Railroad Company—Trackage Rights Exemption—CSX Transportation, Inc.

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35522 (Sub-No. 1)

BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY
--TRACKAGE RIGHTS EXEMPTION—CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION

Steven C. Armbrust
CSX Transportation, Inc.
500 Water Street J-150
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Terminal Railroad Company

Dated: August 13, 2012

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35522 (Sub-No. 1)

BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY
--TRACKAGE RIGHTS EXEMPTION—CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION

Baltimore and Ohio Chicago Terminal Railroad Company ("B&OCT") submits this Verified Notice of Exemption pursuant to the class exemption at 49 C.F.R. §1180.2(d)(7) for overhead and local trackage rights over the rail line of CSX Transportation, Inc. ("CSXT") between Munster, IN, milepost 31.07, and Elsdon, IL, milepost 8.7, a distance of approximately 22.37 miles on CSXT's Elsdon Subdivision (the "Elsdon Subdivision"). The parties have entered a written agreement for the trackage rights (Exhibit B), which are not sought as a responsive application in a rail consolidation proceeding.

In a related transaction, CSXT has concurrently filed an application to acquire an exclusive, permanent, non-assignable railroad operating easement over the Elsdon Subdivision from the Grand Trunk Western Railroad Company ("GTW"). STB Finance Docket No. 35522, *CSX Transportation, Inc. –Acquisition–Grand Trunk Western Railroad Company* (the "*FD 35522 Application*").

The trackage rights being granted to B&OCT include the right to use all sidings, yard tracks, and yard leads now existing or constructed along the Elsdon Subdivision, as well as right-of-way for those tracks and for signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to their use. The rights also include the rights to enter

and exit the Elsdon Subdivision at:

(1) CSXT's connection with GTW at or near Milepost 31.07 in Munster, IN;

(2) CSXT's connection with the Union Pacific Railroad Company ("UP") at or near milepost 25.2 (Thornton Jct.) in Thornton, IL;

(3) CSXT's connection with the Illinois Central Railroad Company ("IC") at or near milepost 23.2 (CN Junction) in Harvey, IL;

(4) CSXT's connection with IC at or near milepost 22.6 in Harvey, IL;

(5) CSXT's connection with Indiana Harbor Belt Railroad Company ("IHB") at or near milepost 19.3 (Blue Island Jct.) in Blue Island, IL;

(6) CSXT's connection with the Belt Railway Company of Chicago ("BRC") at or near milepost 11.8 (Hayford Junction) in Chicago, IL;

(7) CSXT's connection to GTW at or near milepost 8.7 in Elsdon, IL

(8) CSXT's connection with BNSF Railway Company ("BNSF") at or near milepost 8.7;

(9) CSXT's connection with the IHB at or near milepost 8.7; and

(10) any other existing or new location(s) that the parties may mutually agree upon.

B&OCT is a wholly owned subsidiary of CSXT. CSXT is a subsidiary of CSX Corporation.

Pursuant to the Surface Transportation Board's (the "Board") regulations at 49 C.F.R. § 1180.4(g), CSXT submits the following information:

Section 1180.6 Supporting Information

(a)(1)(i) Description of Proposed Transaction

B&OCT is acquiring overhead and local trackage rights over the rail line of CSXT between Munster, IN, milepost 31.07, and Elsdon, IL, milepost 8.7, a distance of approximately 22.37 miles. The rights being granted by CSXT include the right of B&OCT to enter and exit

CSXT's Elsdon Subdivision at: (1) CSXT's connection with GTW at or near Milepost 31.07 in Munster, IN; (2) CSXT's connection with the UP at or near milepost 25.2 (Thornton Jct.) in Thornton, IL; (3) CSXT's connection with IC at or near milepost 23.2 (CN Junction) in Harvey, IL; (4) CSXT's connection with IC at or near milepost 22.6 in Harvey, IL; (5) CSXT's connection with IHB at or near milepost 19.3 (Blue Island Jct.) in Blue Island, IL; (6) CSXT's connection with the BRC at or near milepost 11.8 (Hayford Junction) in Chicago, IL; (7) CSXT's connection to GTW at or near milepost 8.7 in Elsdon, IL; (8) CSXT's connection with BNSF at or near milepost 8.7; (9) CSXT's connection with the IHB at or near milepost 8.7; and (10) any other existing or new location(s) that the parties may mutually agree upon.

The carriers involved in this transaction and their business addresses are:

Baltimore and Ohio Chicago Terminal Railroad Company
1700 167th Street
Calumet City, IL 60409

CSX Transportation, Inc.
500 Water Street J-150
Jacksonville, FL 32202

Questions and correspondence concerning this notice may be addressed to:

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500 Water Street J-150
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(904) 359-1229

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(a)(1)(ii) Consummation Date

Because this transaction is directly related to the acquisition of an exclusive, perpetual

non-assignable railroad operating easement by CSXT over the Elsdon Subdivision, consummation of this transaction will occur upon closing of the acquisition by CSXT from GTW.

(a)(1)(iii) Purpose Sought to be Accomplished

B&OCT and CSXT are seeking to maximize operational efficiency so that so that B&OCT trains can be operated over the Elsdon Subdivision. The trackage rights will also reduce congestion and enhance efficiency in the Chicago area.

(a)(5) List of States in which the Party's Property is Situated

B&OCT is a wholly owned subsidiary of CSXT that operates in the Illinois and Indiana.

CSXT owns and operates about 21,000 miles of railroad in the States of Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, the District of Columbia, and the Provinces of Ontario and Québec.

The trackage rights are located in the States of Illinois and Indiana.

(a)(6) Map

A map illustrating the involved trackage rights is attached as Exhibit A.

(a)(7)(ii) Agreement

A copy of the redacted Trackage Rights Agreement is attached as Exhibit B. An unredacted copy of the Trackage Rights Agreement has been filed under seal.

Labor Protection

Any employees of B&OCT or CSXT who are adversely affected by the acquisition of the trackage rights that are the subject of this Notice are entitled to protection under the conditions

imposed in *Norfolk and Western Railway Ry. Co.–Trackage Rights–BN*, 354 I.C.C. 605 (1978), as modified by *Mendocino Coast Ry., Inc. –Lease and Operate*, 360 I.C.C. 653 (1980).

Section 1180.4(g)(4)(i) Supporting Information

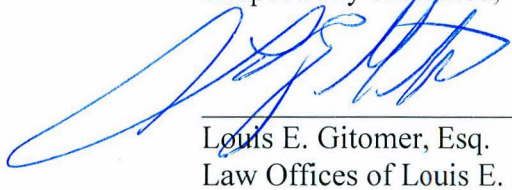
(i)(A) There is no provision or agreement in the Trackage Rights Agreement that may limit future interchange with a third-party connecting carrier.

(i)(B) A redacted copy of the Trackage Rights Agreement is attached as Exhibit B.

Environmental and Historic Matters

Environmental and historic impacts associated with trackage rights transactions generally are considered to be insignificant. Therefore, environmental and historical reports and documentation normally need not be submitted for this type of transaction, pursuant to 49 C.F.R. § 1105.6(c)(4) and § 1105.8(b)(3). However, environmental and historic issues related to the trackage rights are being addressed in the *FD 35522 Application.*

Respectfully submitted,



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Dated: August 13, 2012

EXHIBIT A-MAP


SCHILLER PARK
FRANKLIN PARK
PROVISO YARD
FOREST PARK
CICERO
GLOBAL 1
UP
ROCKWELL STREET
CICERO
BN
CORWITH
BN
Milepost 8.7 Elsdon, IL
BENSENVILLE
59TH ST
CSXI
MCCOOK
CLEARING
CANAL
CLEARING
BRC
CHICAGO 59TH STREET RAMP
FORESTHILL
BRC
WILLOW SPRINGS
BEDFORD PARK
CSXI
CHGO BEDFORD PARK
HAYFORD
FOREST HILL
80TH ST
Chicago
Lake Michigan
RIDGE
100TH STREET
WILDWOOD
BARR CN
BOCT
BLUE ISLAND
BLUE ISLAND JCT.
BLUE ISLAND YARD
BARR YARD
DOLTON
GIBSON IHB
BLUE ISLAND
IHB
MICHIGAN AVENUE YARD
PINE
EAST CHICAGO BUCKET
CURTIS
CSXT
CURTIS YARD
IHB
GIBSON
IHB
Illinois
CN JCT.
MARKHAM
CN
UP
YARD CENTER
THORNTON JCT.
CN
THORNTON
Cook Co.
Lake Co.
Cook Co.
Will Co.
MUNSTER
Milepost 31.07 Munster, IN
GRIFFITH
DYER
Indiana
0 2 4
Miles
Major Yard/Terminal
Other Rail Yard
Station
CSXT/B&OCT Rail Network
CSXT/B&OCT Trackage Rights
CN Elsdon Sub
EJ&E/CN
Other Railroads
Project Location and Existing Travel Routes

EXHIBIT B-AGREEMENT

TRACKAGE RIGHTS AGREEMENT

Agreement No. _____

between

CSX TRANSPORTATION, INC.

("CSXT" or "Owner")

And

THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY

("BOCT" OR "User")

Relating to BOCT's Trackage Rights Over CSXT between

GTW's connection to CSXT at Munster, IN and CSXT's connection to the BNSF Railway Company at Elsdon, IL on CSXT's Elsdon Subdivision.

TRACKAGE RIGHTS AGREEMENT

THIS AGREEMENT, entered into as of this 1st day of July 2012, by and between the **CSX TRANSPORTATION, INC.** (hereinafter referred to as "**CSXT**" or "**OWNER**") and **THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY** (hereinafter referred to as "**BOCT**" or "**USER**").

WHEREAS, BOCT has requested trackage rights over CSXT's railroad between Milepost 31.07 and Milepost 8.7 on CSXT's Elsdon Subdivision; and

WHEREAS, CSXT agrees to grant BOCT such rights under the following terms and conditions;

NOW THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1.0 **GRANT OF TRACKAGE RIGHTS**

1.1 Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate, in freight service, its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segment of Owner's railroad as shown on the plan attached hereto, made a part hereof and marked Exhibit "A" (hereinafter referred to as the "Subject Trackage"):

1.2 Between Grand Trunk Western Railroad Company connection with CSXT at or near Milepost 31.07 in Munster, IN and CSXT's connection to the BNSF Railway Company at or near Milepost 8.7 in Chicago, IL on CSXT's Elsdon Subdivision, including (1) all sidings, yard tracks and yard leads now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the parties hereto, a total distance of approximately 22.37 miles.

1.3 Such rights shall include the right to enter and exit the Subject Trackage at:

1.3.1 CSXT's connection with the CN at or near Milepost 31.07 (Munster) on CSXT's Elsdon Subdivision in Munster, IN.

1.3.2 CSXT's connection with the Union Pacific Railroad Company ("UP") at or near Milepost 25.2 (Thornton Junction) on CSXT's Elsdon Subdivision in Thornton, IL.

1.3.3 CSXT's connection with CN at or near Milepost 23.2 (CN Jct) on CSXT's Elsdon Subdivision in Harvey, IL.

1.3.4 CSXT's connection with CN at or near Milepost 22.6 (CJ) on CSXT's Elsdon Subdivision in Harvey, IL.

1.3.5 CSXT's connection with Indiana Harbor Belt Railroad Company ("IHB") at or near Milepost 19.3 (B.I. Jct.) on CSXT's Elsdon Subdivision in Blue Island, IL

1.3.6 CSXT's connection with The Belt Railway Company of Chicago ("BRC") at or near Milepost 11.8 (Hayford Junction) on CSXT's Elsdon Subdivision in Chicago, IL.

1.3.7 CSXT's connection to CN at or near Milepost 8.7 on CSXT's Elsdon Subdivision in Elsdon, IL.

1.3.8 CSXT's connection with BNSF at or near milepost 8.7 on CSXT's Elsdon Subdivision.

1.3.9 CSXT's connection with IHB at or near milepost 8.7 on CSXT's Elsdon Subdivision.

1.3.10 And any other existing or new location(s) that the parties may mutually agree upon.

1.4 Mileage Table:

Stations		Munster	Thornton Jct	Harvey	Blue Island	Hayford
	Mileposts	31.07	25.2	22.6	19.3	11.8
Thornton Jct	25.2	5.9				
Harvey	22.6	8.5	*2.6*			
Blue Island	19.3	*11.8*	*5.9*	*3.3*		
Hayford	11.8	*19.3*	*13.4*	*10.8*	*7.5*	
Elsdon	8.7	*22.4*	*16.5*	*13.9*	*10.6*	*3.1*

SECTION 2.0 USE OF SUBJECT TRACKAGE

2.1 User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement. Owner shall retain the exclusive right to grant to other persons rights of any nature in the Subject Trackage.

2.2 Except as may otherwise be provided by this Agreement, User shall not use any part of the Subject Trackage for the purpose of switching, storage or servicing of cars or equipment, or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

2.3 Owner shall have exclusive control of the management and operation of the Subject Trackage. User shall not have any claim against Owner for liability on account of loss or damage of any kind in the event the use of the Subject Trackage by User is interrupted or delayed at any time from any cause.

2.4 User shall have the right to operate in either direction over the Subject Trackage.

SECTION 4.0 COMPENSATION

4.1 The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be [REDACTED] per car mile (hereinafter referred to as the "Base Charge")

4.2 User will pay Owner a sum computed by multiplying: (i) the Base Charge, as may be revised in accordance with Section 4.5, by (ii) the number of loaded cars and each locomotive and caboose unit moved by User with its own crews and power over the SubjectTrackage, by (iii) miles of Subject Trackage used as defined in Section 1.4 (Mileage Table). For purposes of this Agreement, each locomotive unit, each caboose, and each platform of an articulated car shall be counted as one car.

4.3 With respect to articulated units, the number of cars shall be determined by the AAR Car Type Code as defined in the ULMER Specification Manual The second character in the Car Type Code field covering codes "Q" and "S" will be the factor in determining the car count for an articulated unit. For example, AAR Car Type Code (S566) would equate to a five (5) car count as these type cars have five wells capable of handling 40' to 53' containers in each well. (Car count data for articulated units are subject to change upon development of technology to separate units by car numbers.)

4.4 User will furnish to Owner, in care of Director Passenger & Joint Facility Agreements, or Owner's designate, at the end of each month, a statement of the number of loaded and empty cars operated over the Subject Trackage during the month. Based on this statement, Owner will render to User a bill, computed in accordance with the provisions of this Section 4, for User's use of the Subject Trackage.

4.5 The Base Charge shall be subject to change to reflect any increases or decreases in labor, material and other costs subsequent to the base year, as hereinafter provided.

(i) The Base Charge set forth in Section 4.1 of this Agreement shall be revised effective July 1st of each year, beginning July 1st, 2012 to compensate for the prior year increase or decrease in the cost of labor and material, excluding fuel, as reflected in Table A, Annual Indices of Charge-Out Prices and Wage Rates (1977=100), Series RCR, included in "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads (hereinafter referred to as "AAR"). In making such determination, the final "Material prices, wage rates and supplements combined (excluding fuel)" index for the East District shall be used.

The Base Charge shall be revised by calculating the percentage of increase or decrease for the year to be revised based on the final index of the most recently completed calendar year as related to the final index of the calendar year prior to the most recently completed calendar year; and applying this percentage of increase or decrease to the current Base Charge to be escalated.

(ii) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the calendar year (2008) prior to the most recently completed calendar year; "B" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the most recently completed calendar year (2009); and "C" to be the current Base Charge to be escalated; the revised Base Charge would be determined by the following formula:

B/A x C = Revised Base Charge, Rounded to Nearest Whole Cent (5 Mills or More Rounds to Next Cent)

(iii) In the event the base for the Annual Indexes of Charge-Out Prices and Wage Rates issued by the AAR shall be changed from the year 1977, appropriate revision shall be made. If the AAR or any successor organization discontinues publication of the Annual Indices of Charge-Out Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the parties hereto. In the absence of agreement, the parties shall submit the matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator so appointed by said Association shall be final and binding upon the parties hereto. Each party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, exhibits, and counsel. The compensation, costs, and expenses of the arbitrator shall be borne equally by such parties.

PROVIDED, HOWEVER, that under no circumstances shall the per car mile rate ever be less than the established Base Charge provided for in this Section 4.1.

SECTION 5.0 PAYMENT OF BILLS

5.1 All payments called for under this Agreement shall be made by User within thirty (30) days after receipt of bills therefore. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the parties hereto shall be adjusted in the accounts of a subsequent month.

5.2 The records of each party hereto, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other party for a period of two (2) years from the date of billing.

5.3 Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 4, shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by Owner for User.

SECTION 6.0 MAINTENANCE OF SUBJECT TRACKAGE

6.1 Owner shall maintain, repair, and renew the Subject Trackage at its own expense and with its own supervision and labor. Owner shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated, but Owner does not guarantee the condition of the Subject Trackage or that operations there over will not be interrupted. Owner shall take all reasonable steps to ensure that any interruptions will be kept to a minimum. Furthermore, except as may be otherwise provided in Section 12 hereof, User shall not by reason of failure or neglect on the part of Owner to maintain, repair, or renew the Subject Trackage, have or make any claim or demand against Owner or its parent corporation, subsidiaries or affiliates, or their respective directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by User resulting from any such failure or neglect.

6.2 Owner shall also perform, at the expense of User, such additional maintenance as User may reasonably require or request.

SECTION 7.0 CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

7.1 Existing connections or facilities which are jointly used by the parties hereto under existing agreements or practices shall continue to be maintained, repaired, and renewed by and at the expense of the party or parties responsible for such maintenance, repair, and renewal under such agreements or practices.

7.2 Any additional connections to the Subject Trackage which may be required shall be subject to the Owner's approval (including design), which shall not be unreasonably withheld or delayed, and shall be constructed, maintained, repaired, and renewed as follows:

(i) User or others shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost, liability and expense such portions of the tracks located on the right-of-way of User or others which connect the respective lines of the parties hereto; and

(ii) Owner shall furnish all labor and material and shall construct, maintain, repair, and renew at the sole cost, liability and expense of User such portions of the tracks located on the right-of-way of Owner which connect the respective lines of the parties hereto; and

(iii) Upon termination of this Agreement, Owner may at its option remove such portion of trackage and appurtenances located on property of Owner, at the sole cost and expense of User. The salvage material removed shall be released to User or, as otherwise agreed upon, Owner will credit User the current fair market value for said salvage.

SECTION 8.0 ADDITIONS, RETIREMENTS AND ALTERATIONS

8.1 Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Subject Trackage as shall, in its judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Subject Trackage and such retirements shall be excluded from the Subject Trackage.

8.2 If User requests Owner to make changes in or additions and betterments to the Subject Trackage, including without limitation changes in communication or signal facilities, for purposes required to accommodate User's operations beyond that required for Owner's operation, Owner shall have the option to either make such changes in or additions and betterments to the Subject Trackage and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing, and renewing such additional or altered facilities, or to deny such request.

SECTION 9.0 MANAGEMENT AND OPERATIONS

9.1 When operating over the Subject Trackage, User's locomotives and crews will be equipped to communicate with Owner on radio frequencies normally used by Owner in directing train movements on the Subject Trackage.

9.2 Procedures for qualification and occupancy of the Subject Trackage will be arranged by the local supervision of each carrier. All control and usage will be subject to the approval of Owner's representative or his designee.

9.3 Before its locomotives enter onto the Subject Trackage, User shall request permission from Owner's dispatcher or other designated representative at Owner's rail traffic control center or such other location as Owner may designate. Further, User shall ascertain that said Subject Trackage is clear and shall await confirmation from said representative that such permission has been issued to allow User's movements on or over the Subject Trackage. Upon completing its operations and clearing the Subject Trackage, User will notify Owner's designated representative that it has completed its operations and that its equipment has cleared the Subject Trackage. Once User has notified Owner's representatives that it has cleared the Subject Trackage, User shall not reenter the Subject Trackage without again obtaining permission from Owner's representative. User shall provide and maintain at its expense all communication facilities needed as may be required by Owner to permit User to use Owner's trackage.

9.4 User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

9.5 User, in its use of the Subject Trackage, will comply in all respects with the safety rules, operating rules and other regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized freight speeds as provided by Owner's operating rules and regulations without the prior consent of Owner. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all their directors, officers, agents and employees from and against all liabilities when attributable to the failure of User to comply with the provisions of this subsection.

9.6 All employees of User engaged in or connected with the operations of User on or along the Subject Trackage shall be required to pass periodic examinations on the rules of Owner related to the Subject Trackage, provided, with respect to such examinations that, upon request of User, Owner shall qualify one or more of User's supervisory officers on Owner's rules and such supervisory officer or officers so qualified shall examine all employees of User engaged in or connected with User's operations on or along the Subject Trackage. Pending qualification of train and engine crews of User, Owner shall furnish a pilot or pilots, at the expense of User, as deemed necessary by Owner, to assist in operating trains of User over the Subject Trackage. User shall pay to Owner, upon receipt of bills therefore, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner to be properly qualified for operation as herein contemplated.

9.7 Owner may request an investigation at its option if User's employee working on Owner's property is alleged to have violated Owner's rules, regulations, orders, practices or instructions, or if an incident occurs which requires an investigation under applicable agreement rules. User will schedule the investigation and notify Owner's Local Transportation Officer in the

territory. User's scheduling of the investigation must comply with the time limits provided in the applicable agreement on User's railroad. Owner will provide its regulations, supplements, and safety rules to User at no cost.

9.8 If Owner requests an investigation, Owner shall have the right to exclude User's employee from the Operating Trackage and interchange track(s) any employee of User, except officers, determined by Owner as the result of Owner's investigation or hearing described below, to be in violation of Owner's rules, regulations, orders, practices or instructions.

9.9 In a major offense including, but not limited to, violation of Rule G, dishonesty, insubordination, or a serious violation of operating rules or other offenses of comparable magnitude, wherein Owner desires to bar User's employee from service on Owner's territory pending an investigation by Owner, immediate verbal notification will be given to the appropriate Transportation Officer of User so that proper written notice can be issued to the employee.

9.10 If Owner requests an investigation, an Officer of User will conduct the investigation, but an officer of Owner may be present. After the investigation is concluded, a Transportation Officer of User will arrange to assess discipline, within the applicable time limits. If Owner recommends dismissal, User reserves the right to change the recommendation to the extent of barring the individual from operating over Owner's territory. User shall release, indemnify, defend and save harmless Owner and its officers, agents and employees from and against any and all claims and expenses resulting from such exclusion.

9.11 If the disciplinary action is appealed by the employee of User to the National Railroad Adjustment Board or other tribunal lawfully created to adjudicate such cases, and if the decision of such board or tribunal sustains the employee's position, such employee shall not be barred from service on the Operating Trackage or Interchange Track(s) by reason of such occurrence (unless an arbitration concerning such matter is held pursuant to this Agreement and this arbitration upholds Owner's continued exclusion of such employee).

9.12 It is understood that Owner shall reimburse User for all payments that User might be required to make as a result of a successful challenge being made by the employee or his representative as to the discipline recommended by Owner and assessed by User. User agrees to notify Owner before committing itself to making payment of any claim. In the event a claim is progressed to an Adjustment Board, Owner will be given an opportunity to review User's submission. Any payments made to employees, as a result of an investigation being "overturned", shall include not only actual wages, but in addition, shall include expenses which User may be required to pay covering vacation allowances, Railroad Retirement taxes, unemployment insurance taxes and any other payroll tax or fringe benefits.

9.13 The trains, locomotives, cars, and equipment of User, Owner, and any other present or future user of the Subject Trackage or any portion thereof shall be operated on a first come, first service basis without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic. Owner does not guarantee or otherwise promise to provide any particular transit or running times over the Subject Trackage. Further, Owner does not guarantee or otherwise promise that operations over the Subject Trackage will not be interrupted. However, Owner shall make best efforts to ensure that any interruptions will be kept to a minimum.

9.14 If by reason of any mechanical failure, insufficient hours of service remaining among User's crew, or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled or unable to proceed under its own power, or fails to maintain the speed required by Owner on the Subject Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Subject Trackage, Owner shall have the option to

furnish motive power or such other assistance (including but not limited to the right to recrew User's train) as may be necessary to haul, help, or push such trains, locomotives, or cars, or to properly move the disabled equipment off the Subject Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

9.15 If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, such work shall be done by Owner and User shall reimburse Owner for the cost thereof.

9.16 In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the parties hereto shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

SECTION 10.0 MILEAGE AND CAR HIRE

All mileage and car hire charges accruing on cars in User's account in User's trains on the Subject Trackage shall be assumed by User and reported and paid by it directly to the owner of such cars.

SECTION 11.0 CLEARING OF WRECKS

Whenever User's use of the Subject Trackage requires rerailing, wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost, liability and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Section 12 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck shall be promptly delivered to User.

SECTION 12.0 LIABILITY

12.1 The responsibility and liability between the parties for: (i) any personal injury or death of any person (including employees of the parties and third parties), (ii) any real or personal property damage of any person (including property of the parties and third persons), (iii) any damage or destruction to the environment (including land, air, water, wildlife and vegetation), and (iv) all cleanup and remedial expenses, court costs, litigation expenses and attorney's fees resulting from the use of the Subject Trackage by the parties to this Agreement or by third party users, all of which are collectively referred to as a "Loss", will be divided as follows:

(a) If a Loss results from the use of the Subject Trackage solely by the trains and locomotives of one of the parties to this Agreement, then that using party shall be solely responsible for the Loss, even if caused partially or completely by the other party.

(b) If a Loss results from the use of the Subject Trackage by the trains and locomotives of both CSXT and BOCT, then: (i) each of CSXT and BOCT is solely responsible for any Loss to its own employees, locomotives and equipment in its own account including

lading and (ii) CSXT and BOCT are equally responsible for any Loss to the Subject Trackage and Loss sustained by third parties, regardless of the proportional responsibility between or among them as to the cause of the Loss.

(c) If a Loss results from the use of the Subject Trackage by trains and locomotives of both BOCT and any other third party user of the Subject trackage not a party to this Agreement, then BOCT's responsibility for the Loss shall be apportioned in the manner specified in Subsection (b) with the other third party user being considered CSXT for the purpose of determining BOCT's share of that portion of the Loss which it must assume.

(d) Whenever any liability, cost, or expense is assumed by or apportioned to any party to this Agreement hereto under the foregoing provisions, that party shall forever protect, defend, indemnify, and save harmless the other party to this Agreement and its subsidiaries and affiliates, and all of its respective directors, officers, agents, and employees from and against that liability, cost, and expense assumed by that party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.

(e) In every case of death or injury suffered by an employee of any party to this Agreement, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

(f) For purposes of determining liability, pilots furnished by CSXT to BOCT pursuant to this Agreement shall be considered as the employees of BOCT while such employees are on board or getting on or off trains of BOCT.

(g) If any suit or action shall be brought against any party for damages which under the provisions of the Agreement are in whole or in part the responsibility of the other party, said other party shall be notified in writing by the party sued, and the party so notified shall have the right and be obligated to take part in the defense of such suit and shall pay a proportionate part of the judgment and cost, expense and attorneys' fees incurred in such suit according to its liability assumed hereunder.

(h) In the event of a Loss as set out herein, the parties to this Agreement shall be bound by the Freight Claim Rules, Principles, and Practices of the AAR as to the handling of any claims for the loss or damage to lading.

(i) Notwithstanding the provisions of Section 18.5 of this Agreement, for the purposes of this Section 12 the word "equipment" shall mean and be confined to (i) trains, locomotives, cars and cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Subject Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Subject Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.

(j) For the purpose of determining liability associated with construction, maintenance, repair and renewal of connections as provided in Section 7, all work performed by Owner shall be deemed performed for the sole benefit of User and, User shall be fully

liable for all cost and expense of any and all loss, damage, destruction, injury and death resulting from, arising out of, incidental to or occurring in connection with said construction, maintenance, repair and renewal except when such cost and expense of loss, damage, destruction, injury or death is caused by the sole negligence of Owner. User shall protect, indemnify, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against any and all expense and liability for which User is responsible.

SECTION 13.0 INVESTIGATION AND CLAIMS

13.1 Except as provided in Subsection 13.2 hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.

13.2 Each party will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11706 and 49 C.F.R. Part 1005 (or any revised or substitute regulations adopted to modify, supplement or supersede the regulations herein provided), or in accordance with any applicable transportation contract entered into pursuant to 49 U.S.C. Section 10709.

13.3 In the event a claim or suit is asserted against Owner or User which is the other's duty hereunder to investigate, adjust, or defend, then, unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.

13.4 All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time employees, including claim agents, attorneys, and other employees of either party engaged directly or indirectly in such work shall be borne by such party.

13.5 Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Part 1005 or similar regulation, neither party shall settle or compromise any claim, demand, suit, or cause of action for which the other party has any liability under this Agreement without the concurrence of such other party if the consideration for such settlement or compromise exceeds thirty-five thousand dollars ($35,000).

13.6 Each party agrees to indemnify and hold harmless the other party and its parent corporation, subsidiaries and affiliates, and all their respective directors, officers, agents and employees from and against any and all costs and payments, including benefits, allowances and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of its own employees, pursuant to a collective bargaining agreement. Except as provided in Section 16, it is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions which may be imposed, and of grievances filed by its own employee arising under its collective bargaining agreements with its employees.

13.7 It is understood that nothing in this Section 13 shall modify or waive the conditions, obligations, assumptions or apportionments, or supersede the provisions of Section 12 hereof.

SECTION 14.0 DEFAULT AND TERMINATION

14.1 In the event of any substantial failure on the part of User to perform its obligations under this Agreement and its continuance in such default for a period of sixty (60) days after written notice thereof by certified mail from Owner, Owner shall have the right at its option, after first giving thirty (30) days' written notice thereof by certified mail; and notwithstanding any waiver by Owner of any prior breach thereof, to terminate the Trackage Rights and User's use of the Subject Trackage.

SECTION 15.0 DISPUTE RESOLUTION

15.1 If at any time a question or controversy shall arise between the parties hereto in connection with this Agreement upon which the parties cannot agree, either party shall have the right to require a meeting of designated representatives with authority to settle the matter within 30 days of written notice of a desire to meet; if it cannot be resolved within 30 days of the meeting of the parties, then the aggrieved party may demand arbitration. Unless other procedures are agreed to by the parties, arbitration between the parties pursuant to this Section 15 shall be governed by the rules and procedures set forth in this Section 15. For all purposes, this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, regardless of its conflicts of law's principles.

15.2 If the parties to the dispute are able to agree upon a single competent and disinterested arbitrator within twenty (20) days after written notice by one party of its desire for arbitration to the other party, then the question or controversy shall be submitted to and settled by that single arbitrator. Otherwise, any party (the notifying party) may notify the other party (the noticed party) in writing of its request for arbitration and nominating one arbitrator. Within twenty (20) days after receipt of said notice, the noticed party shall appoint an arbitrator and notify the notifying party in writing of such appointment. Should the noticed party fail within twenty (20) days after receipt of such notice to name its arbitrator, said arbitrator may be appointed by the American Arbitration Association, which shall designate said appointment from the CPR Panel of Distinguished Neutrals, or other similar body of competent neutral arbitrators which may be agreed upon between the parties, upon application by either party after ten (10) days' written notice to the other party. The two arbitrators so chosen shall select one additional arbitrator to complete the board. If the arbitrators so chosen fail to agree upon an additional arbitrator, the same shall, upon application of a party, be appointed in the same manner hereto before stated.

15.3 Upon selection of the arbitrator(s), said arbitrator(s) shall, with reasonable diligence, determine the questions as disclosed in said notice of arbitration, shall give both parties reasonable notice of the time and place (of which the arbitrator(s) shall be the judge) of hearing evidence and argument, may take such evidence as the arbitrator(s) shall deem reasonable or as either party may submit with witnesses required to be sworn, and hear arguments of counsel or others. If an arbitrator declines or fails to act, the party (or parties in the case of a single arbitrator) by whom the arbitrator was chosen or the American Arbitration Association, as the case may be, shall appoint another to act in the arbitrator's place.

15.4 After considering all evidence, testimony and arguments, said single arbitrator or the majority of said board of arbitrators shall promptly state such decision or award and the reasoning for such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. The award rendered by the arbitrator(s) may be entered as a judgment in any court in the United States of America having jurisdiction thereof and enforced as between the parties without further evidentiary proceeding, the same as entered by the court at the conclusion of a judicial proceeding in which no appeal was taken. Until the arbitrator(s) shall issue the first decision or award upon any question submitted for arbitration, performance under this Agreement shall continue in the manner and form existing prior to the rise

of such question. After delivery of said first decision or award, each party shall forthwith comply with said first decision or award immediately after receiving it.

15.5 Each party to the arbitration shall pay all compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all parties to the arbitration.

15.6 The parties may obtain discovery and offer evidence in accordance with the Federal Rules of Civil Procedure Rules 26 - 37, and Federal Rules of Evidence, as each may be amended from time to time.

SECTION 16.0 REGULATORY APPROVAL

16.1 Should implementation of this Agreement require the prior approval and authorization of the Surface Transportation Board ("STB"), User, at its own cost and expense, will initiate and thereafter diligently prosecute an action to obtain such approval and authorization or an exemption therefrom. Owner will assist and support efforts of User to obtain any such required approval and authorization or exemption.

16.2 Each party shall assume and hold the other party harmless from all employee claims predicated on loss of, or adverse impact on, compensation, benefits or working conditions arising from this Agreement or the activities of the parties hereunder, unless such claims are based on conditions imposed by the STB or predicated on the Railway Labor Act or labor agreements.

16.3 Should the STB at any time during the term of this Agreement impose any labor protective conditions upon the arrangement; User, solely, shall be responsible for any and all payments in satisfaction of such conditions.

SECTION 17.0 ABANDONMENT OF SUBJECT TRACKAGE

17.1 Notwithstanding the provisions of Section 21 of this Agreement, Owner may abandon the Subject Trackage during the term of this Agreement, or any renewals hereof, upon giving User not less than ninety (90) days' written notice of Owner's intent to abandon. In the event regulatory authority is required to effect such abandonment, User will not interfere with Owner's actions to seek and to exercise such authority. In the event regulatory authority is required for User to discontinue its own operations over the Subject Trackage, User will seek and diligently pursue such regulatory authority at the same time that Owner seeks regulatory authority to abandon the Subject Trackage, or as soon thereafter as User may do so in accordance with applicable statutes and regulations User shall exercise its authority to discontinue its operations pursuant to this Agreement upon the date established by Owner for abandonment of the Subject Trackage by its aforesaid notice to User, or upon the earliest authorized date of exercise of the regulatory authority to discontinue operations, whichever is later. If regulatory authority for discontinuance of User's operations is not required, User shall discontinue its operations hereunder on the date that Owner is authorized to abandon the Subject Trackage. Upon discontinuance of User's operations, this Agreement shall terminate and be of no further force and effect, except that termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred prior to said termination. As used herein, Subject Trackage means the entire Subject Trackage or any portion or portions thereof.

SECTION 18.0 GENERAL PROVISIONS

18.1 This Agreement and each and every provision hereof are for the exclusive benefit of the parties hereto and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the parties hereto.

18.2 All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

18.3 This Agreement and the attachments annexed hereto and integrated herewith contain the entire agreement of the parties hereto and supersede any and all oral understandings between the parties.

18.4 No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both parties to this Agreement.

18.5 As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of, one of the parties hereto such expression means the trains, locomotives, cars, or equipment in the possession of or operated by one of the parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such party. Whenever such locomotives, cars or equipment are owned or leased by one party to this Agreement and are in the possession or account of the other party to this Agreement, such locomotives, cars, and equipment shall be considered those of the other party under this Agreement.

18.6 All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.

18.7 This Agreement is the result of mutual negotiations of the parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

18.8 Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be necessary or appropriate for a party hereto to enforce its rights under this Agreement, during the initial and any renewal term of this Agreement, all commercial information to which access is provided or obtained hereunder will be kept confidential and will not be disclosed by either CSXT or BOCT to any party other than CSXT's and BOCT's affiliates and the respective officers, employees, and attorneys of those affiliates, without the prior written approval of the other party.

SECTION 19.0 SUCCESSORS AND ASSIGNS

19.1 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. No party hereto shall transfer or assign this Agreement, or any of its rights, interests, or obligations hereunder, by merger or otherwise, to any person, firm, or corporation without obtaining the prior written consent of the other party to this Agreement provided, however, such consent shall not be unreasonably withheld.

SECTION 20.0 NOTICE

20.1 Any notice required or permitted to be given by one party to the other under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the parties may mutually agree, and shall be addressed as follows:

If to Owner:

Director Passenger & Joint Facility Agreements
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

If to User:

Director Joint Facility Agreements
Baltimore and Ohio Railroad Terminal Railroad Company
1700 167th Street
Calumet City, IL 60409

20.2 Either party may provide changes in the above addresses to the other party by personal service or certified mail.

SECTION 21.0 **COMMENCEMENT, TERM AND TERMINATION**

21.1 This Agreement shall take effect immediately upon the later of (i) the date first written above, or (ii) the effective date of any required regulatory approvals. The date that User commences operations over the Subject Trackage shall be referred to herein as the "Commencement Date", and shall be evidenced by an exchange of correspondence between the appropriate officers of the parties hereto.

21.2 This Agreement shall continue in full force and effect for a period of twenty (20) year(s) from the Commencement Date, and shall continue in full force and effect, subject to renewal by either party, for an unlimited number of additional ten (10) year terms, provided, however, BOCT has the right to terminate this Agreement upon giving CSXT a thirty (30) day advance written Notice.

21.3 Termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred by either party under the terms of this Agreement prior to the termination hereof.

21.4 Upon termination or non-renewal of this Agreement for any reason, User shall within sixty (60) days initiate and thereafter diligently prosecute any action to obtain approval from the STB or other regulatory body having jurisdiction authorizing abandonment or discontinuance of the Trackage Rights herein granted. If User fails to file within (60) days, User hereby expressly authorizes Owner to file with the STB, or other regulatory body having jurisdiction, on behalf of User to abandon or discontinue the Trackage Rights granted hereunder, and User further agrees to reimburse Owner for all costs incurred.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate as of the day and year first hereinabove written.

WITNESS

CSX TRANSPORTATION, INC.

By: Virginia M Beck

Virginia Beck
Director Joint Facility and Passenger Agreements

Date: 9/26/2011

WITNESS

THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY

By: Cindy M. Sanborn

Cindy M. Sanborn
President

Date: 9/22/2011

EXHIBIT C-FEDERAL REGISTER NOTICE

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35522 (Sub-No. 1)

BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY
—TRACKAGE RIGHTS EXEMPTION—CSX TRANSPORTATION, INC.

CSX Transportation, Inc. ("CSXT") has agreed to grant overhead and local trackage rights to the Baltimore and Ohio Chicago Terminal Railroad Company ("B&OCT") between Munster, IN, milepost 31.07, and Elsdon, IL, milepost 8.7, a distance of approximately 22.37 miles (the "Elsdon Subdivision").

The rights being granted by CSXT include the right of B&OCT to enter and exit CSXT's Elsdon Subdivision at: (1) CSXT's connection with Grand Trunk Western Railroad Company ("GTW") at or near Milepost 31.07 in Munster, IN; (2) CSXT's connection with the Union Pacific Railroad Company at or near milepost 25.2 (Thornton Jct.) in Thornton, IL; (3) CSXT's connection with Illinois Central Railroad Company ("IC") at or near milepost 23.2 (CN Junction) in Harvey, IL; (4) CSXT's connection with IC at or near milepost 22.6 in Harvey, IL; (5) CSXT's connection with Indiana Harbor Belt Railroad Company ("IHB") at or near milepost 19.3 (Blue Island Jct.) in Blue Island, IL; (6) CSXT's connection with the Belt Railway Company of Chicago at or near milepost 11.8 (Hayford Junction) in Chicago, IL; (7) CSXT's connection to GTW at or near milepost 8.7 in Elsdon, IL; (8) CSXT's connection with BNSF Railway Company at or near milepost 8.7; (9) CSXT's connection with the IHB at or near milepost 8.7; and (10) any other existing or new location(s) that the parties may mutually agree upon.

This transaction is directly related to the acquisition of an exclusive, perpetual non-assignable railroad operating easement by CSXT over the Elsdon Subdivision, concurrently filed in STB Finance Docket No. 35522, *CSX Transportation, Inc. –Acquisition-Grand Trunk Western Railroad Company*. Consummation of this transaction will occur upon closing of the acquisition by CSXT from GTW.

As a condition to this exemption, any employee affected by the acquisition of the trackage rights will be protected by the conditions imposed in *Norfolk and Western Railway Ry. Co.– Trackage Rights–BN*, 354 I.C.C. 605 (1978), as modified by *Mendocino Coast Ry., Inc. –Lease and Operate*, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If it contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35522 (Sub-No. 1) must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Steven C. Armbrust, CSX Transportation, Inc., 500 Water Street J-150, Jacksonville, FL 32202, and Louis E. Gitomer, Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, Lou@lgraillaw.com.

Dated:

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

VERIFICATION

State of Florida)
)ss
Duval County)

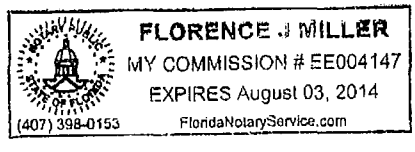
I, John Widowfield, being duly sworn, depose and state that I am Director of Joint Facilities of Baltimore and Ohio Chicago Terminal Railroad Company, that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption, and know the facts asserted therein are true and accurate to the best of my knowledge, information and belief.

John Widowfield

Subscribed and sworn to before me this 7th day of August 2012.

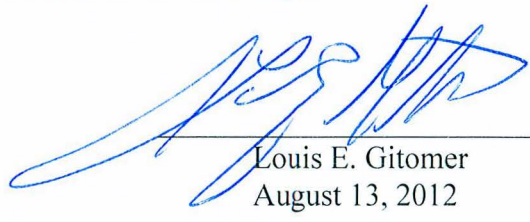
Notary Public

My Commission expires: Aug. 3, 2014



CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 35522 (Sub-No. 1), *Baltimore and Ohio Chicago Terminal Railroad Company —Trackage Rights Exemption— CSX Transportation, Inc.*, to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and the Governor, Public Service Commission, and Department of Transportation of the States of Illinois and Indiana.



Louis E. Gitomer
August 13, 2012

EXHIBIT B

Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railroad Company, Illinois Central Railroad Company, and Wisconsin Central Ltd. —Trackage Rights Exemption— CSX Transportation, Inc.

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. FD 35522 (Sub-No. 2)

CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY, ELGIN, JOLIET AND EASTERN RAILWAY COMPANY, ILLINOIS CENTRAL RAILROAD COMPANY, AND WISCONSIN CENTRAL LTD.
– TRACKAGE RIGHTS EXEMPTION –
CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION

Theodore K. Kalick
CN
Suite 500 North Building
601 Pennsylvania Avenue, N.W.
Washington, DC 20004
(202) 347-7840

David A. Hirsh
James M. Guinivan
HARKINS CUNNINGHAM LLP
1700 K Street, N.W., Suite 400
Washington, DC 20006-3804
(202) 973-7600

Thomas J. Healey
Michael A. Matteucci
CN
17641 South Ashland Avenue
Homewood, IL 60430-1339
(708) 332-4381

Counsel for Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railway Company, Illinois Central Railroad Company, and Wisconsin Central Ltd.

August 13, 2012

BEFORE THE
SURFACE TRANSPORTATION BOARD

Docket No. FD 35522 (Sub-No. 2)

CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY, ELGIN, JOLIET AND EASTERN RAILWAY COMPANY, ILLINOIS CENTRAL RAILROAD COMPANY, AND WISCONSIN CENTRAL LTD.
– TRACKAGE RIGHTS EXEMPTION –
CSX TRANSPORTATION, INC.

VERIFIED NOTICE OF EXEMPTION

Correspondence with respect to this notice may be addressed to the following counsel for Chicago, Central & Pacific Railroad Company ("CCP"), Elgin, Joliet and Eastern Railway Company ("EJ&E"), Illinois Central Railroad Company ("IC"), and Wisconsin Central Ltd. ("WC"):[1]

David A. Hirsh
HARKINS CUNNINGHAM LLP
1700 K Street, N.W., Suite 400
Washington, DC 20006-3804
(202) 973-7600

In accordance with 49 C.F.R. §§ 1180.2(d)(7) and 1180.4(g), Petitioners hereby file this verified notice of exemption relating to trackage rights to be granted to CCP, EJ&E, IC, and WC by CSX Transportation, Inc. ("CSXT") over approximately 22.37 miles of CSXT's Elsdon Subdivision.

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[1] CCP, EJ&E, IC, and WC are indirect wholly-owned subsidiaries of Canadian National Railroad Company ("CNR") and are referred to collectively as "Petitioners." CNR and its railroad subsidiaries are referred to collectively as "CN."

As required by 49 C.F.R. § 1180.4(g), the following information is provided:

SUMMARY OF TRANSACTION
[49 C.F.R. § 1180.6(a)(1)(i)]

In a separate transaction, Grand Trunk Western Railroad Company ("GTW")[2] is granting CSXT an exclusive, permanent, non-assignable (except under certain limited circumstances) railroad operating easement (the "Elsdon Easement") over approximately 22.37 miles of GTW's Elsdon Subdivision between the connection of CSXT's line with GTW's line at or near milepost 31.07, located in Munster, Indiana, and the connection of GTW's line with the southern end of BNSF Railway Company's ("BNSF") Corwith Yard at or near milepost 8.7 in Elsdon, Illinois (the "Subject Trackage"), while retaining trackage rights over the Subject Trackage.[3]

In the transaction that is the subject of this notice, CSXT is granting overhead and local trackage rights over the Subject Trackage to Petitioners immediately upon acquiring the Elsdon Easement. The rights being granted by CSXT to Petitioners include the right to use all sidings, yard tracks, and yard leads now existent or hereafter constructed along the Subject Trackage, as well as right-of-way for those tracks and for signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to their use. The rights also include the rights to enter and exit the Subject Trackage at

(1) CSXT's connection with GTW at or near milepost 31.07 (Munster) on CSXT's Elsdon Subdivision in Munster, IN;

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[2] GTW is, like Petitioners, an indirect, wholly-owned subsidiary of CNR.

[3] The acquisition of CSXT's easement over the Subject Trackage is the subject of CSXT's application in *CSX Transportation, Inc. – Acquisition – Grand Trunk Western Railroad*, Docket No. FD 35522 (filed simultaneously herewith).

(2) CSXT's connection with Union Pacific Railroad Company at or near milepost 25.2 (Thornton Junction) on CSXT's Elsdon Subdivision in Thornton, IL;

(3) CSXT's connection with IC at or near milepost 23.2 (CN Junction) on CSXT's Elsdon Subdivision in Harvey, IL;

(4) CSXT's connection with IC at or near milepost 22.6 (CJ) on CSXT's Elsdon Subdivision in Harvey, IL;

(5) CSXT's connection with Indiana Harbor Belt Railroad Company ("IHB") at or near milepost 19.3 (B.I. Junction) on CSXT's Elsdon Subdivision in Blue Island, IL;

(6) CSXT's connection with The Belt Railway Company of Chicago at or near milepost 11.8 (Hayford Junction) on CSXT's Elsdon Subdivision in Chicago, IL;

(7) CSXT's connection to GTW at or near milepost 8.7 on CSXT's Elsdon Subdivision in Elsdon, IL;

(8) CSXT's connection with BNSF at or near milepost 8.7 on CSXT's Elsdon Subdivision;

(9) CSXT's connection with IHB at or near milepost 8.7 on CSXT's Elsdon Subdivision; and

(10) Any other existing or new location(s) that the parties may mutually agree upon.

The business address of each of the Petitioners is:

CN
17641 South Ashland Avenue
Homewood, IL 60430
(708) 332-3500

Questions regarding the transaction may be addressed to the counsel listed at the beginning of this notice.

PROPOSED TIME SCHEDULE
[49 C.F.R. § 1180.6(a)(1)(ii)]

The parties contemplate that the trackage rights subject to this notice will be granted by a Trackage Rights Agreement between CSXT and Petitioners (the

"Agreement"), a draft of which (from which commercially sensitive information has been redacted) is attached hereto as Exhibit 2. The parties intend to execute the Agreement after Board approval of CSXT's acquisition of the easement over the Subject Trackage pursuant to the application in Docket No. FD 35522. Under the draft Agreement, the trackage rights grant will be consummated on the later of (1) CSXT's acquisition of the Elsdon Easement, or (2) the effective date of any regulatory approvals required for the trackage rights.

PURPOSE OF THE TRANSACTION
[49 C.F.R. § 1180.6(a)(1)(iii)]

The purpose of the trackage rights that are the subject of this notice is to provide operational flexibility to CN, permitting it to use the trains and crews of any of its five railroad subsidiaries operating in the Chicago area to handle freight over the Subject Trackage following CSXT's acquisition of the Elsdon Easement. No additional rail traffic is anticipated as a result of the trackage rights.

LIST OF STATES
[49 C.F.R. § 1180.6(a)(5)]

The following are the states in which any part of the property of each applicant carrier is situated:

CCP: Illinois, Iowa, Nebraska

EJ&E: Illinois, Indiana

IC: Alabama, Illinois, Kentucky, Louisiana, Mississippi, Tennessee

WC: Illinois, Michigan, Minnesota, Wisconsin

MAP
[49 C.F.R. § 1180.6(a)(6)]

Attached as Exhibit 1 hereto is a railroad map of the area of the Subject Trackage, which shows the Subject Trackage, as well as lines of Petitioners and CSXT.

AGREEMENT
[49 C.F.R. § 1180.6(a)(7)(ii)]

The trackage rights subject to this notice are expected to be granted by the Agreement between CSXT and Petitioners, a redacted draft of which is attached hereto as Exhibit 2. The unredacted version of this agreement is being filed under seal, subject to a request for a protective order, together with CSXT's application for approval of its acquisition of the Elsdon Easement, which is being filed simultaneously herewith in *CSX Transportation, Inc. – Acquisition – Grand Trunk Western R.R.*, Docket No. FD 35522. The parties intend to execute the Agreement following Board approval of the acquisition of that easement.

LEVEL OF LABOR PROTECTION
[49 C.F.R. § 1180.4(g)(1)(i)]

Petitioners anticipate that any employees adversely affected by the subject transaction will be provided labor protection as set forth in *Norfolk & Western Ry. – Trackage Rights – Burlington Northern Inc.*, 354 I.C.C. 605 (1978), as modified by *Mendocino Coast Ry. – Lease & Operate – California Western R.R.*, 360 I.C.C. 653 (1980).

CAPTION SUMMARY
[49 C.F.R. § 1180.4(g)(2)(i)]

In accordance with the Board's rules, a proposed caption summary is submitted as Exhibit 3 hereto.

ENVIRONMENTAL AND HISTORIC REPORTING REQUIREMENTS
[49 C.F.R. §§ 1105.7. 1105.8]

The proposed transaction is exempt from environmental review under 49 C.F.R. § 1105.6(c), which provides that environmental documentation is not required for trackage rights transactions (§ 1105.6(c)(4)) or for transactions that will not cause the operational thresholds set forth at 49 C.F.R. § 1105.7(e)(4) or (5) to be exceeded (§ 1105.6(c)(2)).

In addition, this transaction is exempt from historic review under 49 C.F.R. § 1105.8(b)(3), as it will not substantially change the level of maintenance of railroad property.[4]

Respectfully submitted,

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Counsel for Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railway Company, Illinois Central Railroad Company, and Wisconsin Central Ltd.

August 13, 2012

[4] Environmental and historic issues related to the Elsdon Easement are being addressed in CSXT's application in Docket No. FD 35522.

VERIFICATION

I, Paul E. Ladue, declare under penalty of perjury that I have read the foregoing Notice of Exemption, that I know the facts asserted therein, and that the same are true as stated. Further, I certify that I am qualified to and authorized to provide this verification on behalf of Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railway Company, Illinois Central Railroad Company, and Wisconsin Central Ltd.

Executed on August 8, 2012

Paul E. Ladue

EXHIBIT 1

MAP

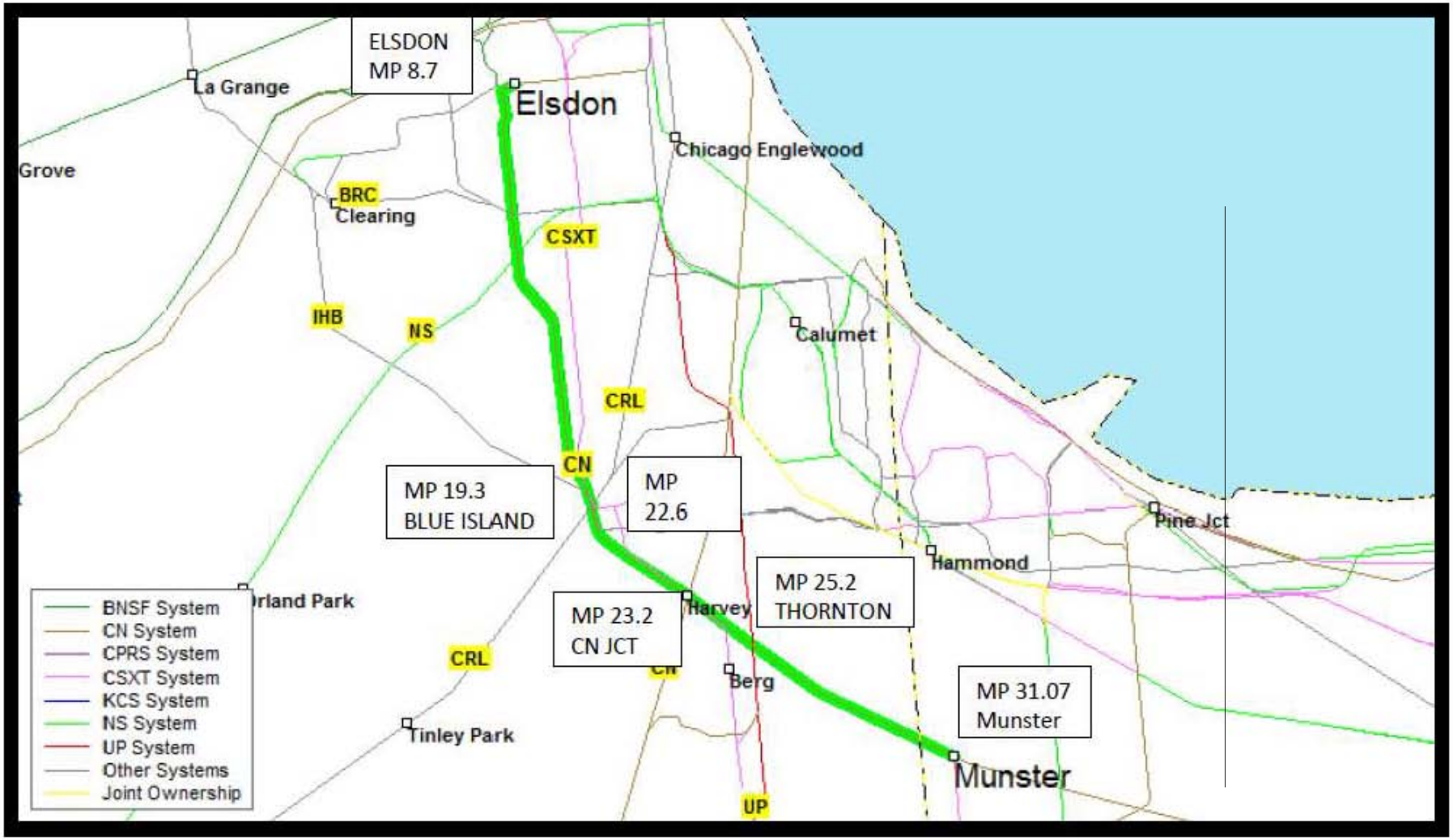

ELSDON
MP 8.7
La Grange
Elsdon
Chicago Englewood
Grove
BRC
Clearing
CSXT
IHB
NS
Calumet
CRL
CN
MP 19.3
BLUE ISLAND
MP
22.6
Pine Jct
Hammond
MP 25.2
THORNTON
Harvey
MP 23.2
CN JCT
CRL
Berg
MP 31.07
Munster
Tinley Park
Munster
UP
BNSF System
CN System
CPRS System
CSXT System
KCS System
NS System
UP System
Other Systems
Joint Ownership

EXHIBIT 2

AGREEMENT

EXHIBIT F

TRACKAGE RIGHTS AGREEMENT

THIS AGREEMENT, entered into as of this ____ day of _____, by and between the **CSX TRANSPORTATION, INC**, (hereinafter referred to as "**CSXT**" or "**OWNER**") and the **WISCONSIN CENTRAL LTD, ILLINOIS CENTRAL RAILROAD COMPANY, ELGIN, JOLIET AND EASTERN RAILROAD COMPANY and CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY,** (hereinafter collectively, and each of them individually, referred to as "**CN" or "USER")**. CSXT and CN are sometimes referred to individually herein as a "Party" and collectively as the "Parties."

WHEREAS, CSXT and Grand Trunk Western Railroad Company, a wholly owned subsidiary of Canadian National Railway Company ("GTW") have entered into the Elsdon Easement Agreement dated as of _____ __, ____, whereby GTW has granted CSXT an exclusive and perpetual railroad operating easement over approximately twenty-two and twenty-two hundredths (22.37) miles of GTW's Elsdon Subdivision extending from Milepost 31.07, located at or near the CSXT connection at Munster, IN to milepost 8.7, located at or near Elsdon, IL, which connects to the southern end of the BNSF Railway Company's ("BNSF") Corwith Yard and GTW's track to Railport (the "Elsdon Easement"); and

WHEREAS, CSXT agrees to grant limited overhead and local trackage rights for the movement of certain freight traffic over the Elsdon Easement, subject to the terms and conditions set forth herein.

NOW THEREFORE, the Parties, intending to be legally bound, agree as follows:

SECTION 1.0 GRANT OF TRACKAGE RIGHTS

1.1 Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate, in overhead and local trackage rights for the movement of certain CN freight service only, its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segment of Owner's railroad as shown on the plan attached hereto, made a part hereof and marked Exhibit "A" (hereinafter referred to as the "Subject Trackage"):

- Between CN's connection with CSXT at or near Milepost 31.07 in Munster, IN and CSXT's connection to the BNSF and GTW at or near Milepost 8.7 at Elsdon, IL on CSXT's Elsdon Subdivision, including (1) all sidings, yard tracks and yard leads now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the Parties, a total distance of approximately 22.37 miles.

1.2 Reserved

1.3 Such rights shall include the right to enter and exit the Subject Trackage at:

1.3.1 CSXT's connection with the GTW at or near Milepost 31.07 (Munster) on CSXT's Elsdon Subdivision in Munster, IN.

1.3.2 CSXT's connection with the Union Pacific Railroad Company ("UP") at or near Milepost 25.2 (Thornton Junction) on CSXT's Elsdon Subdivision in Thornton, IL.

1.3.3 CSXT's connection with CN at or near Milepost 23.2 (CN Jct) on CSXT's Elsdon Subdivision in Harvey, IL.

1.3.4 CSXT's connection with CN at or near Milepost 22.6 (CJ) on CSXT's Elsdon Subdivision in Harvey, IL.

1.3.5 CSXT's connection with Indiana Harbor Belt Railroad Company ("IHB") at or near Milepost 19.3 (B.I. Jct.) on CSXT's Elsdon Subdivision in Blue Island, IL

1.3.6 CSXT's connection with The Belt Railway Company of Chicago ("BRC") at or near Milepost 11.8 (Hayford Junction) on CSXT's Elsdon Subdivision in Chicago, IL.

1.3.7 CSXT's connection to GTW at or near Milepost 8.7 on CSXT's Elsdon Subdivision in Elsdon, IL.

1.3.8 CSXT's connection with BNSF at or near milepost 8.7 on CSXT's Elsdon Subdivision.

1.3.9 CSXT's connection with IHB at or near milepost 8.7 on CSXT's Elsdon Subdivision.

1.3.10 And any other existing or new location(s) that the Parties may mutually agree upon.

1.4 Mileage Table:

Stations		Munster	Thornton Jct	Harvey	Blue Island	Hayford
	Mileposts	31.07	25.2	22.6	19.3	11.8
Thornton Jct	25.2	5.9		*2.6*	*5.9*	*13.4*
Harvey	22.6	8.5	*2.6*		*3.3*	*10.8*
Blue Island	19.3	*11.8*	*5.9*	*3.3*		*7.5*
Hayford	11.8	*19.3*	*13.4*	*10.8*	*7.5*	
Elsdon	8.7	*22.4*	*16.5*	*13.9*	*10.6*	*3.1*

SECTION 2.0 USE OF SUBJECT TRACKAGE

2.1 User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement.

2.2 Except as may otherwise be provided by this Agreement, User shall not use any part of the Subject Trackage for the purpose of switching, storage or servicing of cars or equipment, or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

2.3 Owner shall have exclusive control of the management and operation of the Subject Trackage. User shall not have any claim against Owner for liability on account of loss or damage of any kind in the event the use of the Subject Trackage by User is interrupted or delayed at any time from any cause.

2.4 User shall have the right to operate in either direction over the Subject Trackage.

2.5 Owner and User shall work together to establish a schedule for the handling of User's trains.

2.6 User shall be responsible for contacting User's dispatcher and/or the UP, IHB and BRC dispatcher prior to entering the Subject Trackage to insure that User will not be delayed from departing the Subject Trackage at the authorized exit location. User shall ensure that its trains i) have a clear route (or available offline staging capacity) beyond the Subject Trackage; ii) are not staged, held, stored, or parked on the Subject Trackage (except at the direction of Owner), or otherwise unreasonably interfere with the joint use of the Subject Trackage; iii) are staffed with qualified crews that have sufficient hours of service remaining to clear the Subject Trackage; and iv) restore all connection switches on the Subject Trackage for mainline movement on and by Owner (collectively "Clearance Obligations").

2.7 User shall provide Owner with train information via AAR EDI 161 standard format and will include train symbol, estimated time of arrival, train length, tonnage, load/empty count, locomotives, end of train device.

2.8 The rights provided to User under the terms of this Agreement are for the sole purpose of User transporting its own traffic over the Subject Trackage. Nothing herein expressed or implied is intended to or shall be construed to confer upon or to give any person, firm, partnership, corporation or governmental entity other than the User any right or benefit under or by reason of this Agreement. User shall not move traffic for or on behalf of any other party or foreign railroad or under the guise of doing business as User. In the event that User attempts to move traffic for or on behalf of another party or foreign railroad, Owner may refuse to authorize and dispatch User's train.

SECTION 3.0 RESTRICTION ON USE

3.1 The Trackage Rights herein granted are granted for the sole purpose of User using same for overhead and local traffic only between the terminals (including those entry and exit locations defined in Section 1.0) of Subject Trackage and User shall not perform any local freight service whatsoever, except as allowed in Section 3.4 at any point located on Subject Trackage.

3.2 The total number of CN trains (including trains operating pursuant to any future trackage rights that Owner grants (by separate agreement) to entities owned by User or owned or affiliated with CN's parent company) operating over the Subject Trackage shall not be limited except that the total number of CN/UP interchange trains using the Subject Trackage between Blue Island (at or near milepost 19.3) and Munster (Milepost 31.07) shall be limited to two (2) train pairs (two (2) trains in each direction) per day (the "CN/UP Interchange Limit"). The CN/UP Interchange Limit shall apply regardless of whether the interchange occurs with CN or with another railroad that is an affiliate of CN, is commonly controlled with CN, controls CN, or is subject to the control of CN, to whom Owner may grant Trackage Rights over the Subject Trackage.

3.3 Subject to the specific provisions of Section 4 of this Agreement with respect to CN/UP interchange trains, CN/UP interchange trains operated by CN will be considered those of the CN for purposes of this trackage rights agreement.

3.4 CN shall be allowed to provide local switching service on the Subject Trackage including but not limited to CN Worldwide Distribution Services (USA) Inc., CN's wholly owned subsidiary customer located on the Subject Trackage in the vicinity of Elsdon.

SECTION 4.0 COMPENSATION

4.1 The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be [REDACTED] per car mile (hereinafter referred to as the "Base Charge")

4.2 Thereafter and except as provided for in Section 4.3, User will pay Owner a sum computed by multiplying: (i) the Base Charge, as may be revised in accordance with Section 4.8, by (ii) the number of cars, locomotive and caboose units moved by User with its own crews and power over the Subject Trackage, by (iii) the miles identified in Section 1.4 for the applicable move. For purposes of this Agreement, each locomotive unit, each caboose, and each platform of an articulated car shall be counted as one car.

4.3 User shall not be obligated to compensate Owner for movements over the Subject Trackage for the sole purpose of interchanging freight between the Parties.

4.4 CSXT shall charge CN for CN/UP interchange trains operated by CN between Thornton Junction (Milepost 25.2) and Blue Island (Milepost 19.3), approximately 5.9 miles, pursuant to the trackage rights referenced in Section 3.

4.5 There shall be no trackage rights charges or fees for movements over the Subject Trackage for CN/UP interchange trains operated by CN between Thornton Junction (Milepost 25.2) and Munster (Milepost 31.07), approximately 5.9 miles, pursuant to the trackage rights referenced in Section 3.

4.6 With respect to articulate units, the number of cars shall be determined by the AAR Car Type Code as defined in the ULMER Specification Manual The second character in the Car Type Code field covering codes "Q" and "S" will be the factor in determining the car count for an articulated unit. For example, AAR Car Type Code (S566) would equate to a five (5) car count as these type cars have five wells capable of handling 40' to 53' containers in each well. (Car count data for articulated units are subject to change upon development of technology to separate units by car numbers.)

4.7 User will furnish to Owner, in care of Director, Network Planning, or their designates, at the end of each month, a statement of the number of loaded and empty cars operated over the Subject Trackage during the month. Based on this statement, Owner will render to User a bill, computed in accordance with the provisions of this Section 4, for User's use of the Subject Trackage.

4.8 The Base Charge shall be subject to change to reflect any increases or decreases in labor, material and other costs subsequent to the base year, as hereinafter provided.

(i) The Base Charge set forth in Section 4.1 of this Agreement shall be revised effective July 1st of each year, beginning retroactively to July 1st, 2010 to compensate for the prior year increase or decrease in the cost of labor and material, excluding fuel, as reflected in Table A, Annual Indices of Charge-Out Prices and Wage Rates (1977=100), Series RCR, included in "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads (hereinafter referred to as "AAR"). In making such determination, the final "Material prices, wage rates and supplements combined (excluding fuel)" index for the East District shall be used.

The Base Charge shall be revised by calculating the percentage of increase or decrease for the year to be revised based on the final index of the most recently completed calendar year as related to the final index of the calendar year prior to the most recently completed calendar year; and applying this percentage of increase or decrease to the current Base Charge to be escalated.

(ii) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the calendar year (2008) prior to the most recently completed calendar year; "B" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the most recently completed calendar year (2009); and "C" to be the current Base Charge to be escalated; the revised Base Charge would be determined by the following formula:

B/A x C = Revised Base Charge, Rounded to Nearest Whole Cent (5 Mills or More Rounds to Next Cent)

(iii) In the event the base for the Annual Indexes of Charge-Out Prices and Wage Rates issued by the AAR shall be changed from the year 1977, appropriate revision shall be made. If the AAR or any successor organization discontinues publication of the Annual Indices of Charge-Out Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the Parties. In the absence of agreement, the matter will be referred to the Surface Transportation Board ("STB") for determination. In the event said Board is without jurisdiction to make such a determination, the Parties shall submit the matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator so appointed by said Association shall be final and binding upon the Parties. Each party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, exhibits, and counsel. The compensation, costs, and expenses of the arbitrator shall be borne equally by such parties.

PROVIDED, HOWEVER, that under no circumstances, while CN is operating over the Subject Trackage pursuant to this Agreement, shall the per car mile rate ever be less than the established Base Charge provided for in this Section 4.1.

User shall not be responsible to Owner for any compensation, charges, or fees for its use of the Subject Trackage pursuant to this Agreement (including CN/UP interchange trains, which shall be considered CN use for this purpose), except as may be specifically provided for in this Agreement.

SECTION 5.0 PAYMENT OF BILLS

5.1 All payments called for under this Agreement shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the Parties shall be adjusted in the accounts of a subsequent month.

5.2 The records of each Party, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other Party for a period of two (2) years from the date of billing.

5.3 Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 4, shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by Owner for User.

SECTION 6.0 MAINTENANCE OF SUBJECT TRACKAGE

6.1 Owner shall maintain, repair, and renew the Subject Trackage at its own expense and with its own supervision and labor. User accepts the condition of the Subject Trackage AS IS WHERE IS and Owner shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated. Owner does not guarantee that operations over the Subject Trackage will not be interrupted. Owner shall take all reasonable steps to ensure that any interruptions will be kept to a minimum. Furthermore, except as may be otherwise provided in Section 6 and Section 12 hereof, User shall not by reason of failure or neglect on the part of Owner to maintain, repair, or renew the Subject Trackage, have or make any claim or demand against Owner or its parent corporation, subsidiaries or affiliates, or their respective directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by User resulting from any such failure or neglect

6.2 Owner shall also perform, at the expense of User, such additional maintenance as User may reasonably require or request.

SECTION 7.0 CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

7.1 Existing connections or facilities which are jointly used by the Parties under existing agreements or practices shall continue to be maintained, repaired, and renewed by and at the expense of the Party or Parties responsible for such maintenance, repair, and renewal under such agreements or practices.

7.2 Any additional connections to the Subject Trackage which may be required by User shall be subject to the Owner's approval (including design), which shall not be unreasonably withheld or delayed, and shall be constructed, maintained, repaired, and renewed as follows:

(i) User or others shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost, liability and expense such portions of the tracks located on the right-of-way of User or others which connect the respective lines of the Parties; and

(ii) Owner shall furnish all labor and material and shall construct, maintain, repair, and renew at the sole cost, liability and expense of User such portions of the tracks located on the right-of-way of Owner which connect the respective lines of the Parties.

(iii) Upon termination of this Agreement, Owner may at its option remove such portion of trackage and appurtenances located on property of Owner, at the sole cost and expense of User. The salvage material removed shall be released to User or, as otherwise agreed upon, Owner will credit User the current fair market value for said salvage.

SECTION 8.0 ADDITIONS, RETIREMENTS AND ALTERATIONS

8.1 Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Subject Trackage as shall, in its

judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Subject Trackage and such retirements shall be excluded from the Subject Trackage.

8.2 If User requests Owner to make changes in or additions and betterments to the Subject Trackage, including without limitation changes in communication or signal facilities, for purposes required to accommodate User's operations beyond that required for Owner's operation, Owner shall make such changes in or additions and betterments to the Subject Trackage and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing, and renewing such additional or altered facilities.

SECTION 9.0 MANAGEMENT AND OPERATIONS

9.1 When operating over the Subject Trackage, User's locomotives and crews will be equipped to communicate with Owner on radio frequencies normally used by Owner in directing train movements on the Subject Trackage.

9.2 Procedures for qualification and occupancy of the Subject Trackage will be arranged by the local supervision of each carrier. All control and usage will be subject to the approval of Owner's representative or his designee.

9.3 Before its locomotives enter onto the Subject Trackage, User shall request permission from Owner's dispatcher or other designated representative at Owner's rail traffic control center or such other location as Owner may designate. Further, User shall ascertain that said Subject Trackage is clear and shall await confirmation from said representative that such permission has been issued to allow User's movements on or over the Subject Trackage. Upon completing its operations and clearing the Subject Trackage, User will notify Owner's designated representative that it has completed its operations and that its equipment has cleared the Subject Trackage. Once User has notified Owner's representatives that it has cleared the Subject Trackage, User shall not reenter the Subject Trackage without again obtaining permission from Owner's representative. User shall provide and maintain at its expense all communication facilities needed as may be required by Owner to permit User to use Owner's trackage.

9.4 User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

9.5 User, in its use of the Subject Trackage, will comply in all respects with the safety rules, operating rules and other regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized freight speeds as provided by Owner's operating rules and regulations

without the prior consent of Owner. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all their directors, officers, agents and employees from and against all liabilities when attributable to the failure of User to comply with the provisions of this subsection.

9.6 All employees of User engaged in or connected with the operations of User on or along the Subject Trackage shall be required to pass periodic examinations on the rules of Owner related to the Subject Trackage, provided, with respect to such examinations that, upon request of User, Owner shall qualify one or more of User's supervisory officers on Owner's rules and such supervisory officer or officers so qualified shall examine all employees of User engaged in or connected with User's operations on or along the Subject Trackage. Pending qualification of train and engine crews of User, Owner shall furnish a pilot or pilots, at the expense of User, as deemed necessary by Owner, to assist in operating trains of User over the Subject Trackage. User shall pay to Owner, upon receipt of bills therefore, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner to be properly qualified for operation as herein contemplated.

9.7 Owner may request an investigation at its option if User's employee working on Owner's property is alleged to have violated Owner's rules, regulations, orders, practices or instructions, or if an incident occurs which requires an investigation under applicable agreement rules. User will schedule the investigation and notify Owner's Local Transportation Officer in the territory. User's scheduling of the investigation must comply with the time limits provided in the applicable agreement on User's railroad. Owner will provide its regulations, supplements, and safety rules to User at no cost.

9.8 If Owner requests an investigation, Owner shall have the right to exclude from the Subject Trackage any employee of User, except officers, determined by Owner as the result of Owner's investigation or hearing described below, to be in violation of Owner's rules, regulations, orders, practices or instructions.

9.9 In a major offense including, but not limited to, violation of Rule G, dishonesty, insubordination, or a serious violation of operating rules or other offenses of comparable magnitude, wherein Owner desires to bar User's employee from service on Owner's territory pending an investigation by Owner, immediate verbal notification will be given to the appropriate Transportation Officer of User so that proper written notice can be issued to the employee.

9.10 If Owner requests an investigation, an Officer of User will conduct the investigation, but an officer of Owner may be present. After the investigation is concluded, a Transportation Officer of User will arrange to assess discipline, within the applicable time limits. If Owner recommends dismissal, User reserves the right to change the recommendation to the extent of barring the individual from operating over Owner's territory. User shall release, indemnify, defend and save harmless Owner and its officers, agents and employees from and against any and all claims and expenses resulting from such exclusion.

9.11 If the disciplinary action is appealed by the employee of User to the National Railroad Adjustment Board or other tribunal lawfully created to adjudicate such cases, and if the decision of such board or tribunal sustains the employee's position, such employee shall not be barred from service on the Subject Trackage by reason of such occurrence (unless an arbitration concerning such matter is held pursuant to this Agreement and this arbitration upholds Owner's continued exclusion of such employee).

9.12 It is understood that Owner shall reimburse User for all payments that User might

be required to make as a result of a successful challenge being made by the employee or his representative as to the discipline recommended by Owner and assessed by User. User agrees to notify Owner before committing itself to making payment of any claim. In the event a claim is progressed to an Adjustment Board, Owner will be given an opportunity to review User's submission. Any payments made to employees, as a result of an investigation being "overturned", shall include not only actual wages, but in addition, shall include expenses which User may be required to pay covering vacation allowances, Railroad Retirement taxes, unemployment insurance taxes and any other payroll tax or fringe benefits.

9.13 The trains, locomotives, cars, and equipment of User, Owner, and any other present or future user of the Subject Trackage or any portion thereof shall be operated on a first come, first service basis without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic. Owner does not guarantee or otherwise promise to provide any particular transit or running times over the Subject Trackage. Further, Owner does not guarantee or otherwise promise that operations over the Subject Trackage will not be interrupted. However, Owner shall make best efforts to ensure that any interruptions will be kept to a minimum.

9.14 If by reason of any mechanical failure, insufficient hours of service remaining among User's crew, or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled or unable to proceed under its own power, or fails to maintain the speed required by Owner on the Subject Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Subject Trackage, Owner shall have the option to furnish motive power or such other assistance (including but not limited to the right to recrew User's train) as may be necessary to haul, help, or push such trains, locomotives, or cars, or to properly move the disabled equipment off the Subject Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

9.15 If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, such work shall be done by Owner and User shall reimburse Owner for the cost thereof.

9.16 In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the Parties shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

SECTION 10.0 MILEAGE AND CAR HIRE

All mileage and car hire charges accruing on cars in User's account in User's trains on the Subject Trackage shall be assumed by User and reported and paid by it directly to the owner of such cars.

SECTION 11.0 CLEARING OF WRECKS

Whenever User's use of the Subject Trackage requires rerailing, wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost, liability and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever or any damage to or destruction of the environment

whatsoever, including without limitation land, air, water, wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Section 12 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck shall be promptly delivered to User.

SECTION 12.0 LIABILITY

12.1 The responsibility and liability between the Parties for: (i) any personal injury or death of any person (including employees of the Parties and third parties), (ii) any real or personal property damage of any person (including property of the Parties and third persons), (iii) any damage or destruction to the environment (including land, air, water, wildlife and vegetation), and (iv) all cleanup and remedial expenses, court costs, litigation expenses and attorney's fees resulting from the use of the Subject Trackage by the Parties or by third party users, all of which are collectively referred to as a "Loss", will be divided as follows:

(a) If a Loss results from the use of the Subject Trackage solely by the trains and locomotives of one of the Parties, then that using Party shall be solely responsible for the Loss, even if caused partially or completely by the other Party.

(b) If a Loss results from the use of the Subject Trackage by the trains and locomotives of both CN and CSXT, then: (i) each of CN and CSXT is solely responsible for any Loss to its own employees, locomotives and equipment in its own account including lading and (ii) CN and CSXT are equally responsible for any Loss to the Subject Trackage and Loss sustained by third parties, regardless of the proportional responsibility between or among them as to the cause of the Loss.

(c) If a Loss results from the use of the Subject Trackage by trains and locomotives of both CN and any other third party user of the Subject Trackage not a party to this Agreement, then CN's responsibility for the Loss shall be apportioned in the manner specified in Subsection (b) with the other third party user being considered CSXT for the purpose of determining CN's share of that portion of the Loss which it must assume.

(d) Whenever any liability, cost, or expense is assumed by or apportioned to any Party under the foregoing provisions, that Party shall forever protect, defend, indemnify, and save harmless the other Party and its subsidiaries and affiliates, and all of its respective directors, officers, agents, and employees from and against that liability, cost, and expense assumed by that Party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.

(e) In every case of death or injury suffered by an employee of any Party, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said Parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such Party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

(f) For purposes of determining liability, pilots furnished by CSXT to CN pursuant to this Agreement shall be considered as the employees of CN while such employees are on board or getting on or off trains of CN.

(g) If any suit or action shall be brought against any Party for damages which under the provisions of the Agreement are in whole or in part the responsibility of the other Party, said other Party shall be notified in writing by the Party sued, and the Party so notified shall have the right and be obligated to take part in the defense of such suit and shall pay a proportionate part of the judgment and cost, expense and attorneys' fees incurred in such suit according to its liability assumed hereunder.

(h) In the event of a Loss as set out herein, the Parties shall be bound by the Freight Claim Rules, Principles, and Practices of the Association of American Railroads (AAR) as to the handling of any claims for the loss or damage to lading.

(i) Notwithstanding the provisions of Section 18.5 of this Agreement, for the purposes of this Section 12 the word "equipment" shall mean and be confined to (i) trains, locomotives, cars and cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Subject Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Subject Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.

(j) For the purpose of determining liability associated with construction, maintenance, repair and renewal of connections as provided in Section 7, all work performed by Owner shall be deemed performed for the sole benefit of User and, User shall be fully liable for all cost and expense of any and all loss, damage, destruction, injury and death resulting from, arising out of, incidental to or occurring in connection with said construction, maintenance, repair and renewal except when such cost and expense of loss, damage, destruction, injury or death is caused by the sole negligence of Owner. User shall protect, indemnify, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against any and all expense and liability for which User is responsible.

SECTION 13.0 INVESTIGATION AND CLAIMS

13.1 Except as provided in Subsection 13.2 hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the Party bearing the liability, cost, and expense therefor under the provisions of this Agreement.

13.2 Each Party will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11706 and 49 C.F.R. Part 1005 (or any revised or substitute regulations adopted to modify, supplement or supersede the regulations herein provided), or in accordance with any applicable transportation contract entered into pursuant to 49 U.S.C. Section 10709.

13.3 In the event a claim or suit is asserted against Owner or User which is the other's duty hereunder to investigate, adjust, or defend, then, unless otherwise agreed, such other Party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.

13.4 All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time employees, including claim agents, attorneys, and other employees of either Party engaged directly or indirectly in such work shall be borne by such Party.

13.5 Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Part 1005 or similar regulation, neither Party shall settle or compromise any claim, demand, suit, or cause of action for which the other Party has any liability under this Agreement without the concurrence of such other Party if the consideration for such settlement or compromise exceeds thirty-five thousand dollars ($35,000).

13.6 Each Party agrees to indemnify and hold harmless the other Party and its parent corporation, subsidiaries and affiliates, and all their respective directors, officers, agents and employees from and against any and all costs and payments, including benefits, allowances and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of its own employees, pursuant to a collective bargaining agreement. It is the intention of the Parties that each Party shall bear the full costs of protection of its own employees under employee protective conditions which may be imposed, and of grievances filed by its own employee arising under its collective bargaining agreements with its employees.

13.7 It is understood that nothing in this Section 13 shall modify or waive the conditions, obligations, assumptions or apportionments, or supersede the provisions of Section 12 hereof.

SECTION 14.0 DEFAULT AND TERMINATION

14.1 In the event of any substantial failure on the part of User to perform its obligations under this Agreement and its continuance in such default for a period of sixty (60) days after written notice thereof by certified mail from Owner, Owner shall have the right at its option, after first giving thirty (30) days' written notice thereof by certified mail; and notwithstanding any waiver by Owner of any prior breach thereof, to terminate the Trackage Rights and User's use of the Subject Trackage.

SECTION 15.0 DISPUTE RESOLUTION

15.1 If at any time a question or controversy shall arise between the Parties in connection with this Agreement upon which the Parties cannot agree, either Party shall have the right to require a meeting of designated representatives with authority to settle the matter within 30 days of written notice of a desire to meet; if it cannot be resolved within 30 days of the meeting of the Parties, then the aggrieved Party may demand arbitration. Unless other procedures are agreed to by the Parties, arbitration between the Parties pursuant to this Section 15 shall be governed by the rules and procedures set forth in this Section 15. For all purposes, this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, regardless of its conflicts of law's principles.

15.2 If the Parties to the dispute are able to agree upon a single competent and disinterested arbitrator within twenty (20) days after written notice by one Party of its desire for arbitration to the other Party, then the question or controversy shall be submitted to and settled by that single arbitrator. Otherwise, any Party (the notifying Party) may notify the other Party (the noticed Party) in writing of its request for arbitration, including with notice its appointment of one arbitrator. Within twenty (20) days after receipt of said notice, the noticed Party shall appoint an arbitrator and notify the notifying Party in writing of such appointment. Should the noticed Party fail within twenty (20) days after receipt of such notice to appoint its arbitrator, said arbitrator may be appointed by the American Arbitration Association, which shall designate said appointment from the CPR Panel of Distinguished Neutrals, or other similar body of competent neutral arbitrators which may be agreed upon between the Parties, upon application by either Party after ten (10) days' written notice to the other Party. The two arbitrators so chosen shall select one additional arbitrator to complete the board. If the arbitrators so chosen fail to agree

upon an additional arbitrator, the same shall, upon application of a Party, be appointed in the same manner hereto before stated.

15.3 Upon selection of the arbitrator(s), said arbitrator(s) shall, with reasonable diligence, determine the questions as disclosed in said notice of arbitration, shall give both Parties reasonable notice of the time and place (of which the arbitrator(s) shall be the judge) of hearing evidence and argument, may take such evidence as the arbitrator(s) shall deem reasonable or as either Party may submit with witnesses required to be sworn, and hear arguments of counsel or others. If an arbitrator declines or fails to act, the Party (or Parties in the case of a single arbitrator) by whom the arbitrator was chosen or the American Arbitration Association, as the case may be, shall appoint another to act in the arbitrator's place.

15.4 After considering all evidence, testimony and arguments, said single arbitrator or the majority of said board of arbitrators shall promptly state such decision or award and the reasoning for such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. The award rendered by the arbitrator(s) may be entered as a judgment in any court in the United States of America having jurisdiction thereof and enforced as between the Parties without further evidentiary proceeding, the same as entered by the court at the conclusion of a judicial proceeding in which no appeal was taken. Until the arbitrator(s) shall issue the first decision or award upon any question submitted for arbitration, performance under this Agreement shall continue in the manner and form existing prior to the rise of such question. After delivery of said first decision or award, each Party shall forthwith comply with said first decision or award immediately after receiving it.

15.5 Each Party to the arbitration shall pay all compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all Parties to the arbitration.

15.6 The Parties may obtain discovery and offer evidence in accordance with the Federal Rules of Civil Procedure Rules 26 - 37, and Federal Rules of Evidence, as each may be amended from time to time.

SECTION 16.0 REGULATORY APPROVAL

16.1 Should implementation of this Agreement require the prior approval and authorization of the STB, User, at its own cost and expense, will initiate and thereafter diligently prosecute an action to obtain such approval and authorization or an exemption therefrom. Owner will assist and support efforts of User to obtain any such required approval and authorization or exemption.

16.2 Each Party shall assume and hold the other Party harmless from all claims by their respective employees predicated on loss of, or adverse impact on, compensation, benefits or working conditions arising from this Agreement or the activities of the Parties hereunder, whether such claims are based on conditions imposed by the STB or predicated on the Railway Labor Act or labor agreements.

SECTION 17.0 ABANDONMENT OF SUBJECT TRACKAGE

17.1 Notwithstanding the provisions of Section 21 of this Agreement, Owner may abandon or discontinue service over the Subject Trackage during the term of this Agreement, or any renewals hereof, upon giving User not less than ninety (90) days' written notice of Owner's intent to abandon or discontinue service. In the event regulatory authority is required to effect

such abandonment or discontinuance of service, User will not interfere with Owner's actions to seek and to exercise such authority. In the event regulatory authority is required for User to discontinue its own operations over the Subject Trackage, User will seek and diligently pursue such regulatory authority at the same time that Owner seeks regulatory authority to abandon or discontinues service over the Subject Trackage, or as soon thereafter as User may do so in accordance with applicable statutes and regulations. User shall exercise its authority to discontinue its operations pursuant to this Agreement upon the date established by Owner for abandonment of or discontinuance over the Subject Trackage by its aforesaid notice to User, or upon the earliest authorized date of exercise of the regulatory authority to discontinue operations, whichever is later. If regulatory authority for discontinuance of User's operations is not required, User shall discontinue its operations hereunder on the date that Owner is authorized to abandon or discontinue service over the Subject Trackage. Upon discontinuance of User's operations, this Agreement shall terminate and be of no further force and effect, except that termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred prior to said termination As used herein, Subject Trackage means the entire Subject Trackage or any portion or portions thereof.

17.2 User may seek discontinuance authority at any time, regardless of whether Owner has or is seeking abandonment authority.

SECTION 18.0 GENERAL PROVISIONS

18.1 This Agreement and each and every provision hereof are for the exclusive benefit of the Parties and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the Parties.

18.2 All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

18.3 This Agreement and the attachments annexed hereto and integrated herewith contain the entire agreement of the Parties and supersede any and all oral understandings between the Parties.

18.4 No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both Parties.

18.5 As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of, one of the Parties such expression means the trains, locomotives, cars, or equipment in the possession of or operated by one of the Parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such Party. Whenever such locomotives, cars or equipment are owned or leased by one Party and are in the possession or account of the other Party, such locomotives, cars, and equipment shall be considered those of the other Party under this Agreement.

18.6 All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.

18.7 This Agreement is the result of mutual negotiations of the Parties, neither of whom shall be considered the drafter for purposes of contract construction.

18.8 Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be

necessary or appropriate for a Party to enforce its rights under this Agreement, during the initial and any renewal term of this Agreement, all commercial information to which access is provided or obtained hereunder will be kept confidential and will not be disclosed by either CN or CSXT to any party other than CN's and CSXT's affiliates and the respective officers, employees, and attorneys of those affiliates, without the prior written approval of the other Party.

SECTION 19.0 SUCCESSORS AND ASSIGNS

19.1 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. No Party shall transfer or assign this Agreement, or any of its rights, interests, or obligations hereunder, by merger or otherwise, to any person, firm, or corporation without obtaining the prior written consent of the other Party provided, however, such consent shall not be unreasonably withheld.

SECTION 20.0 NOTICE

20.1 Any notice required or permitted to be given by one Party to the other under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the Parties may mutually agree, and shall be addressed as follows:

If to Owner:

Director, Network Planning
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

If to User:
Region Director Contracts and Administration
CN
17641 South Ashland Avenue
Homewood, IL 60430

20.2 Either Party may provide changes in the above addresses to the other Party by personal service or certified mail.

SECTION 21.0 COMMENCEMENT, TERM AND TERMINATION

21.1 This Agreement shall take effect immediately upon the later of (i) CSXT's acquisition of the Elsdon Easement, or (ii) the effective date of any required regulatory approvals, and shall be evidenced by an exchange of correspondence between the appropriate operating officers of the Parties. The date that User commences operations over the Subject Trackage pursuant to this Agreement shall be referred to herein as the "Commencement Date", and shall be evidenced by an exchange of correspondence between the appropriate officers of the Parties.

21.2 This Agreement shall continue in full force and effect for a period of twenty (20) year(s) from the Commencement Date, and shall continue in full force and effect, subject to renewal by either Party, for an unlimited number of additional ten (10) year terms, provided, however, CN has the right to terminate this Agreement upon giving CSXT a thirty (30) day advance written Notice.

21.3 Termination of this Agreement shall not relieve or release either Party from any obligations assumed or from any liability which may have arisen or been incurred by either Party under the terms of this Agreement prior to the termination hereof.

21.4 Upon termination or non-renewal of this Agreement for any reason, User shall within sixty (60) days initiate and thereafter diligently prosecute any action to obtain approval from the STB or other regulatory body having jurisdiction authorizing abandonment or discontinuance of the Trackage Rights herein granted. If User fails to file within (60) days, User hereby expressly authorizes Owner to file with the STB, or other regulatory body having jurisdiction, on behalf of User to abandon or discontinue the Trackage Rights granted hereunder, and User further agrees to reimburse Owner for all reasonable costs incurred in doing so.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate as of the day and year first hereinabove written.

WISCONSIN CENTRAL LTD,
ILLINOIS CENTRAL RAILROAD COMPANY
ELGIN, JOLIET AND EASTERN RAILROAD COMPANY

WITNESS **CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY**

_____ **By:** _____

Paul E. Ladue
Region Director Contracts & Administration

Date: _____

WITNESS **CSX TRANSPORTATION, INC.**

By: _____

Christopher Maffett
Director, Network Planning

Date: _____

Exhibit A

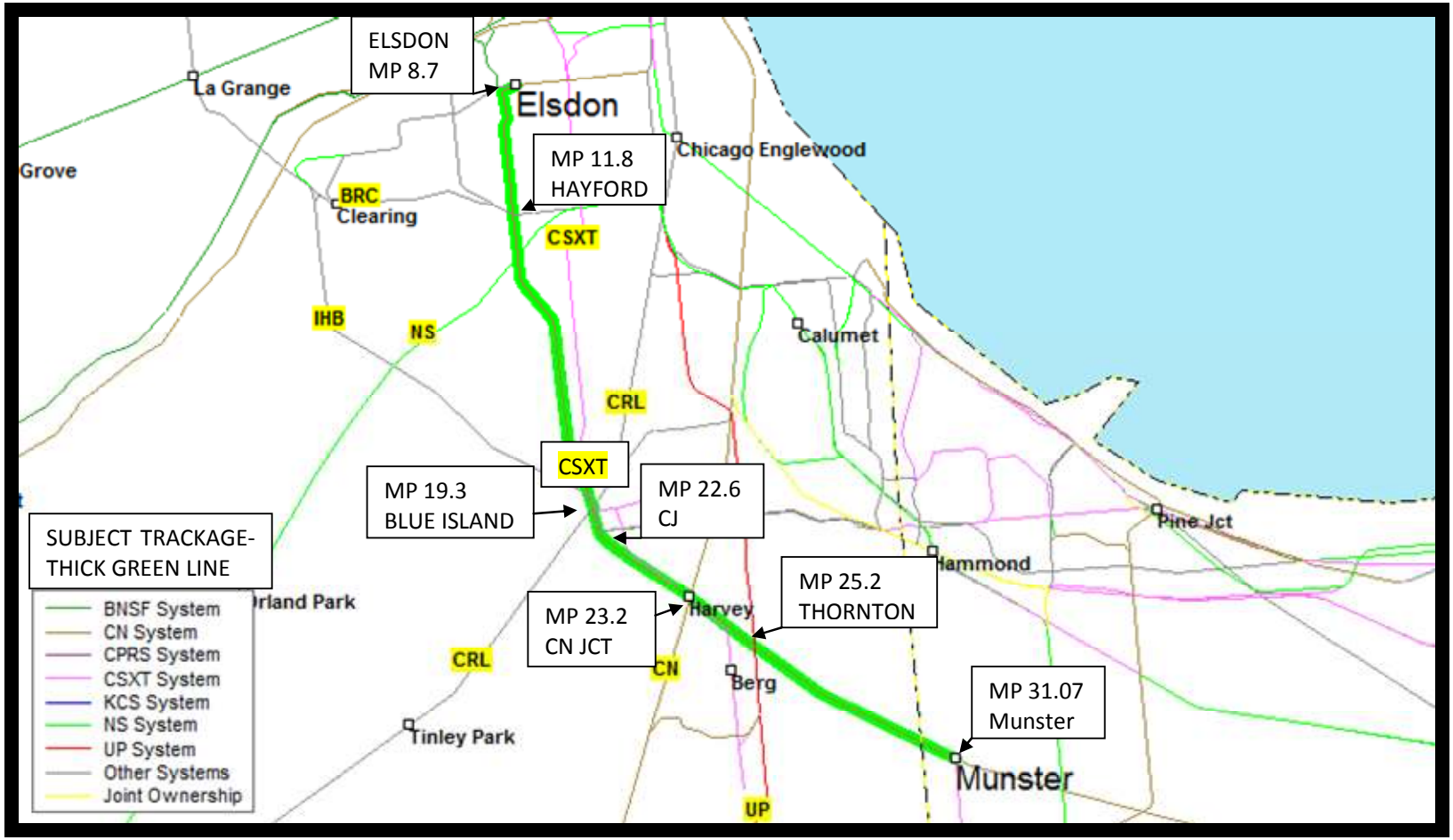

ELSDON
MP 8.7
Elsdon
La Grange
Grove
BRC
Clearing
MP 11.8
HAYFORD
Chicago Englewood
CSXT
IHB
NS
Calumet
CRL
CSXT
MP 19.3
BLUE ISLAND
MP 22.6
CJ
SUBJECT TRACKAGE-
THICK GREEN LINE
BNSF System
CN System
CPRS System
CSXT System
KCS System
NS System
UP System
Other Systems
Joint Ownership
Pine Jct
Hammond
MP 25.2
THORNTON
MP 23.2
CN JCT
Harvey
CRL
CN
Berg
MP 31.07
Munster
Tinley Park
Munster
UP

EXHIBIT 3

CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Docket No. FD 35522 (Sub-No. 2)

CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY, ELGIN, JOLIET AND EASTERN RAILWAY COMPANY, ILLINOIS CENTRAL RAILROAD COMPANY, AND WISCONSIN CENTRAL LTD.
– TRACKAGE RIGHTS EXEMPTION –
CSX TRANSPORTATION, INC.

CSX Transportation, Inc. ("CSXT"), has agreed to grant overhead and local trackage rights to Chicago, Central & Pacific Railroad Company, Elgin, Joliet and Eastern Railway Company, Illinois Central Railroad Company, and Wisconsin Central Ltd. (collectively, "Petitioners") over approximately 22.37 miles of CSXT's Elsdon Subdivision between the connection of CSXT's line with Grand Trunk Western Railroad Company's line at or near milepost 31.07 in Munster, IN, and the connection of CSXT's line with the southern end of BNSF Railway Company's ("BNSF") Corwith Yard at or near milepost 8.7 at Elsdon, IL.

The rights being granted by CSXT include the rights of Petitioners to enter and exit the subject trackage at (1) CSXT's connection with GTW at or near milepost 31.07 (Munster) on CSXT's Elsdon Subdivision in Munster, IN; (2) CSXT's connection with Union Pacific Railroad Company at or near milepost 25.2 (Thornton Junction) on CSXT's Elsdon Subdivision in Thornton, IL; (3) CSXT's connection with IC at or near milepost 23.2 (CN Junction) on CSXT's Elsdon Subdivision in Harvey, Ill; (4) CSXT's connection with IC at or near milepost 22.6 (CJ) on CSXT's Elsdon Subdivision in Harvey, IL; (5) CSXT's connection with Indiana Harbor Belt Railroad Company ("IHB") at or near milepost 19.3 (B.I. Junction) on CSXT's Elsdon Subdivision in Blue Island, IL; (6) CSXT's connection with The Belt Railway Company of Chicago at or near milepost 11.8 (Hayford Junction) on CSXT's Elsdon Subdivision in Chicago, IL; (7) CSXT's connection to GTW at or near milepost 8.7 on CSXT's Elsdon Subdivision in Elsdon, IL; (8) CSXT's connection with BNSF at or near milepost 8.7 on CSXT's Elsdon Subdivision; (9) CSXT's connection with IHB at or near milepost 8.7 on CSXT's Elsdon Subdivision; and (10) any other existing or new location(s) that the parties may mutually agree upon.

The trackage rights will become effective immediately upon the later of (1) CSXT's acquisition of an easement over the subject trackage, or (2) the effective date of any regulatory approvals required for the trackage rights.

This notice is filed under 49 C.F.R. § 1180.2(d)(7). Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction.

Dated: _____

By the Board.

Rachel D. Campbell
Director, Office of Proceedings